SIBUR

Smart solutions for the future

Integrated Annual Report
PJSC SIBUR Holding

2023



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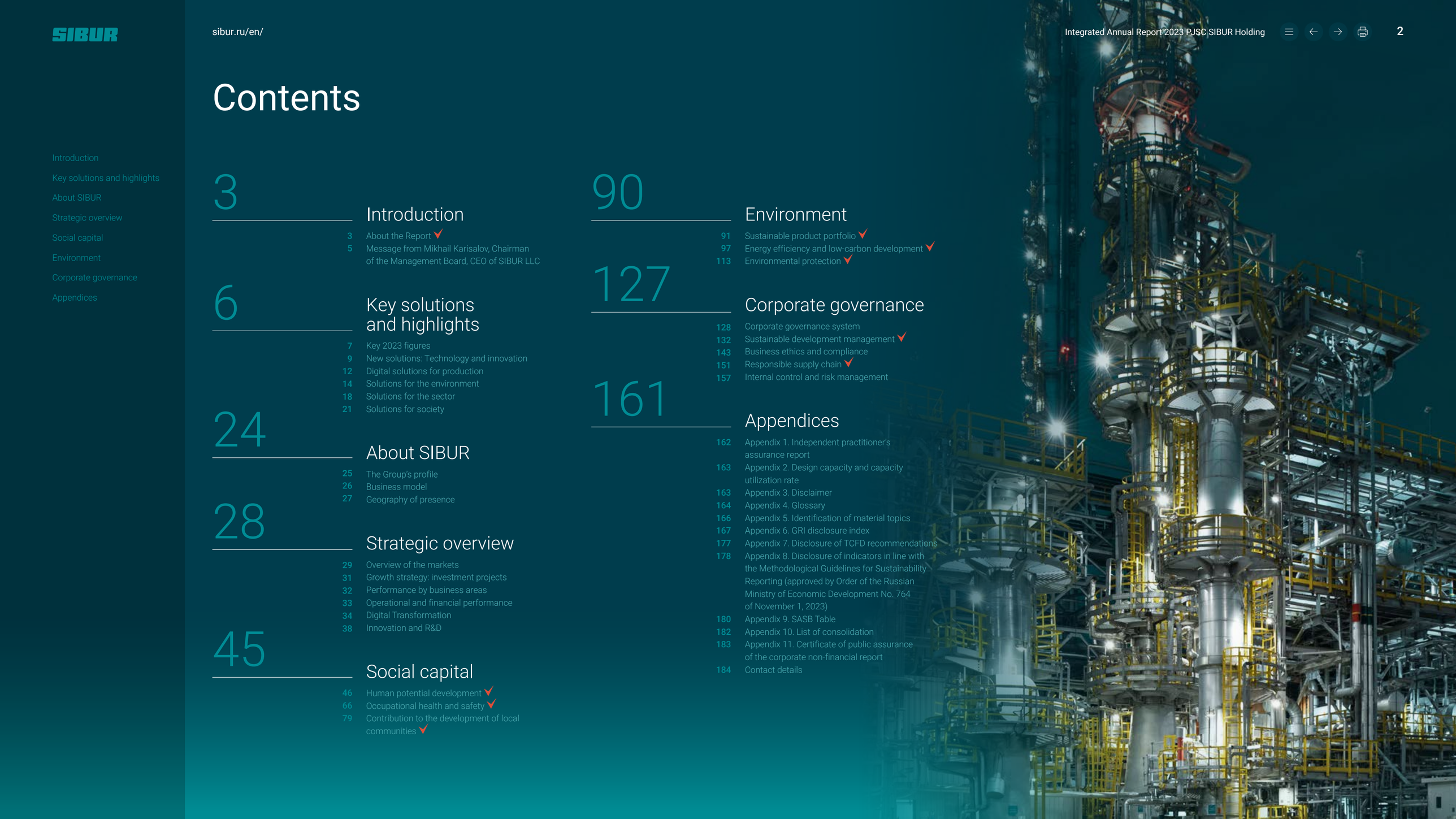
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About the Report ✓

GRI 2-1, 2-3, 3-1

This integrated Report (hereinafter referred to as the Report) of PJSC SIBUR Holding and its subsidiaries (hereinafter referred to as SIBUR, the Group, or the Company) for 2023 contains information about SIBUR's operations from January 1 through December 31, 2023. In addition, some sections of the Report outline events beyond the reporting date which had a tangible impact on the Company's performance and were realized before the date of the Report. The Report presents the most significant sustainability indicators, as well as the Company's key operational and financial performance results.

The ESG data book containing a complete list of publicly disclosed quantitative indicators of SIBUR's sustainability performance shall be considered as an appendix to this Report. In addition, in 2023, the Company for the first time published its Responsible Employer's Report containing material information about SIBUR's approaches to human potential management, as well as the diverse training, development and self-fulfillment opportunities provided by the Company for its employees, including social support and equal opportunities measures.

The Report was prepared in accordance with the disclosure requirements of the GRI-2021 International Sustainability Reporting Standards (hereinafter referred to as GRI standards). The financial indicators in the Report are presented on the basis of audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

Preparation of the Report was guided by the recommendations on sustainability reporting as per the November 1, 2023, Order No. 764 of the Russian Federation Ministry of Economic Development.

The major novelty of this Report is that it has transitioned to presenting consolidated data on all the Company's enterprises , without looking separately at its historical assets (prior to 2021) versus the assets in the Republic of Tatarstan.

The list of consolidation is → Appendix 10 on p. 182

Since 2022, following the consolidation's completion, SIBUR has been using a unified accounting system for all its operations and business areas. It is to be noted that any material difference that may be noticeable between the results achieved through 2021 and those of the subsequent years is mainly due to the integration of the Company's large assets. In most cases, consolidation has led to a rise in indicators' values, including those reflecting the company's impact. Therefore, it is the values achieved after the transition to the unified accounting system, i.e. in 2022 and 2023, that constitute comparable data.

