



**SIBUR**



SIBUR 2018  
SUSTAINABILITY  
PERFORMANCE  
SUMMARY



Appendix  
to the Sustainability Report 2018





# The Company



## Sustainability strategy

The Company's business strategy is geared towards maintaining steady and sustainable growth and committed to greater operational and financial efficiency while making sustainability an integral part of the Company's business processes.



**OUR COMPANY** is committed to following the best international practices and it aligns itself with the United Nations' 2030 Sustainable Development Goals. SIBUR has been a strong contributor to helping achieve these goals by implementing policies that are designed to improve production efficiency, reduce environmental impact, create favorable and efficient work conditions, preserve and maintain public health, and help address social issues in the regions where it conducts its operations.

**DMITRY KONOV**  
Chairman of the Management Board, PJSC SIBUR Holding

## Sustainability management

The fact that the Company, year after year, has been successfully meeting its economic, social and environmental targets is proof of the effectiveness of SIBUR's corporate governance system. Management of sustainable development is handled by relevant functions and units at the level of the Company's Corporate Center in Moscow with further cascading down to the production sites' level.

The Company's Sustainability department is established in early 2019, to be followed, in mid-2019, by the Committee for Ecology, Sustainable Development and Social Investments. The Committee will report to the Management Board and coordinate the Company's activities in the relevant areas. The new Sustainability department will become the Company's joint coordination center for its sustainability activities, lead SIBUR's climate agenda, and drive the transition to circular economy.

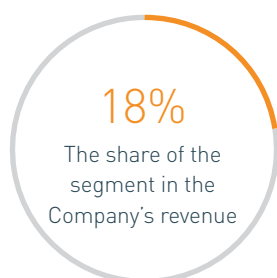
# Economical efficiency



Since 2018, the Company has been conducting its operations in the following business segments:

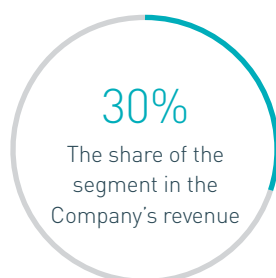
## THE OLEFINS AND POLYOLEFINS SEGMENT:

production and sale of polypropylene and its derivatives, polyethylene, olefins of ethylene and propylene



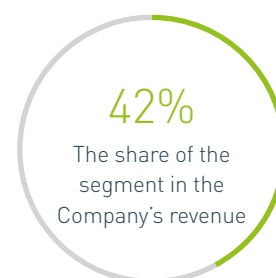
## THE PLASTICS, ELASTOMERS, AND INTERMEDIATES SEGMENT:

production of plastics and organic synthesis products, elastomers, methyl-tertbutyl ether (MTBE), fuel components, as well as intermediate products



## THE MIDSTREAM SEGMENT:

providing the Company's petrochemical production facilities with raw materials obtained by processing associated petroleum gas (APG) and other types of hydrocarbons



## OPERATING PERFORMANCE

22.3<sup>bcm</sup>

THE VOLUME OF PROCESSED ASSOCIATED PETROLEUM GAS (APG)

19.4<sup>bcm</sup><sup>1</sup>

THE VOLUME OF NATURAL GAS PRODUCTION

7.7<sup>mt</sup> (+2.5%)

THE VOLUME OF NGL FRACTIONATION

6.4<sup>mt</sup> (+2.3%)

THE VOLUME OF LPG PRODUCTION

579<sup>kt</sup> (-11.3%)

THE VOLUME OF POLYPROPYLENE PRODUCTION

504<sup>kt</sup> (+4%)

THE VOLUME OF ELASTOMERS PRODUCTION

## FINANCIAL PERFORMANCE

RUB 569<sup>bln</sup> (+25%)

THE COMPANY'S REVENUE

RUB 201<sup>bln</sup> (+25%)

EBITDA

RUB 160.4<sup>bln</sup> (+5.1%)

OPERATING CASH FLOW

<sup>1</sup> Excluding third-party volumes processed at SIBUR's capacities.

