



## **SIBUR AND BASF**

SIBUR and BASF have created a special committee to coordinate joint projects, a decision reflecting the increased partnership level between the companies. Their spokespeople talk about some of the most important initiatives.

SIBUR and BASF have enjoyed a long history of successful cooperation that has brought tangible benefits to both companies. Among the key projects is RusVinyl launched in 2014 as a joint venture of SIBUR and Solvay. BASF owned 25% in Solvay's subsidiary SolVin before selling its share to a partner company.

In 2013, BASF Plastic Additives signed a strategic partnership agreement with SIBUR, taking the cooperation between the companies to a new level. The arrangement included a contract to supply special chemicals used in the polyolefin and rubber production, as well as technical cooperation projects to expand the offering of product grades and improve product quality.



*Launched in 2014, RusVinyl is a joint venture of SIBUR and Solvay.*

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## NOTABLE PROJECTS PROVIDE FOR IMPLEMENTATION OF JOINT SUSTAINABLE DEVELOPMENT, ENVIRONMENTAL, AND RESPONSIBLE CARE STRATEGIES.

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Other notable projects provide for implementation of joint sustainable development, environmental, and Responsible Care strategies. Both companies have taken part in various chemical sector-related competitions, with BASF acting as SIBUR's strategic partner in the IQ Chem contest in 2017.

"SIBUR is rapidly developing – it has already outgrown the domestic market and is always on the lookout for best practices," says Pavel Skrylev, Head of BASF Plastic Additives in Russia and CIS. In June 2016, BASF arranged for a group of SIBUR executives to visit its headquarters in Ludwigshafen to exchange experience between various business units of the two companies. BASF and SIBUR are continuously seeking to expand their partnership, adding new projects to their cooperation portfolio.

This thriving partnership has prompted the sides to bring together all of their projects within a single structure to allow for centralised project management and control. Following the visit by SIBUR executives, the parties decided to create a coordinating committee, which convened in October 2016 to approve road maps for collaboration in a wide range of areas: additives for polymer production, catalysts, gas treatment systems, compressor oils, construction chemicals, and other. In total, over 30 projects were approved.



*In 2017, BASF acted as SIBUR's strategic partner in the IQ Chem contest.*

On SIBUR's side, the committee is headed by Pavel Lyakhovich, member of the Management Board and Managing Director, while BASF is represented by Christoph Roehrig, Head of BASF in Russia and CIS. The committee meets once a quarter to discuss action plans to deliver on a long list of initiatives. "Our discussions are always very frank and trustworthy. Of particular significance is cooperation in the areas that are not directly related to product supplies, including professional development, customer service models, IT, and other issues," Dmitry Stepkin, Head of Corporate R&D at SIBUR, said.

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**SIBUR HAS A STRATEGIC STAKE IN SEEING POLYMER PROCESSING GROW IN RUSSIA. THE GOAL IS EQUALLY IMPORTANT FOR BASF.**

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As they addressed the need to improve performance of sales managers, the companies have decided to create educational video materials, with accomplished sales managers from SIBUR and BASF sharing experience with their aspiring peers. These videos will be further used for employee training and professional development at both SIBUR and BASF.

Both companies are constantly looking for promising cooperation projects. Last year alone, SIBUR and BASF specialists met five times to share views on potential business opportunities, helping identify common interest in Industry 4.0, digitalisation of processes, and other prospective cooperation areas. "Joint engagements with SIBUR are indispensable for learning more about Russia's largest petrochemical company, its ongoing projects and development plans. They are also an invaluable information source on Russia's petrochemical market and specifically the polymer production sector," commented Pavel Skrylev. SIBUR is the industry leader with strong expertise in polymer production and the processing market. The company has a strategic stake in seeing polymer processing grow in Russia. The goal is equally important for BASF, creating synergy between the two companies and driving their efforts to develop the polymer industry in Russia.





*SIBUR's specialists are regular visitors to BASF's production sites.*

“Today, we can state with confidence that many years of partnership have resulted in greater trust between our companies that is essential for our continued cooperation, including in projects to create new popular grades,” commented Mr Stepkin.