The results and information presented in this report on SIBUR's activities are in compliance with:

- the UN Sustainable Development Goals (UN SDGs);
- the principles of the UN Global Compact;
- the provisions of the Sustainability Accounting Standards Board (SASB);
- the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD);
- the provisions of the Social Charter of Russian Business;
- recommendations of the Russian Union of Industrialists and Entrepreneurs (RSPP);
- recommendations of external auditors.

GRI 2-14

The Report was reviewed by the Environment, Sustainable Development and Social Investment Committee of SIBUR LLC's Management Board and approved by the Board of Directors' Sustainable Development Committee.

GRI 2-5

The Report has undergone public assurance at the Non-Financial Reporting Council of the Russian Union of Industrialists and Entrepreneurs (RSPP). The information disclosed in this Report has been independently assured in accordance with the International Standard on Assurance Engagements (ISAE) 3000, including the following indicators:

- direct and indirect energy and other indirect greenhouse gas emissions (Scopes 1, 2, 3);
- specific greenhouse gas emissions in the Gas Processing and Infrastructure and Petrochemistry segments;
- total and specific water consumption;
- lost time injury frequency rate among the Company's employees and contractors;
- total headcount by gender and job category;
- number of training hours per employee with a breakdown by gender;
- energy consumption volume, including energy from renewable energy sources;
- number of reports received to the independent compliance-related hotline and other means of communication;
- number of employees, who received compliance training;
- total and specific emissions of pollutants;
- total amount of waste directed to reuse and salvaging;
- total and specific amount of generated waste.

Independently verified sustainable development information is marked with the "✓" symbol.

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Status of recommendations received during public assurance of the Report

As part of the public assurance of the Integrated Annual Report of PJSC SIBUR Holding for 2022, recommendations of the Russian Union of Industrialists and Entrepreneurs (RSPP) were received and taken into account when presenting the results for the reporting period.

	Recommendation	Disclosure in the Report
Take into account recommendations received earlier on the 2021 Report	Ensure continuity of the disclosed indicators to assess their dynamics. Expand the list of personnel-related indicators.	Indicators' dynamics has been accounted for. New indicators have been added to the → Development of Human Potential Section.
	Present clearly the Company's structure and characterize its core assets.	This information is disclosed in the → About SIBUR Section and in → Appendix 9. List of consolidation.
	Present strategic results achieved in relation to the goals set - systematize information, include it in reports in a consolidated form, include individual results in relevant sections.	This information is fully disclosed in each relevant section, where SIBUR's 2025 Sustainable Development Strategy's goals are applicable, as well as in the → Sustainable Development Management section.
	Supplement information about the sustainable products line with information that allows assessment of how fast the production of sustainable products is growing vs. traditional products, and to what extent the state of the markets affects this dynamics.	This information is disclosed in the → Strategic Overview Section and in the → Sustainable Products Portfolio Section.
	More extensive disclosure on the integration of new assets in terms of integration of management and sustainability practices.	Since 2022, SIBUR has been using a unified accounting system for all its enterprises without examining separately its historical assets versus newly acquired assets.
	Disclosure of risk mitigation measures, including: geopolitical risks; risks associated with changes in supply chains; risks associated with new partnerships; with the clarification of ESG agenda priorities and approaches to its implementation.	This information is disclosed in the → Internal Control and Risk Management Section. The information on managing risks related to changes in supply chains is presented in the → Responsible Supply Chain Section, whereas information on climate-related risks and their mitigation is shown in the → Energy Efficiency and Low-Carbon Development Section.
Outline actions to neutralize risks related to the current geopolitical and economic situation, including changes in the labor market and deepening shortage of qualified personnel, restrictions in the supply of high-tech products and other challenges to sustainable development.		This information is disclosed in the following sections: → Internal Control and Risk Management → Human Potential Development, → Sustainable Products Portfolio, → Responsible Supply Chain.
Expand the range of quantitative parameters characterizing plans for key areas of sustainable development.		This information is fully disclosed in each relevant section.
Extend the number of specific environmental indicators, as well as indicators for core assets.		This information is presented in the following Sections: → Energy Efficiency and Low-Carbon Development and → Environmental Protection.
Include significant personnel indicators, including staff turnover and payroll expenses.		This information is presented in the Section titled → Development of Human Potential.
Present social inclusion performance including, specifically, employment of people with disabilities, their involvement in social projects under the Formula for Good Deeds Program.		Information about the effect of external social investment is presented in the Section on → Human Potential Development and → Contribution to the Development of Local Communities.
More comprehensive coverage of the role and importance of enterprise-level master plans in sustainable development management and in the implementation of the overall sustainable development strategy.		This information is featured in the chapters on → Human Potential Development, → Energy Efficiency and Low-Carbon Development, → Environmental Protection.
More detailed disclosure of the Company's contribution to national projects, presenting this information in a format similar to the one used to report its contribution to the UN SDGs.		Information about contribution to the implementation of national projects is presented in the same way as the contribution to the UN SDGs in the section → Key 2023 Figures, as well as in the chapter → Contribution to the Development of Local Communities.
Inclusion of information about the effects of the Company's social investments, including the impact they have had on the quality of the social and natural environment, on the condition of certain population groups, on sustainable development of territories and communities, and on the Company per se.		Information about social support to employees, including selected effects and results, is reflected in the chapter on → Human Potential Development. Information about the effectiveness of external social investments is disclosed in the chapter on → Contribution to the Development of Local Communities.

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Message from Mikhail Karisalov, Chairman of the Management Board, CEO of SIBUR LLC

GRI 2-22

As a leader of Russia's petrochemistry sector and a driver of the industry's innovative development, SIBUR sets ambitious goals and is firmly on track to achieving them.

Self-sufficiency not only in feedstocks, but also in technology and equipment, as well as domestic producers' assured uninterrupted access to the broadest range of advanced materials are key to ensuring Russia's technological resilience and stable operation of all the country's manufacturing industries. 2023 saw SIBUR increase the volume of polymers it supplies to the domestic market to meet the demand of the economy's socially essential sectors for advanced domestically produced synthetic materials. This allows us not only to satisfy the growing demand, but also to promote the use of high-tech materials.

