



SUSTAINABLE DEVELOPMENT AND ESG INDICES

Head of Environment Galina Khristoforova spoke about introducing a sustainability strategy at the Company.

In February 2020, the Vedomosti business daily held its second Sustainable Development and ESG Indices annual conference. The event played host to representatives from industry regulators, managers of relevant departments, top management of major companies, as well as consultants and analysts.

IN INTRODUCING ITS OWN SUSTAINABILITY STRATEGY, SIBUR IS FOCUSED ABOVE ON ITS ALIGNMENT WITH THE UN SUSTAINABLE DEVELOPMENT GOALS, AND ON GLOBAL BEST PRACTICES IN THIS AREA, TAKING INTO ACCOUNT THE SPECIFIC DEMANDS OF THE PETROCHEMICAL INDUSTRY, AND OF SIBUR'S PRODUCTION ASSETS IN PARTICULAR

During the Vedomosti conference, leading experts reviewed the practical use of ESG indices, how they can help with the fair evaluation of a business' contribution to societal and environmental development, and how Russian sustainability indices can help Russian companies in strengthening their brands and reputations.

The panel on the Corporate Vector for Developing Environmental Agenda was dedicated to the discussion of corporate environmental programmes, research on ecosystem protection and restoration, the problems around building social and environmental management systems, as well as innovations which have the potential to reduce the environmental footprint of operations.

During her presentation, Galina Khristoforova, Head of Environment at SIBUR, spoke about how a sustainability strategy was being implemented at her company.

"In introducing its own sustainability strategy, SIBUR is focused above on its alignment with the UN Sustainable Development Goals, and on global best practices in this area, taking into account the specific demands of the petrochemical industry, and of SIBUR's production assets in particular," she said.

The implementation of this strategy is one of the metrics of effective management. "Improving the environmental performance of operations and products, and the transition to a circular economy are high on SIBUR's ESG agenda – today these aspects are the driving force behind major petrochemical players' decision to change their business models," she continued.

According to the speaker, the Company's comprehensive efforts in enhancing the environmental performance of its operations and

adopting the best available technologies are systemic in nature, and have been ongoing for more than just a year.

Over the last 10 years, a total of RUB 22 billion has been invested in protecting the environment. This momentum will allow SIBUR to further improve its environmental record by 2025. This task will not only involve employees, but also outsourcing to other organisations. “Our comprehensive efforts have not only been appreciated by the rest of the industry, but also rated by ESG agencies. The company has significantly improved its ratings with RAEX Europe, MSCI and CDP, based on its performance in 2020,” stated Khristoforova.

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The speaker also noted that it is not just important for SIBUR to improve the environmental performance of its operations, but also for the Company to enhance the environmental performance of its products: “Overall, our focus on the environmental friendliness of our products meets our clients’ expectations while also highlighting the fact that polymers hold great potential for the circular economy, since they can be recycled.”

Citing examples from SIBUR’s Environmental Policy, Galina Khristoforova mentioned that polymers are produced as a result of the deep processing of associated gas, which prevents flaring. Over the past 15 years, SIBUR has processed approximately 300 billion cubic metres of associated gas, preventing almost 0.9 billion tonnes of greenhouse gas emissions.

“According to experts, the production of polymers is characterised by lower per-unit impact on the environment compared to alternative materials, and ZapSibNeftekhim is a clear example of this,” noted Khristoforova. In addition, the ongoing Amur GCC project uses even tougher standards for the environmental performance of operations and products. “AGCC has set new environmental standards both in Russia and internationally, thanks to its use of renewables, as well as carbon footprint monitoring and control from early on in the construction phase. We are working towards this project becoming a genuinely green brand representing Russia’s manufacturing industry and a supplier of eco-friendly petrochemicals to consumers in the domestic and international markets,” the speaker summarised.

THE KEY TO SOLVING THE PLASTIC WASTE PROBLEM LIES IN CREATING INFRASTRUCTURE FOR RECYCLING PLASTIC, AND ROLLING OUT INITIATIVES TO PROMOTE THE DEVELOPMENT OF THIS INDUSTRY IN RUSSIA

Galina Khristoforova went on to address the problem of plastic waste and its solutions. Plastic waste takes a long time to decompose in natural conditions, although not as long as aluminium or glass containers. In her opinion, the problem can be solved through the reuse and recycling of polymers. SIBUR views recycled plastic first and foremost as a valuable raw material, and the key to solving the plastic waste problem lies in creating infrastructure for recycling plastic, and rolling out initiatives to promote the development of this industry in Russia. “One of SIBUR’s circular-economy projects is the manufacturing of green PET granules with recycled content at SIBUR’s POLIEF site in Bashkortostan,” continued Khristoforova. “The implementation of this project will allow SIBUR to gain leadership in the recycling market, and we expect to launch production by mid-2022,” she concluded.

Galina Khristoforova also gave an example of SIBUR’s efforts to align its sustainability agenda with the UN Sustainable Development Goals, citing its ambition on reducing the consumption of clean water. “Despite the fact that SIBUR enterprises are not located in water-stressed regions, the company has set a target of reducing its fresh water consumption by at least 5% and to reduce the amount of pollutants in wastewater by at least 40% by 2025,” she said. In order to achieve these targets, we work together with designers on every project to put together a customised wastewater treatment solution aligned with best available technologies. And again, ZapSibNeftekhim is a prime example of this. This design provided for a closed-loop wastewater treatment system with seven treatment stages. “This allows us to avoid withdrawing 8 million cubic metres of fresh water from the Irtysh River every year,” she highlighted.

“For Amur GCC, we are also developing closed-cycle production technology solutions,” said Galina Khristoforova, adding that, “local wastewater treatment facilities have been built on the majority of SIBUR’s smaller production sites in order to aid local water utilities responsible for monitoring wastewater water quality at the facilities they supply with water. In this way, SIBUR contributes to the rehabilitation of water bodies.”

