



GOTEK-POLIPAK: 30 YEARS IN BUSINESS

Aleksey Dunat, Director at Gotek Polipak, spoke to us about setting a benchmark for other companies in the industry.

– Mr Dunat, looking back at the key milestones in the history of your company, please tell us where you started and how far you have come.

– Well, 30 years is quite a milestone in itself for a company, as it stands for its resilience, expertise, and sustainability. It all started in 1990s when Vladimir Chuykov, Gotek Board Chairman, made the wise decision to tap into the flexible packaging market, with the Group establishing and gradually developing a new business, Gotek-Polipak, which is now one of Russia's top ten flexible packaging producers. We hold a significant share of the dry foods, confectionery, and snack markets. We are one of the top three producers of packaging for thermal insulation materials. Our product quality currently stands at 99.7%, with 100% of deliveries completed on time. We are considered a reputable buyer among the biggest raw materials suppliers, including SIBUR and BIAXPLEN, as showcased by our regular supply contracts. This fact speaks volumes to the collaboration and partnership between our companies.



ALEKSEY DUNAT,

Director at Gotek-Polipak

– Gotek Group is implementing its Fourth Dimension of Packaging concept. What does this entail, and how is it impacting your operations?

– Nowadays most businesses operate in three dimensions: cost, time, and quality. But we believe this does not go far enough. Here at Gotek-Polipak, we try to think outside of the scope of work by identifying the customer's pain points to offer them a viable solution. It means going beyond what is expressly required and keeping one step ahead of customer expectations. This involves careful research into the customer's agenda and problems, market demand, etc. and regularly aligning our packaging solutions and customer service.



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We have an in-house customer service team that interfaces with various customer functions, i.e. operations, procurement, marketing, quality assurance, and logistics to identify customer needs for new products. Today, supply-chain partners for new product development projects account for about 20% of our customer base. This helps us offer best-in-class solutions, whether new grades of raw materials, new equipment, or new technology. And last but not least, 24/7 customer service. We are focused on offering new options and services rather than selling in bulk. The more customer needs we solve, the better our business relationships will be, and the bigger our share of the customer's purchasing portfolio.

GOTEK-POLIPAK IS ONE OF RUSSIA'S TOP TEN PRODUCERS OF FLEXIBLE PACKAGING, AND HOLDS A SIGNIFICANT SHARE OF THE DRY FOODS, CONFECTIONERY, AND SNACK MARKETS

– What products does your company have on offer?

– As 10 years ago, Gotek-Polipak remains focused on food markets, prioritising three key products: Strategic Business Unit (SBU) 1: unprinted PE films, SBU 2: printed PE films, and SBU 3: composite films with multi-colour printing. This is conservative, but we diversify into new segments by launching new sub-SBEs that add new performance features to our product line.

Although few people would see it this way, a packaging solution has only three purposes: technical, logistical, and marketing, each having its set of options. Our job is to identify the key options for a specific solution, and make each customer the best possible offer in terms of price and features provided. This requires our team to get creative, with design, production, sales, procurement, and customer-service experts working together to develop truly unique products, often not disclosed by our customers, as they keep their – or rather our – trade secrets secure. The key thing is that it gives them a competitive market edge, and there is nothing more rewarding for us!



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About two years ago, we sent our technical and customer-service experts to the University of Reims Champagne-Ardenne in France for training. With the knowledge they gained and ongoing customer communication, we were able to develop 6 new products in just 18 months, which we can now roll out. For example, Fast Film gives a 15% boost to packaging line output, which is important from both an economic and environmental point of view. Ice Film offers improved resistance to low temperatures, meaning the film on packaged food practically never tears while being transported to fridges or display cabinets. Precise Metre is yet another solution on offer. This film has a mark printed on it every 3.5 or 10 metres for our customers to accurately determine how much film is being used. Double Print, our latest innovation, makes it possible to print on the inside of your package, preventing contact with the product. A heat-resistant film is now in the development pipeline, with two more products coming before the end of this year.

Special mention should be made of our Eco-Recycle PE film, a unique product that won critical acclaim at RosUpack, an international exhibition for the packaging industry, and was tailor-made for Saint-Gobain, who has committed to cut its carbon footprint by 25% by 2025. To meet this objective, we teamed up with Saint-Gobain and a municipal solid waste management company, developing a product that contains up to 15% recycled polyethylene. We should be getting a patent on this solution in the next few days. It will be our company's first ever patent.

Interestingly, Eco-Recycle has proved to be quite similar to one of SIBUR's products, with the only difference being that we add a regranulate to the film while SIBUR adds it to virgin raw materials. We are now working together to bring these products to market.



Our shop revamps streamlined internal logistics, reducing handling costs and making the storage of products and intermediates more efficient.

– How long has Gotek-Polipak been working with SIBUR? How has this relationship developed over time?

– We have a long-standing relationship, dating back almost to the day that our companies were founded. Back in 1991, Gotek-Polipak's first extruder initially used film produced by Tomskneftekhim. Over the last 10 years, our companies have had a much closer partnership, largely thanks to SIBUR becoming more customer-focused. They started arranging a large number of joint meetings, conferences, and customer-support programmes, where they would not only listen carefully to their partners' problems and needs, but also assist in solving them.

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We buy SIBUR's entire product range from them: LDPE and HDPE, extrusion and film-grade PE, as well as BOPP films. We are closely monitoring the progress being made at SIBUR's R&D centres, and are hoping that we will soon be able to buy domestic brands of materials that we currently have to import in from Saudi Arabia, Europe, and South Korea.

– The market is rapidly changing, driven by growing consumer demands. Please tell us a few words about the important investment projects already in the pipeline and those slated for the coming years.

– In 2021, Gotek-Polipak finished upgrading its production facilities. This was a large and complex investment project, about RUB 400 million's worth. The facility includes Russia's first modern eight-colour printing machine from Allstein GmbH (Germany), a Super Combi 5000 laminator from Nordmeccanica (Italy), and a TITAN SR-800 slitter rewinder from Atlas (the UK).

Also, our shop revamps in 2021 streamlined internal logistics, reducing handling costs and making the storage of products and intermediates more efficient. We improved workplace amenities: we now have excellent locker rooms and showers, and a great staff room with eating facilities. We have undertaken site improvements, and installed bicycle parking facilities. Not only our employees, but

also our suppliers and customers have noticed these changes.



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In 2019, we implemented joint projects with the Industrial Development Fund (IDF), an organisation providing state-level support to import-substitution and productivity-improvement projects, to purchase PolyFlex and EvoFlex extrusion machines. We will repay IDF the bulk of the loan by the end of this year, and fully settle the balance in 2022, meeting our obligations under the contract. We are also planning to upgrade another extruder in 2022.

– What global development plans does the company have?

– Our objectives for 2022 include further organic growth in production to boost the company's financial strength and grow its business to fully match the needs of our customers. Our production target for the coming year is 11,500 tonnes.

We will continue to expand our new product and service offerings. Our preliminary analysis shows that we will need to add 1 to 1.5 new options a month, or 12 to 18 options a year.

We will further improve working conditions and boost employee morale to raise like-minded professionals driven by competition, self-development, and commitment to a common vision. To accomplish this, we have been applying the world's best practices in workplace management and operational culture. Our goal is to become a benchmark for other companies in the industry: I hope we manage it.