Massive investments in R&D enabled SIBUR to offer new, eco-friendlier and more efficient solutions to expand its product range. In 2023, the Company introduced 27 new grades of petrochemical products to the market, with a production potential of 111,000 tons per annum, and continued the process of import substitution and homologation of critical specialty chemicals. As part of the Company's push to transition to a circular economy and low-carbon development, PolyLab's innovation centers are developing 74 new products with some of them relying on recycled polymers as feedstock materials. The Republic of Tatarstan is set to become a center of innovative development as we have already invested about one billion rubles in the setting up of a training campus in Nizhnekamsk, and next year, we are going to start building an R&D center in Kazan.

Decarbonization plays an important role in SIBUR's Sustainable Development Strategy. For several years now, SIBUR's investment projects have been evaluated based on their impact on the change in greenhouse gas emissions of each individual enterprise and of the entire Company. In 2023, we closed the first carbon reduction transaction in the Russian registry which is a major milestone both for SIBUR and for the market. Going the entire route from implementing a technological climate-action project to conducting a transaction in a distributed registry which involved testing various monetization options (via an exchange vs. the blockchain route, or by selling directly to our customers) has provided us with invaluable experience. We expect that implementation of climate projects will become an extra incentive for our enterprises to excel in this area and to strengthen SIBUR's position as a climate agenda leader in Russia.

We continue to keep a strong focus on projects seeking to digitally transform the Company's production and business processes. Our efforts to improve the efficiency of the Company's processes through their digitalization have allowed SIBUR to save a total of RUB 45 billion over a six-year period. AI-driven solutions account for around half of these savings, while ensuring continuous breakthroughs in labor productivity, safety, and production efficiency. Another one of our priorities is to secure technological independence of our IT solutions. To make this happen as quickly as possible, we had sought to establish partnerships with other industry leaders with whom we are now working together to achieve this objective.

The Company's sustained growth and continued improvement of our key performance indicators in the face of external challenges are assured by the efforts of SIBUR's team of over 36,000 people. We highly appreciate each employee's initiative and engagement and are constantly updating our approach to human potential development and ensuring that we adhere to the highest health and safety standards.

Our projects and initiatives that we implemented in 2023, along with substantial investments in key areas and a portfolio of innovative solutions are what allows us to look into the future with confidence as we plan our next steps toward implementing our Sustainable Development Strategy, using the UN SDGs and the national development goals of the Russian Federation, as well as the country's low-carbon development strategy as a reference.



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Key solutions and highlights

Key 2023 figures

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	UN SDGs	National projects	Achievements
Mitigating environmental impact			• **RUB 11.6 billion** was the total amount spent on environmental protection • **8%** reduction in total emission of pollutants into the atmosphere • **18%** reduction in total water withdrawal • **29**% reduction in the volume of generated waste
Energy efficiency and low-carbon development			• **Over RUB 1 billion** spent on implementing energy efficiency enhancing measures • **25%** is by how much direct GHG emissions into the atmosphere were reduced against 2022 • **9.3 million tons of CO_2eq.** of GHG emissions (carbon units) reductions is the expected cumulative effect (over a 10-year planning horizon) of SIBUR's climate projects that are currently under way • **Over RUB 2 billion** is the economic effect of implemented energy efficiency enhancing measures • **718** energy efficiency optimization measures implemented
Circular economy development			• **32.5%** is the share of PET[1] made with the use of recycled granules in the total PET output • **RUB 117.7 million** is the amount of total investment in R&D in polymer recycling and in involving renewable feedstock • **21,400 tons** of plastic waste was recycled by SIBUR's enterprises as part of the Company's own projects • **111,200 tons** is the volume of low-carbon products, as well as products containing recycled or biological materials produced by SIBUR's enterprises • **60 grades** of secondary compounds made from recycled feedstock materials either purchased in the market or produced from own waste have been developed, out of which 3 grades are already being manufactured • SIBUR's **Second Life of Plastics program** is featured in the continuous professional training guidelines for general and supplemental education professionals dealing with the subject of environmental protection and proper waste management
Human potential development, diversity, and equal opportunities			• **36,448 employees** is SIBUR's total headcount, as of the end of 2023 • **RUB 99 billion** is the amount spent on staff pay, benefits, and social payments to the employees • **87%** is the employee engagement level • **192 hrs.** of training per employee per annum • **29%** is the share of women employed by the Company • **0.35%** is the share of employees with health limitations[2] in SIBUR's total headcount • The Company founded an **Equal Opportunities Community** to foster a culture of diversity and inclusion at the Company's enterprises • **Platinum status** in Forbes's Best Employers Ranking

1 Polyethylene terephthalate.
2 Health limitations, or debilitating conditions.

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	UN SDGs	National projects	Achievements
S Occupational health and safety ✓			• **>RUB 4.4 billion** was invested in improving occupational health and safety • **0.38** is LTIF[1] value for the Company's employees, including contractors[2] • **40%** is the increase in the number of employees who underwent training • **100%** of the Company's enterprises have Health Centers • **0.06** is the Process Safety Event Rate (PSER)[3] – Level One
S Engagement with partners and contribution to the development of local communities ✓			• **90%** is the current Customer Satisfaction Index (CSI) • **80%** is the share of local suppliers in total procurements • **A+** is SIBUR's rating in Russia's Corporate Charity Leaders ranking • **RUB 622.5 million** was the total amount of social investments in the development of local communities • **28%** is share of employees involved in volunteering and socially significant projects
G Economic performance			• **RUB 1,087 billion** was the Company's revenue in 2023 • **75%** was the share of domestic market sales in total sales of SIBUR's core products • **>35%** was the rate of progress with the completion of the Amur Gas Chemical Complex in Svobodny (Amur Region)[4] • **>90%** was rate of progress of the EP-600 olefin plant in the city of Nizhnekamsk (the Republic of Tatarstan) • **AAA rating (RU)**, Stable Outlook, assigned to SIBUR by ACRA
G Corporate governance and sustainable development management ✓			• **Group 1** – advanced sustainability practice. ESG-rating assigned by NRA • **ESG-II(b) level** in Expert RA's rating, which stands for a very high degree of consideration given to matters of sustainability in key decision-making. Outlook – Stable • **Category One** in ESG-ranking maintained by NCR and RBC • **87.9%** of the goals set in the Group's 2025 Sustainable Development Strategy were achieved as of the end of 2023 • **84%** of employees had training under the "Sustainable development" program • **150** is the number of SIBUR's compliance ambassadors • **>1,200** representatives of key counterparties received compliance training
G Managing innovations			• **9 R&D centers** are part of the Company's structure • **957** patents in SIBUR's overall patent portfolio • **27** grades and specialty formulations introduced for such sectors as construction, transport, packaging, healthcare, and consumer goods • **69** new hypotheses for the implementation of AI-driven solutions developed and included in SIBUR's project portfolio

