



## SUSTAINABLE DEVELOPMENT AGENDA

SIBUR's speakers at the St Petersburg International Economic Forum held on 6–8 June focused on sustainable development initiatives.

Sustainable development took centre stage during the 23rd St Petersburg International Economic Forum (SPIEF). This year, the forum welcomed a record 19,000 guests from 145 countries and once again proved to be the platform for sharing the best practices and competencies.

The SPIEF 2019 featured over 230 events, with SIBUR participating in several major sessions as part of the forum's main programme.

---

PETROCHEMICAL MARKET, WHICH REACHED USD 4 TN GLOBALLY AND USD 63 BN IN RUSSIA ALONE LAST YEAR.

---

Dmitry Konov, Chairman of SIBUR Holding's Management Board, spoke at the session titled The ESG Race for USD 30 Trillion of Investment is On dedicated to environmental, social and governance (ESG) factors serving as new indicators of a company's ability to achieve sustainable growth and investor returns. He elaborated on the specifics of ESG assessment in the petrochemical industry and highlighted at least three areas underpinning SIBUR's status as an environmentally responsible company: the use of APG as feedstock to avoid flaring, safe production with minimal environmental footprint, and positive environmental impact of SIBUR's products throughout their life cycle. However, this circular cycle has a big gap, which is the insufficient and inadequate collection of recyclables. This places additional responsibility on all industry players pushing them to seek ways to nudge the supply chain participants towards the circular economy. "As the industry, we must be technologically prepared to process the collected polymer waste and bring it back into our production cycle. It is now one of our key priorities," said Dmitry Konov.



*Dmitry Konov at the session titled The ESG Race for USD 30 Trillion of Investment. Photo: Dmitry Feoktistov, TASS.*

Mikhail Karisalov, CEO of SIBUR, further addressed the much-needed shift in the public awareness about the circular economy in his speech during the panel session titled Reaction Rates: Trends in the Global Chemical Industry. The session participants discussed the present-day trends in the world's chemical industry, particularly digitalisation, virtual modelling of chemical processes, and demand for recycling.

---

## CIRCULAR ECONOMY REQUIRES A CULTURAL SHIFT IN POLYMER WASTE COLLECTION, SORTING AND USE.

---

Mikhail Karisalov outlined that SIBUR is optimistic about the future of the petrochemical market, which reached USD 4 tn globally and USD 63 bn in Russia alone last year. He added, however, that its domestic pace of growth is insufficient, with Russia now ranking 14th and 12th in terms of polyethylene and polypropylene production, respectively. The launch of ZapSibNeftekhim will increase Russia's share in the global petrochemical market, moving it up to #8 in polypropylene production. "We start from a very low base and it gives us good prospects," he said.

The key trend in the Russian petrochemical industry, according to Mikhail Karisalov, is the pace of change induced by emerging alternative feedstock along with regulatory opportunities and limitations. Another equally important trend is the increasing complexity of technology driven by higher demand for customised solutions. Mikhail Karisalov shared that 800 out of 2,000 SIBUR's customers from processing industries now have joint programmes with the Company to develop products tailored to their needs.

The plastics consumption in Russia is still rather low at 6–8 kg per capita compared to 30–40 kg per capita in Europe. Its growth is curbed, among other factors, by prejudices against polymer products.





*The panel session titled Reaction Rates: Trends in the Global Chemical Industry. Photo: Sergey Bobylev, TASS.*

Mikhail Karisalov believes that a circular economy requires a cultural shift in polymer waste collection, sorting and use. “We, at our end, have ensured technological readiness, the consumers are highly motivated, and the regulators, including those at the top level, are mobilised,” he said.

*Main photo: Dmitry Feoktistov, TASS.*