# Value creation



> RUB 570 bln generated economic value

> RUB 500 bln distributed economic value

RUB 446 mln investments in environmental R&D projects

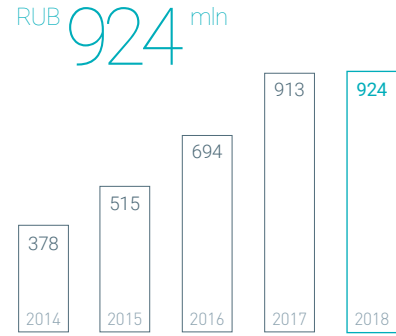
85% emergencies predicted by using a predictive extruder maintenance model

>200 patents and patent claims registered by PJSC SIBUR Holding

84% degree of automation of all of the Company's processes



INVESTMENTS IN R&D



# Safe production



>8,000 employees passed occupational health and safety tests with the use of interactive tools

2,402 contractors' employees underwent OHS training at the Company

RUB 1,812 mln is how much the Company spent on occupational health and safety

0.37 LTIF is the injury frequency rate, including contractors

1,883 sessions on risk assessment of potential accidents were conducted at the Company's facilities

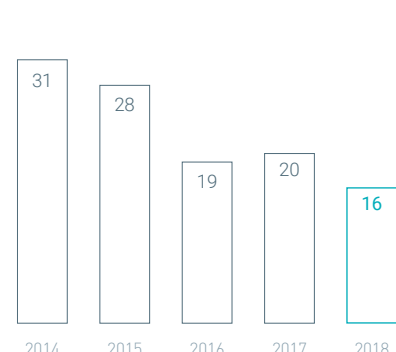
0 staff fatalities recorded within the Company

The Company has been named a winner in a number of nominations of the "5 STARS-LEADERS OF THE CHEMICAL INDUSTRY" contest, organized by the Russian Union of Chemists:

**OCCUPATIONAL HEALTH AND SAFETY –**  
PJSC SIBUR Holding,  
SIBUR-Tobolsk LLC,  
SIBUR-Kstovo LLC

**INDUSTRIAL SAFETY –**  
JSC POLIEF,  
SIBUR-Kstovo LLC

ACCIDENTS



# Environmental protection



RUB 1,914 mln economic effect of energy saving activities

RUB 3,900 mln the Company's expenditures on environmental protection

86% of polymer particles are reintroduced into the production cycle <sup>1</sup>

71 mt the volume of greenhouse gases emissions prevented thanks to the APG processing

443 employees received training in environmental protection

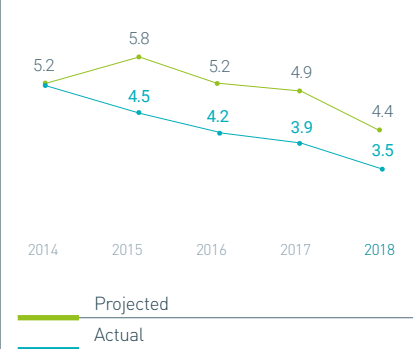
142,000 Siberian sturgeon hatchlings released into the Irtysh river by environmental staff at Tobolsk production site

6 years in a row the Company's adverse impact on the environment has been declining

19 kt of waste are being recycled by the Company for captive use and for use by other organizations

27 production sites are included in the scope of the Integrated Management System and pass audits for compliance with international standards

CHANGES IN EII<sup>2</sup>



- **SIBUR joined Plastics Europe Operation Clean Sweep® initiative**, whose aim is to prevent discharge of polymer litter into the environment during production or transportation
- **In 2019, the Company became a signatory to the UN Global Compact** reaffirming its commitment to sustainable development at the top level and readiness to assume relevant obligations.

# Energy efficiency



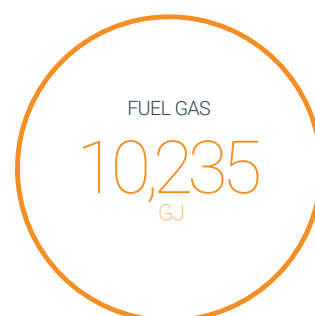
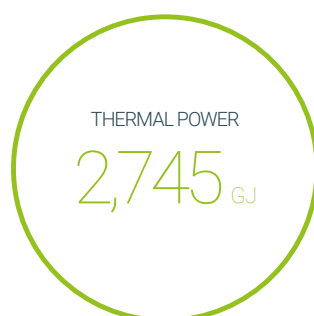
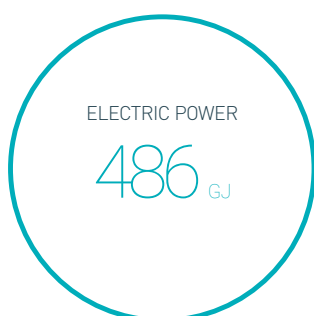
29% year-on-year increase in cost effectiveness produced by energy saving measures

158.7 the energy intensity index showing positive changes in energy efficiency

RUB 1.9 bln cost savings produced by 2018 energy savings measures

2018 saw PJSC SIBUR Holding successfully pass a compliance audit to verify its Energy Management System's (EnMS) compliance with ISO 50001:2011. The audit report noted the Company's commitment to continuing improvement of its EnMS at the facilities.