1 Lost time injury frequency rate.
2 As per the Company's internal rules, the LTIF value for contractors does not include employees of construction organizations.
3 PSER – Process Safety Event Rate.
4 As of December 31, 2023.

New solutions: Technology and innovation

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The circumstances our country finds itself facing have put us before the need to put in place our own process for running our existing operating facilities. The petrochemistry sector depends on high-precision and technologically advanced equipment. We need to learn how to put to practical use the technologies we ourselves develop. And we have been successful in striving for that goal. Companies operating in the petrochemical sector work with each other very closely as they tackle the challenges that Russia faces. We at SIBUR believe that replacing equipment with Russian-made products across a broad range of applications and homing in on a common approach to standards are among top priorities for our future development.

Pavel Lyakhovich,
Member of the Management Board,
Managing Director of SIBUR LLC

As a result of SIBUR's customer support programs, 2023 saw

270 of its partners implement

>50 projects, which helped substitute

68,100 tons of previously imported products





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Key 2023 activities in the area of technology and innovation

Petrochemistry equipment



- **SIBUR and the RF Government signed a letter of intent to develop domestic production of petrochemical equipment.** The main mechanism for implementing the agreement will be joint implementation of the 2030 development roadmap. It is expected that, subject to validation of the development efforts' economic efficiency, the agreement could allow SIBUR to substitute up to 20 nomenclature groups of imported equipment.
- **SIBUR is working to implement the ANO INTI (Institute for Oil and Gas Technology Initiatives) standards,** as well as to certify manufacturers and products in keeping with these standards, and is making pilot purchases of equipment and materials for subsequent upscaling at the Company's enterprises.

Construction



- SIBUR accounts for about **68%** of all petrochemicals consumed **by the construction industry.**
- Thanks to robust efforts of its R&D centers, SIBUR has been able **to substitute** black, yellow, and blue PE100 RC polyethylene pipe grades.
- **Customer support and development programs** were introduced with an effect of **>15,000** tons in construction.
- SIBUR, together with Penoplex, a Russian manufacturer of construction and decorative finishing materials, established **RAPET, an industry association of polymer energy-efficient technologies**. The thrust of the association's efforts is aimed at achieving technological resilience of the Russian building materials industry.



RAPET is a platform for business communication between manufacturers, consumers of polymer insulation products and system solutions, on the one hand, and expert communities, innovative and high-tech companies, on the other. I am confident that the efforts of our association will enable us to pool the efforts of the research and production communities for forming an earnest, well-informed position on key relevant issues of energy efficient polymer production technologies.

Denis Lednev,
Head of SIBUR's Construction Service

RAPET's key foci include:
- energy efficiency;
- polymer insulation production and application safety;
- support and implementation of innovative solutions in manufacturing polymer materials and in engineering, construction of modern buildings and structures;
- as well as sustainable use of natural resources and environmental protection.

Transport



- SIBUR introduced **new polymer grades for the automotive industry** including synthetic rubbers for making car tires, polyesters for car seats, polycarbonates for headlights, and polyethylene for fuel tanks.
- SIBUR aims to bring the share of core substituted components in the automotive sector up from 25% to **60%**. Consumption of domestically produced polymers in the transportation sector grew 10% in 2023. Current trends include: substitution of natural rubber for a more cost-saving and technologically advanced synthetic rubber, strengthening technological independence of Russia's automotive industry, and paying greater attention to conserving the environment, including through recycling efforts.

Packaging

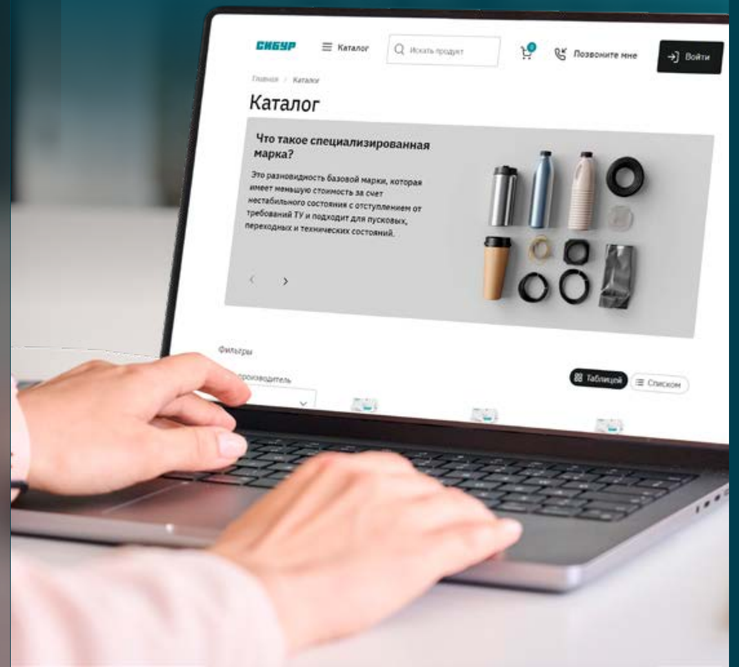


- **Several polyethylene grades were developed** to be used as part of the adhesion layer in the lamination process for producing high-quality food-grade packaging for snacks. These grades enabled packaging manufacturers to completely substitute imported analogue products within the shortest possible time and switch to an alternative production technology that relies 100% on the use of domestically produced components.
- **Packaging solutions** were presented to dairy product manufacturers. They are made from polymers available in the domestic market, such as PE and PET. Packaging solutions that make use of high-density polyethylene (HDPE) are 100% recyclable.

