



SIBUR WILL HOST A WEBINAR "ENSURING COMPANY'S STABILITY IN THE NEW FRAMEWORK"

Join us on April 12th at 11:00 Moscow time.

In the new economic reality which is facing the entire Russian market, many high-tech manufacturing facilities are now under threat of shutting down. Domestic brands in various industries, even those who have progressed substantially under the import substitution model, are already reporting major problems with producing finished goods where supplies of just one foreign-made component have stopped. The long-built partnerships and complex logistics chains have now been disrupted.

«The same can be said for SIBUR, which uses a rather wide range of imported components in its operations», says Head of the Technical Service of Petrochemical Business Function Alexander Bushkov. «However, we have a clear understanding of all the associated risks to us and our customers. At the outset, we have launched the so-called crisis response program that will enable us to promptly adjust to the new reality, avoid shutdowns and minimize any potential negative impacts. This will be the focus of the webinar».



SIBUR is committed to doing its best to provide partners with feedstock for production so that their product quality remains uncompromized. But this is a two-way process.

SIBUR IS COMMITTED TO PRESERVING CUSTOMER ORIENTATION AT THE HIGHEST LEVEL. ANY CHANGES WILL BE SUPPORTED BY DETAILED AND EXTENSIVE GUIDANCE ON FINISHED GOODS PROCESSING BY CUSTOMERS AND MODIFICATION OF PROCESS FLOWS AT THEIR OPERATIONS

Shoulder to shoulder

The key aspect of this program is to find alternatives for the withdrawn components from suppliers in Asia and Latin America. Fortunately, SIBUR has established long-standing business relationships in these regions. However, the specifics of petrochemical production do not allow for immediate replacement, say, of a compound from a European supplier with its Chinese analog, even if the latter is 100% identical in terms of its stated properties.

«We will have to test the proposed alternative and evaluate its potential impact on the finished goods production cycle, quality parameters, etc.», says CEO of SIBUR PolyLab Konstantin Vernigorov. SIBUR possesses the resources for such large-scale testing and all the required infrastructure in our in-house R&D center at SIBUR PolyLab. Obviously, it is a large-scale objective and we are prepared to work at peak capacity for a rather long time. Right now, it is basically a matter of survival for many of our customers and the business itself, as at this stage, the core objective is to sustain operations and prevent breakdowns in the process flow».



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Even under such stressful conditions, SIBUR is committed to customer orientation at the highest level. Any changes will be supported by detailed and extensive guidance on finished goods processing by customers, modification and, if necessary, customization of process flows at their operations. Our technical service experts will make site visits to assist customers with their process flows.

«We need to clearly understand that the next six months will be a transition period, the time for large-scale testing», says Konstantin Vernigorov. «Indeed, it took us years to develop optimal formulas and process flows. Our customers did the same at their plants using our products as feedstock. Only in a joint effort, shoulder to shoulder, will we be able to overcome this challenging time. We are committed to doing our best to provide partners with feedstock for production so that their product quality remains uncompromized. But this is a two-way process. The customers' process engineers should be open to such experiments, allow access to their operations for our technical service experts, who will adjust the processes and provide timely feedback. This way, in a collaborative effort, we will emerge from this challenge successfully».

If you have any questions or issues associated with ensuring stable operation in the new conditions, feel free to contact us at: polylab@sibur.ru (<mailto:polylab@sibur.ru>); serviceDBP@sibur.ru (<mailto:serviceDBP@sibur.ru>)

Together we will find a solution and not just overcome the difficulties but also unlock new opportunities for development and a mutually rewarding partnership!

Commitment to assist

SIBUR plans to actively support their customers and not limit such assistance to transformation within the range of its own products. In their operations, many of our customers use various additives, conditioning agents, and other special chemicals which overnight became unavailable for the Russian market. So, a number of our partners are now struggling to find alternatives for the withdrawn components.

The Company is prepared to provide all-round support in this matter. First of all, via its extensive contacts in Asia and Latin America: we will provide direct guidance on the exact suppliers capable of delivering a specific component to replace the ones which have been withdrawn. Second, SIBUR PolyLab will test the proposed analogs to understand how fit they are for a certain process flow, and which

SIBUR POLYLAB WILL TEST THE PROPOSED ANALOGS TO UNDERSTAND HOW FIT THEY ARE FOR A CERTAIN PROCESS FLOW, WHICH MODIFICATIONS ARE REQUIRED TO ENSURE THE PREVIOUSLY ACHIEVED QUALITY OF THE FINISHED PRODUCTS

modifications are required to ensure the previously achieved quality of the finished products.

«This type of support is in high demand», – says Konstantin Vernigorov. «We have already received over 450 such requests from our customers in just one week. Based on these requests, we streamline our internal processes and request forms for the customer so as to be able to formulate the issue and address it as quickly and efficiently as possible. During the webinar, we will discuss in detail how exactly this arrangement is going to work, which information we will need in order to provide the required assistance, and the time available. In particular, previously unheard-of openness and transparency will obviously be necessary. We won't be able to help if we do not know the formulation of the finished product which requires an alternative component to be found. In the new reality, it is crucial to be prepared to share this information in order to preserve quality and volumes. It is a matter of trust and we are committed to earning it».



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During the webinar, Alexander Bushkov and Konstantin Vernigorov will cover the following relevant issues:

1. Managing risks associated with constrained supplies of foreign-made components required for SIBUR's operations;
2. Assisting in procurement of imported component analogs for our customers;
3. SIBUR's plans to produce its own analogs and substitute imported petrochemicals.