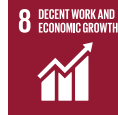
Thanks to measures implemented by the Company under its **ENERGY SAVING PROGRAM**, 2018 saw a drop in consumption of energy resources:



and prevent emissions of 788 kt CO<sub>2</sub>-eq GREENHOUSE GASES

<sup>1</sup> Within the framework of the program aimed at preventing plastics spills into the environment.  
<sup>2</sup> Environmental Impact Index (EII) is a relative indicator reflecting the volume of primary environmental impacts (emissions, effluents, and waste) per ton of actual facility output, per volume of processed raw materials, or per volume of shipped goods (depending on the facility's business profile).

# Human capital



26,164 employees headcount as of 31 December 2018

RUB 20.8 mln is the workforce productivity (revenue per employee per annum)

>38,000 applications to take part in the Small-Step Improvement contest were filed by staff members

100% of staff are covered by collective agreements

2,471 contractors, partners, students got SIBUR training for external audience

4,349 employees and members of their families enjoyed treatment at the SIBUR-Yug Corporate Health Resort

4,212 employees took part in the interactive HR Day

9,500 employees received training via webinars

27.31 hours of training activities per 1 FTE



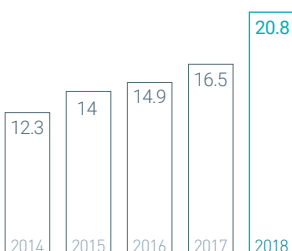
**1<sup>ST</sup> PLACE**  
in the Best Russian Employers ranking (according to HeadHunter) for the 2nd consecutive year

**1<sup>ST</sup> PLACE**  
place in the Best Student Employers ranking (by FutureToday) in the Best Employer for its Target Audience nomination

**3<sup>RD</sup> PLACE**  
in the HR Brand of the Year award (HeadHunter) in the Federation nomination

**5 CONSECUTIVE YEAR**  
the best employer in the chemical industry (RandstadAward)

WORKFORCE PRODUCTIVITY  
20.8 RUB mln





# Contribution to the development of local communities



RUB **304.7** mln  
Investments in the framework of the Formula for Good Deeds program

**8**th position in the 2018 Corporate Philanthropy Leaders ranking

**168** applications submitted by employees for the contest of volunteer projects

**>5,000** employees took part in volunteer events and activities

**>40** social services facilities will be built or renovated by the Company as part of the Tobolsk-2020 project

**700** employees' families moved into company owned apartments as part of the Company's joint program with DOM.RF

**120** grants were awarded in 2018 to non-profit organizations and social institutions

**519** applications submitted for the grant contest of the Formula for Good Deeds program

**>1,000** community workers in regions received training in the framework of the educational programs of the Formula for Good Deeds partners



## THE FORMULA FOR GOOD DEEDS PROGRAM

**2**  
PLACE

in the nomination called "Best Program (Project) reflecting the policy and principles of corporate social investments in the regions" of the Corporate Philanthropy Leaders-2018 award presented by the Russian Union of Industrialists and Entrepreneurs (RSPP)

**SPECIAL AWARD**

in the Big Heart nomination of the HR Brand award for the volunteer program of the Formula for Good Deeds

## CONTEMPORARY SCIENCE FILM FESTIVAL

**1**  
PLACE

place in the Social Project Sponsorship nomination of Russian Sponsorship Awards

## COMMON SENSE PROGRAM

**2**  
PLACE

in the Social Project Sponsorship nomination of Russian Sponsorship Awards



Appendix  
to the Sustainability Report 2018



The text of the Report was published on **SIBUR'S WEBSITE** at [www.sibur.ru](http://www.sibur.ru) under the heading of Sustainable Development<sup>®</sup> in Russian and in English, and is available to all interested parties.



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