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SIBUR continues to provide its customers and partners with support services that enable them to enter new markets and improve the efficiency of their production and commercial processes:

- Exports boost
- Digital lead generation
- Investment boost
- Import substitution boost
- Sectoral boost



SIBUR won a **CX World Award in the Best Anti-Crisis Strategy and Management category.** SIBUR presented its Quality management and technical service for petrochemical business program, which aims to help customers facing increasingly complex supply chains and lack of availability of many chemical components.

SIBUR, in partnership with AvtoVAZ and DIPO, a manufacturer of automobile fuel systems, developed **Russia's first HD 60472 LB polyethylene grade** for manufacturing car fuel tanks. The locally produced material will serve as the basis of the fuel system for the revamped modification of Lada Vesta NG 2023.

Previously, such fuel tanks had been made of European-supplied polyethylene. Within a record time frame, technical experts from SIBUR and SIBUR PolyLab developed a new grade of polyethylene that matches or exceeds in quality and in its properties those of the imported product. The new product passed all the required tests both at the fuel system manufacturer's facility and at the automobile manufacturer's test center and received their certificates of conformity.

SIBUR's annual 2023 Energy of Recognition contest in the Manufacturing Solution category was won by the project Zirconium tetra-iso-butyrate catalyst (TIBC) for Nizhnekamsk-neftekhim-produced LAOs. This solution made it possible to localize production of the TIBC catalyst in a matter of just 6 months and prevent shutdown of the only Russia's facility producing linear alpha olefins (LAO) at Nizhnekamskneftekhim because of unavailability of existing imported analogues.



Over the past year, as we were sharing a journey fraught with challenges and uncertainties with our customers, we discovered that it was also a journey of growth and improvement both in our internal processes and in our interactions with partners. Our anti-crisis strategy resulted in the introduction of about 150 new components at SIBUR's production facilities and many successful product homologations. This result was made possible thanks to the well-coordinated cross-functional work of the SIBUR team. All of this allowed us to get closer to our customers and learn more about our own capabilities.

Alexander Bushkov,
Head of Technical Service Function



Our existing R&D capacity enabled us to launch full-scale production of a new grade of polyethylene within the shortest time possible. This grade is essential for assuring uninterrupted supply of such products to domestic fuel system manufacturers. The product developed by SIBUR's professionals will enable Russia's automotive industry to operate independently of foreign supplies and provide Russian customers with reliable cars to satisfy their demand

Vladimir Zimovtsev,
Head of SIBUR's Marketing and Sales Development

Digital solutions for production

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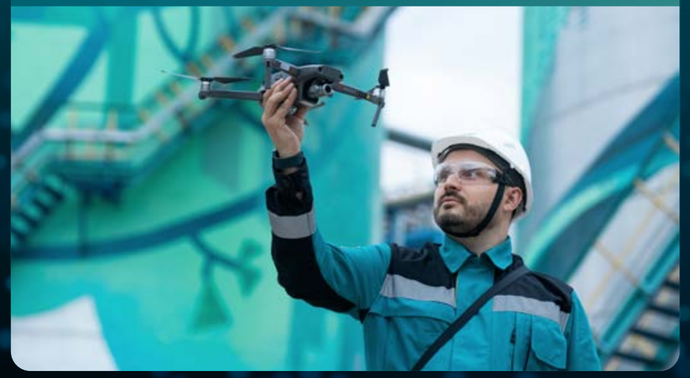
Given the scale and geographical distribution of SIBUR's enterprises, we view digitalization is one of the most effective ways to improve labor productivity and production efficiency. Having started implementing state-of-the-art digital technologies six years ago, SIBUR has since become a leader in the sector's digitalization efforts. The results of our efforts in this area are evidenced by the economic effects achieved by applying our new solutions. Every year, we fill our portfolio of organizational projects with hundreds of new initiatives that are selected based on their expected impact on the company's economics and productivity. We are attaching a great deal of attention to implementing AI-driven solutions, as they measurably help our employees make prompt and high-quality decisions and make their work at production facilities safer and more efficient.

Alisa Melnikova,
SIBUR Director for digital and information technologies

The economic effect of the 2023 projects exceeded

RUB **11** billion,

of which the largest share is attributable to
- projects in manufacturing (**4.3 billion**),
- marketing and sales (**4.2 billion**).



The cumulative economic effect from digital transformation of processes over a 6-year span exceeded

RUB **45** billion

by the end of 2023



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Key activities to develop digital solutions for manufacturing in 2023

Digital solutions for import substitution

- SIBUR became a member of the Consortium for Software Technology Independence and, together with partners, is leading **3** technology areas that are crucial for the sector: development of a domestic MES system, process modeling, and predictive diagnostics solutions.
- SIBUR presented its proprietary **RTO** (real-time process optimization) system at the Demo Day held by the Khimia (Chemistry) Industrial Competence Center.
- A project to substitute the **MES** system has been launched: its piloting is planned for 2024, implementation and replication at all production sites are scheduled to occur within **5** years.
- SIBUR-developed products are being presented at **key sectoral events** (CIPR TECH WEEK, Innoprom, etc.). Partnerships with leading Russian IT companies are being developed to promote these solutions.



Building a unified IT landscape across SIBUR

- A project titled Deployment of Unified Processes and Applications across Enterprises in the Republic of Tatarstan has been completed. Transition to a unified corporate template has already occurred at Kazanorgsintez and Nizhnekamskneftekhim.

