



IT IS IMPORTANT TO SEE SHIFTS IN DEMAND

Interview with Tatiana Vladimirova, Commercial Director of PolyER.

– How did PolyER cope with the crisis caused by the pandemic?

– In economic terms, we, of course, like everyone else, were not ready for such a shock. In the first months of the lockdown, some segments of the food industry were almost paralysed: HoReCa (hotels, restaurants, catering) ground to a halt, and sales actually fell to zero. Only food delivery services were operating – and then only in places where this segment was developed.

But we knew what to do: we tracked changes in the market, and analysed the developments. To get an understanding of the situation, we started communicating with customers a lot more, and to study the situation in their business segments. It was important for us to see and correctly assess shifts in demand in order to quickly provide products that were needed at that precise moment.



TATIANA VLADIMIROVA

Commercial Director of PolyER

The pandemic has triggered renewed demand for cost-effective container ranges that we had almost deprioritised, for example, single-use packaging. If you recall, disposable tableware was invented in the 1920s precisely in order to reduce the spread of epidemics. The pandemic, therefore, oddly enough, generally had a positive impact on the industry. And if back in 2019, the advantages of paper packaging, its environmental friendliness and the possible replacement of plastic were being discussed, the coronavirus dispelled all doubts. People have seen the value and important role of plastic packaging in protecting their health.



Ten years ago, packaging's only function was to protect. With the development of the food industry, it has become a tool for product positioning and even a means of communication with the consumer.

Hospitals and public offices have abandoned glassware and switched to disposable alternatives. We sent several truckloads of free packaging to 12 hospitals in the region, including Clinical Hospital No. 3 in Yaroslavl, which was repurposed to treat COVID-19 patients.

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In 2021, we showed a marginal growth of around 1%; however, we consider this percentage as a good result. In order to achieve it, a lot of work was done, and thanks to the timely safety measures taken during the pandemic, the company continued to operate without interruptions. We have not had a single serious incident affecting operations and, most importantly, we have never failed our customers with the delivery of products.

– Which market is now more important for the company's development: domestic or export?

– The domestic market is our priority. There is a significant logistics component to export sales. In addition, changes to European legislation in the packaging sector are not favourable to the development in this direction. However, the share of export sales is quite significant for the company, and we are not planning to reduce it.



Thanks to the prompt adoption of safety measures during the pandemic, PolyER was able to operate uninterrupted.

– Have you seen any shifts in consumer demands over the past 5 to 10 years? Which product qualities are most valued by customers?

– Ten years ago, protection was the only function of packaging. There were standard packaging solutions, and customers had no other requirements. With the development of the food industry, its upgrade, increased competition within the sector, changes in pace and lifestyle, packaging has become a tool for product positioning and even a tool of communication with the consumer. Everyone is aiming to have their own packaging with characteristics that suit precisely their product.

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If before, when communicating with customers, we tended to speak only with procurement and engineers, now no negotiations are complete without marketing and R&D teams. We have stories where both directors and owners of companies took a most active role in deciding which packaging to choose.

Like all market players, we are seeing growth in ready meals, ready-to-cook products, and delivery services. These are global trends. They are actively growing and require new packaging solutions.

– How is PolyER minimising the negative impact on the environment?

– We are using recyclable polymers in the production of packaging. These are PP, PET and already recycled PET flakes. At present, the share of PET flakes (RPET) in the total volume of the recycled polymers is more than 15%, and is constantly growing. In 2019, the company invested in equipment that allows recycled flakes to be pre-cleaned. Now we are much less dependent on the quality of incoming recyclable materials, and we fully separate, recover and recycle all of the process waste we produce.



PolyER is virtually the only player in the food packaging segment who has implemented an environmental management system certified to ISO 14001:2015.

Another area of focus is the use of effective energy-saving methods.

For example, our dry cooling system provides electricity savings of up to 280 thousand kWh per year. Recycling heat from air compressors and water coolers saves 400 Gcal per year. Process water is used in a closed-loop system.

The development and promotion of the HQ-offset decoration methods allow our customers to avoid using a combined packaging material (plastic + cardboard + PVC = label), instead using monomaterial, that is PP, whilst maintaining high image quality and at the same time reducing packaging costs.

About a year ago, together with Local Kitchen, we developed and implemented a fully recyclable eco-friendly food packaging made of SIBUR polypropylene. We took an existing packaging solution as a foundation and adapted it to customers' wishes as much as possible. Unlike standard market solutions, it reduces the weight and use of plastic by 20%; in addition, it provides many consumer benefits. In April, this case reached the final of the Effie Awards Russia 2021 competition and received a gold award in the Breakthrough in Marketing category. Eco-packaging turned out to be very popular in the market, other companies began to contact us, and then ecobox was put into mass production.

– The EU plans to introduce a carbon tax, which will soon affect Russia. Is PolyER taking this factor into account in its development plans?

– These processes were not unexpected for us. We have been following the development of this trend for the last 5 to 7 years, and we understand that it is important for society and as a socially and environmentally responsible company, we embrace and support these changes. Since 2017, the company has been paying environmental charges for its packaging. We are also almost the only players in the food packaging segment that have implemented an environmental management system certified to ISO 14001:2015.

We have already reduced the share of polystyrene, the least environmentally friendly polymer of our products, to 10% and are continuing in this direction. Unfortunately, it is not possible to do this instantly due to the specifics of clients' equipment. But together with our R&D partners, we are looking for new alternative solutions, conducting various tests, and working on new formulations.

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The most important thing is that it is a mutual process. We are seeing a desire from customers to move away from polystyrene: to change the packaging, to abandon non-recyclable polymers. We are actively involved in this process and are developing solutions directly for their products and equipment. This is an exciting and challenging collaborative effort!



All PolyER employees, without exception, have 24-hour access to free meals served in the company cafeteria.



LLC PolyER was founded in 1998 in the Yaroslavl Region. At a 60,000 sq m production site in Pereslavl-Zalessky, the company processes about 3,000 tonnes of plastic per month and produces 600 tonnes of plastic sheets and more than 300 million packaging containers. We have more than 700 employees.

– Social policy is one of the core principles of your company. Please tell us more about it.

– Effective social protection is a top priority for our President Vladimir Roush. Confidence in the future of the PolyER team is one of the most important parts of the company's success. For many years, employees and their families have been benefitting from voluntary health insurance policies with an extensive coverage. An annual summer beach vacation is organised for them. There is a full

programme of weekend excursions, scheduled two or three months in advance. A comfortable bus was purchased especially for such trips.

The company also pays for additional preschool education for employees' children. The best employees can enjoy free access to fitness clubs. Everyone without exception has access to free 24-hour meals that are served in a company cafeteria.

As for regional-level social projects, PolyER provides regular assistance with organising city events, landscaping parks and squares, and addressing municipal issues. Recently, the company paid for the repair of a CT scanner at the Pereslavskaia central district hospital. For many years, we have sponsored the local orphanage in Pereslavl-Zalessky and the Yam Church in the Pereslavsky District.

PolyER is the largest taxpayer in Pereslavl-Zalessky and one of the largest in the Yaroslavl Region. Governor Dmitry Mironov has already awarded us the title of the Best Enterprise in the Yaroslavl Region three times.