



## **A TREND TOWARDS SUSTAINABILITY**

In August 2020, SIBUR published its Sustainability Report 2019.

The report, presented to investors and the public, underlines that our key performance indicators are in line with SIBUR's 2025 Sustainability Strategy. Last year, SIBUR joined the UN Global Compact, which was approved in 2015 and set sustainable development goals. The Company has formulated its own five sustainability principles: responsible business practices, environmental protection, society and partnerships, sustainable product portfolio, and reducing climate impact.

For the first time, the public report focused on sustainability risks, responsible supply chains, human rights, diversity and equal opportunities for professional growth and advancement. Reducing the negative environmental impact is a strategic priority for SIBUR, with RUB 3.4 billion channelled towards that purpose in 2019.



*One of the winners of the Formula for Good Deeds contest, SIBUR's social investment programme.*

Despite the construction and launch of new production facilities, our Environmental Impact Index, which has been in a steady decline over the last five years, stood at 3.4 points. Energy consumption was down by 4.1 million GJ. We generated a total 63,800 tonnes of waste (no increase despite the Company's growth), with 30% sent for recycling.

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Fostering a zero-injury culture is another global challenge for sustainable business growth. The number of work-related injuries declined by 37% in 2019, with SIBUR's facilities operating with zero accidents for the second year in a row. Annual expenditures on occupational health and safety initiatives exceeded RUB 1 billion.

Our performance in HR management was also strong, with employee engagement increasing to 74%, twice as many women on the Management Board, and 74 new educational programmes, including the first online workshop on sustainability principles. HeadHunter, Russia's leading online recruitment platform, ranked SIBUR among the top three best employers in Russia in 2019.

In 2019, SIBUR's social investments were up by 65% year-on-year at over RUB 500 million. Our corporate charitable programme Formula for Good Deeds was expanded, and SIBUR's volunteering forum People Who Change the World became a milestone of the year by bringing together more than 200 participants from 23 Russian regions. Overall, 13% of SIBUR's employees were involved in volunteering projects in 2019.



*An art school was opened in Tobolsk with support from SIBUR.*

“We believe that the petrochemical industry at large and our Company in particular can make a great contribution to sustainability and creating innovative solutions for a circular economy,” Dmitry Konov, Chairman of the Management Board of PJSC SIBUR Holding, stated in the Report.

## **A strategy without borders**

Leading global corporations have accumulated extensive experience in the implementation of sustainable development programmes.





*A BASF plant in Ludwigshafen, Germany.*

BASF, the world's leading chemical company, became SIBUR's strategic partner in sustainable development. In December 2019, SIBUR and BASF signed a Memorandum of Understanding (MOU) formalising their partnership on the sustainable development and circular economy agenda.

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CORPORATE SUSTAINABILITY EFFORTS ARE BECOMING INTEGRAL TO LONG-TERM BUSINESS SUCCESS AND A STANDARD OF BUSINESS CONDUCT REQUIRED TO FOSTER RELATIONSHIPS WITH GOVERNMENT AGENCIES, LOCAL COMMUNITIES AND PARTNERS

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It was no coincidence, since BASF has more than 25 years of experience in sustainability. BASF's corporate commitments include responsible sourcing, efficient and safe production for people and the environment, and driving innovative solutions. The company set a global goal of growing CO<sub>2</sub>-neutrally until 2030 with 2018 as a base year. Last year, BASF's CO<sub>2</sub> emissions decreased by 8%. Dow, a multinational chemical corporation and long-standing SIBUR partner, also demonstrates strong sustainability performance. The company has published 17 sustainability reports. In its 2019 report, Dow announced its ambition to become carbon neutral by 2050; enable 1 million tonnes of plastic to be collected, reused or recycled by 2030; and enable 100% of Dow products sold into packaging applications to be reusable or recyclable by 2035. Dow supports environmental initiatives across the world. Dow's Project Butterfly works with non-profit environmental organisations and local communities in South Africa that tackle poor waste management through education and innovations in the separate collection and recycling of plastic waste. Dow became a founding investor in Circulate Capital Ocean Fund to finance projects that prevent plastic waste in oceans.

## **Good practice**

Environmental and social programmes, providing equal opportunities and an improved quality of life for employees, and a balance between economic growth and a concern for the future are integral to modern business. Sustainability principles today are well integrated into legislation in different states and in public international law. Judging by the trend, ignoring them is not an option.

Corporate sustainability efforts are becoming integral to long-term business success and a standard of business conduct required to foster relationships with government agencies, local communities and partners. As a leader of Russia’s chemical industry, SIBUR has been striving not only for economic performance, but also for the adoption of modern business practices for many years.



*Bird Territory – birdwatching competitions for schoolchildren in Tobolsk sponsored by SIBUR.*

“The systematic enhancement of our sustainability efforts is a long-term strategic priority, as is the improvement of our operational and financial performance. Our continued focus on making SIBUR’s operations more environmentally sustainable and innovative is clear proof that the petrochemical industry can be clean and safe,” Mikhail Karisalov, CEO of SIBUR, stressed in the Report.