>8,500 employees of the Company

have been trained to use the unified corporate template to visualize business operations

Business processes' digitalization

- The use of **AI-driven solutions** was expanded to make all company processes more digitally advanced and mature.
- **Innovation labs were set up** to rapidly test hypotheses based on emerging technologies and to form a pipeline of new digitalization initiatives, including those that are AI-enabled.

69 new hypotheses

for implementing AI-based solutions were developed and included in the projects portfolio

The Company's ECONS and LIMS R&D projects received awards at the **Oil 4.0** contest at the Tyumen Oil and Gas Forum. The ECONS performance management system became the winner in the Best economic effect category, while the Laboratory information management system (LIMS) for R&D was found to be the best in the Discoverers of the Year category. The jury also praised SIBUR's contribution to human capital development and awarded the Company the top place in this category for its technological modeling competence development program.

Премия НЕФТЬ 4.0

At the industry's key conference CIPR 2023, SIBUR presented a new video analytics solution, known as Mobile Automated Work Audit Complex (dubbed MAKAR). It is a mobile solution for monitoring repair and construction work at production facilities. By relying on the machine vision technology, the system automatically recognizes and counts people in a frame, which helps increase the level of control over critical operations at production sites. This allows for more precise management of work planning and execution.

CIPR



At SIBUR, we continue to develop our own "smart cameras". This includes increasing the number of detectors we can use to enable us to capture a maximum number of objects in a frame. MAKAR's upscaling at SIBUR's facilities is well underway, and MAKAR devices are getting increasingly smarter, more mobile, lighter, and more autonomous.

Vadim Schemelinin,
Head of SIBUR Digital's Industry 4.0 practice

Solutions for the environment

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Environmental protection and climate impact mitigation represent critical areas of focus for SIBUR. We strive to make our facilities not only highly efficient technology-wise, but also environmentally friendly and standards-compliant to the maximum extent possible. In fact, in some cases, SIBUR's production facilities even exceed existing environmental requirements. In 2023, we continued to strengthen this focus by making Environment and Climate Initiatives and Carbon Management functions standalone functional areas. We are confident that this transformation will bring us another step closer to improving our performance even further.

Sergey Lukichev,
Member of the Management Board, Managing Director, Corporate Security and Audit, SIBUR LLC

SIBUR reduced its environmental impact indicators in 2023 against 2022:

- direct GHG (Scope 1) emissions dropped by **25%**;
- other indirect (Scope 3) emissions fell by **21%** against 2022;
- energy intensity of products was reduced by **3.7 p.p**.

By taking action to achieve environmental protection goals of its Sustainable Development Strategy, SIBUR achieved the following results in 2023:

- water consumption fell by **1.4 million** cubic meters;
- emission of pollutants into the atmosphere was reduced by **1,300** tons;
- discharges of pollutants into water bodies was reduced by **1,250** tons;
- waste landfilling was reduced by **12,500** tons.

The volume of green energy generated (procured) reached 36.5 MWh.

SIBUR expanded the area where it implements its biodiversity projects: Living Symbols of the Taiga projects were implemented in cities of Khanty-Mansi Autonomous Okrug (KhMAO) and Yamalo-Nenets Autonomous Okrug (YaNAO).

In 2023, SIBUR's Environment business area was made a separate function to strengthen the focus on environmental friendliness of production and products, and to enhance environmental culture and perception



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Key Environmental and Low-Carbon Development Activities in 2023

SIBUR is a leader of low-carbon transformation in Russia

SIBUR filed to register its **first climate project for the construction of a solar power plant** at POLIEF with the Qatar-based Global Carbon Council (GCC) greenhouse gas program.

GLOBAL CARBON COUNCIL

The Climate initiatives and carbon management **corporate function was established.**

SIBUR performed the first transaction to sell GHG emission reductions using tokens and the blockchain technology to the total amount of

3,121 tons of CO_2-eq.

These were purchased by the QIWI group to fully offset the latter's Scope 1 and 2 footprint for 2022.

QIWI

SIBUR committed to ensuring that its climate-action projects will help reduce GHG (carbon units) emissions by

9.3 mln tons of CO_2-eq.

over the next 10 years.



SIBUR made the first major exchange transaction in Russia to sell carbon units totaling

2,735 tons of CO_2-eq.

on the National Mercantile Exchange

The buyers were Gazprombank (represented by its subsidiary GPB Komplekt) and the company Carbon Zero

GPB COMPLECT

CARBON ZERO

SIBUR registered three climate projects implemented at its Nizhnekamsk, Tomsk and Dzerzhinsk facilities with the Russian carbon registry and became the owner of the largest portfolio of CO_2 emission reduction projects among Russian businesses. The total effect of greenhouse gas emission reduction resulting from the implementation of relevant projects through 2032 is expected to exceed

>6 mln tons of CO_2-eq.

wo more projects received registration in early 2024.

Sibur-Khimprom won the All-Russian industry contest of the Russian Chemists' Union **Five Stars. Leader of the Chemical Industry** in the Best Projects of 2023 category. The Company received the award for optimizing the process for producing the DOTP plasticizer, which makes it possible to reduce greenhouse gas emissions by 15,000 tons over a period of three years. The company's engineers developed an innovative way of feeding the catalyst directly into the reactor tanks. As a result, the speed of synthesis and the volume of natural gas required for production were dramatically reduced. The contest's organizing committee recommended the DOTP process modernization project to be nominated for an award of the All-Russian Society of Inventors and Rationalizers.

РОССИЙСКИЙ СОЮЗ ХИМИКОВ



Improving our production technologies' eco-friendliness is one of the company's priorities and our responsibility to Perm's residents. We are very proud that our industry peers have been able to acknowledge the merit of Sibur-Khimprom's climate project and its scale: the reduction of greenhouse gas emissions by 15,000 tons over three years is a substantial figure and a clear indicator of the effectiveness of our efforts to reduce our impact on the atmosphere.

