



SIBUR HOLDS SUPPLIER DAY

The event's special focus was on the Company's initiatives in engaging its partners on sustainability agenda.

In September 2020, SIBUR's 4th annual Supplier Day took place, attended by about 200 people and more than 100 of SIBUR's strategic partner companies. The key topics of the meeting included managing operations in a COVID-19 environment, procurement automation, digitisation of partnerships and our relationships with suppliers in the context of SIBUR's sustainability strategy.

PARTICIPANTS DISCUSSED IN DETAIL THE MOST PRESSING ISSUES FACED BY THE RUSSIAN PETROCHEMICALS SECTOR TODAY – THE FALLOUT FROM THE COVID-19 PANDEMIC, THE IMPACT OF A CIRCULAR ECONOMY, NEW CAPACITY ADDITIONS AND THE SITUATION IN THE COMMODITY MARKETS

"At events like these, we talk about where our procurement function and SIBUR as a whole are headed. Together with our invited colleagues, we think about how to make our collaboration even more effective," says Mikhail Kiryanov, Head of Materials Procurement at SIBUR LLC. "We invite both our long-standing partners and the companies we are just starting to establish relationships with. We welcome expertise and feedback from all participants."

This year, the most pressing concerns for suppliers were related to the Company's current and planned projects, as well as participation in SIBUR's competitive bidding procedures. SIBUR representatives informed the attending partners that the Company's investment projects were still going ahead, with many of them currently in the active phase.

Participants also discussed in detail the most pressing issues faced by the Russian petrochemicals sector today – the fallout from the COVID-19 pandemic, the impact of a circular economy, new capacity additions and the situation in the commodity markets.

Another challenge for the petrochemical industry is the trend towards stricter environmental regulation. Special emphasis was placed on SIBUR's initiatives to engage suppliers on sustainability. The topics covered included environmental, social and economic risk management, as well as lessons learned from experience in applying relevant best practices. "By 2025, SIBUR will have assessed at least 10% to 15% of its chemical product suppliers against sustainability criteria," comments Evgenia Klochkova, an expert at SIBUR LLC. "Some elements of a sustainable supply chain have already been embedded into the Company's procurement. This year, we piloted supplier assessments using the international EcoVadis rating methodology, with sustainability criteria also included in our field

audit checklists. In the future, the Company plans to implement the Counterparty Code of Conduct, develop an approach to assessing greenhouse gas emissions and climate risks in the supply chain, and share its proprietary training course on sustainability with partners.”

AS PART OF THE PARTNERSHIP DEVELOPMENT PROJECT, PARTICIPANTS LEARNT ABOUT THE BENEFITS OF ELECTRONIC DOCUMENT MANAGEMENT AND THE NEW FUNCTIONALITIES OF SAP SRM, WHICH HAS BEEN IMPROVED TO ACCOMMODATE THE WISHES VOICED BY SUPPLIERS AT LAST YEAR'S EVENT

As part of the partnership development project, participants learnt about the benefits of electronic document management and the new functionalities of SAP SRM, which has been improved to accommodate the wishes voiced by suppliers at last year's event. The system's objective is to optimise and automate a number of processes, ensuring effective communication between partners and making collaboration more comfortable. The updated SRM's extensive functionality allows us to conduct supplier assessments, provide feedback and build a single database of technical audits.

This interaction format, which involves partners sharing feedback and opinions on a number of key issues, has a positive impact on the productivity of all process stakeholders. “Some of our suppliers – for example the major valves manufacturer Gusar – also implement certain activities and processes at their sites following these meetings, such as electronic document management or shipment tracking,” says Mikhail Kiryanov.

This year, Supplier Day was held in an online format for the first time due to the pandemic. Still, this interaction format also has a number of indisputable advantages: for example, it saves working time and resources spent on business trips, while providing the opportunity to join a meeting regardless of where the company or employee is located. Pro-active supplier engagement is part of SIBUR's sustainability strategy. Effective communication between partners, a deep understanding of the specifics of goals and objectives and the search for best ways to cooperate will drive the companies' further growth.