Maxim Lenkov,
CEO of JSC Sibur-Khimprom

1 The registration occurred after the end of the reporting period, on January 10, 2024.

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Key circular economy activities in 2023

SIBUR is developing a circular economy in Russia



SIBUR has been engaged in advancing circular economy and in involving polymer waste in recycling for almost five years now. For instance, we are implementing a major project, one of the largest in Russia, which involves production of granules by using recycled Vivilen rPET at our POLIEF plant in Blagoveshchensk (Bashkortostan). It can produce up to 140 thousand tons of bottle-grade polyethylene terephthalate (PET) per annum, using up to 30% of recycled feedstock. And projects such as that have the potential for scaling up, both for PET and other types of polymer products. Overall, our Vivilen brand range involving secondary feedstock uses about 15 grades of polyethylene, polypropylene, and polystyrene. In 2023, we completed a number of successful transition cases with our partners to change their production process so that they can use Vivilen products.

Konstantin Vernigorov,
CEO of SIBUR PolyLab

VIVILEN BY SIBUR

To learn more about Vivilen and involving plastics in recycling, please follow this link

21,400 tons
of polymer waste were recycled as part of SIBUR's own projects

The share of PET with secondary granule content was
32.5%,
which is 0.5 p.p. higher than the target

The output of
111,200 tons
of low-carbon products, as well as products containing recycled or biological materials was 2% higher than planned output

RUB 117.7 mln
was the amount of money invested in R&D on polymer recycling and involving renewable raw materials in production

- **Six** Environmental Product Declarations (EPDs) were developed.
- A range of **60** grades of secondary compounds was developed that could be produced using either market-sourced recycled feedstocks or the Company's own waste, with **three** new grades being produced already.
- Compounders were sourced (200 reviewed, 13 identified as potential partners) for annual production of **120,000** tons of secondary compounds.
- **78 grades** with a production capacity potential of 600,000 tons per year are being developed at PolyLab's centers.
- A working group on CE projects was set up at PolyLab Moscow.



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34%

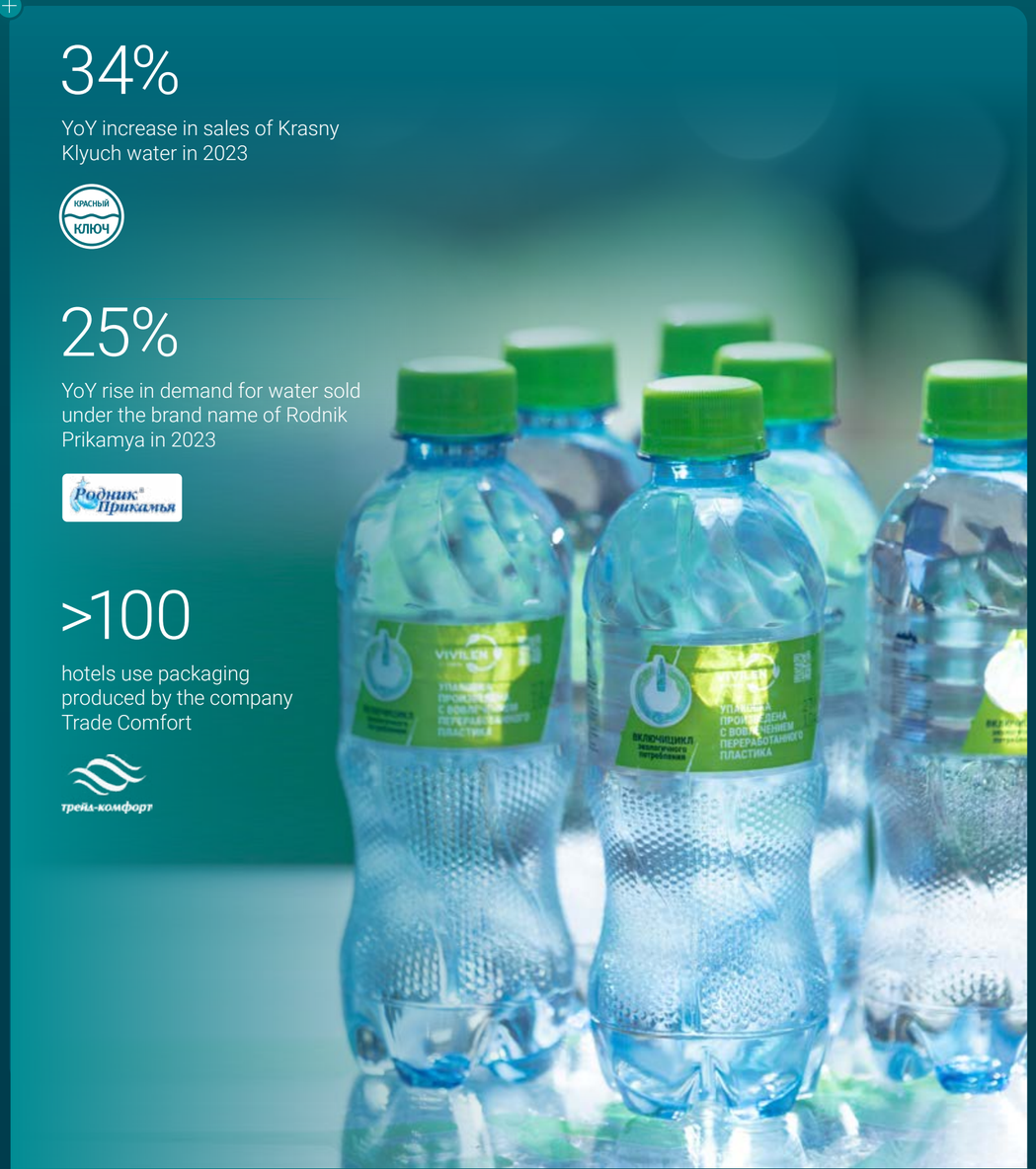
YoY increase in sales of Krasny Klyuch water in 2023

25%

YoY rise in demand for water sold under the brand name of Rodnik Prikamya in 2023

>100

hotels use packaging produced by the company Trade Comfort



SIBUR won the first prize in the Initiatives of the Industry's companies category of the REO's Green Award for its Vivilen plastic packaging that is produced with the use of recycled polymers. Vivilen's collaboration with Rodnik Prikamya, Lenta and Bumatika involved 1.2 million people. 24 tons of PET bottles were collected, with sales experiencing a 20% growth in 2023 against 2022. As part of the collaboration, Vivilen and Visit Tyumen organized a circular economy chain spanning PET collection all the way to manufacturing sustainable packaging. Marathon races held in Moscow, Nizhnekamsk, Ufa and Kazan featured dedicated plastic collection areas. Thanks to their participation in the races, 93,000 people were introduced to the plastics recycling cycle. About 435,000 bottles were transferred for recycling. In total, the project's reach totaled 1.5 million people.

G-Drive, Zenith Football Club and SIBUR introduced new eco-friendly drinking water bottles produced with the use of recycled materials. Each bottle is made of rPET polymer granules developed by SIBUR and contains up to 25% recycled plastic. G-Drive water in Vivilen packaging was presented to players during Zenith's home football game at the Gazprom Arena.

Gazpromneft, SIBUR and FC Zenith set up the VKLUCHIZIKL (Get-in-the-Cycle) zone at the Gazprom Arena that stays operational during football games. This is where fans can learn more about circular economy, deposit plastic bottles into a phandomat and take part in a master class to make key chains out of recycled plastic.

All over the world, PET is used to produce plastic packaging for beverages, synthetic fabrics, medical devices, etc. It is one of the most common polymers used to manufacture such types of goods. In the case of circular economy where recycling and placing recycled materials back into the production cycle are prerequisites, plastics are among the most suitable materials as it is economically profitable to collect and recycle it.

Denis Butsaev,
CEO of REO (Russian Environmental Operator)

Solutions for the sector

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In 2021, following Nizhnekamskneftekhim and Kazanorgsintez facilities' incorporation as SIBUR's assets, we experienced strong growth with our customer base growing by +30% and saw the size of our product portfolio increase dramatically. We became capable of offering our customers not just stand-alone brands, but comprehensive solutions, with a lead-in to subsequent processing stages. Such a leap in our growth prompted us to invest heavily in our R&D, to create bespoke product solutions tailored to the needs of our partners and our partners' partners.

Alexander Petrov,
Member of the Management Board, Managing Director of SIBUR LLC

In 2023, SIBUR introduced

27 **grades of plastics and specialty solutions**

for such industries as construction, transportation, packaging, medicine, consumer goods, including:

- **3** new grades of BOPP films.
- **New** Vivilen rPET **grade**.
- **2** new grades of rubber.
- **Injection-molded** grade of ABS plastic that is based on SIBUR-produced rubber.





Support was provided to customers in response to

176 **service requests**

in the following areas: technical consultations, laboratory support, improving customer products quality, certification testing, developing customers' product portfolio. A project to provide support to tire manufacturers was implemented

The Company's 2023 client portfolio was comprised of more than

3,500 **clients**

including both Russian and foreign companies



Key activities in 2023

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PolyLab is a key element of SIBUR's R&D infrastructure and a competence center for the entire petrochemical industry where products are developed jointly with industry partners, and training courses, technical seminars, excursions, career guidance and other events are held.

>50

new research methodologies were introduced to meet the needs of key industries

>300

professional discussions were held at PolyLab facilities in 2023



SIBURINTEKH is an educational platform for specialists of the domestic petrochemical and oil and gas sectors.

>300

courses are being taught on SIBURINTEKH's platform

As part of the **National project Education**, SIBURINTEKH offers programs to promote engineering and technical professions and provide advanced vocational training for schoolchildren and university students.



PetroChemSkills, SIBUR's professional championship for industry's experts

SIBUR-run PetroChemSkills, a professional championship organized according to WorldSkills standards, is an important driver of Russia's industrial development.

In 2023, more than

150 people

representing

29 enterprises

from the petrochemical, nuclear, energy, and metallurgical sectors took part in this professional competition

SIBUR's **House of Polymers** stand at Rossiya International Exhibition and Forum is the largest educational and outreach expo-space in Russia focusing on petrochemistry. Over 5,000 guests visited the stand during the first days following the Exhibition's opening. The House of Polymers is introducing a broad audience to modern synthetic materials, new technologies, sustainable development, and environmental initiatives. The pavilion also features a lecture hall with over 100 seats and a workshop space where one can learn why it is important to sort waste and how to offer plastics a second lease on life. An important feature of this dedicated area is that it serves to promote engineering and blue-collar professions. The House of Polymers organizes excursions, educational lectures and master classes for schoolchildren and university students.



The progress of not only our sector, but also of the economy and of the country in general depends on petrochemical products, because development of many areas involves use of polymers. The exposition introduces new interesting professions, technologies, and the wonderful multifaceted world of chemistry. This is a project about creativity, about how we contribute to the development of this world. We invite visitors to the exhibition to get acquainted with the House of Polymers and would be happy to read any reviews left by our guests.

Marina Medvedeva,
Member of the Management Board – Managing Director of SIBUR

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Training engineers of the future

Opening, in 2023, of a **specialized SIBUR class** at the lyceum of Tomsk Polytechnic University.

The new class will be attended by

30

pre-selected lyceum students

They will pursue in-depth study of their core subjects and work on engineering and technical projects, guided by instructors from Tomskneftekhim and Tomsk Polytechnic University. The students will visit SIBUR's Tomsk enterprises and participate in off-site thematic sessions that will help them get immersed in the Company's corporate culture and acquire the skills needed to work on real-life sector-specific cases. SIBUR's classes are also taught at **4** schools in Tobolsk and Kazan.

SIBUR's **Trajectory** corporate educational platform targets 10th and 11th graders as well as university students, and it offers webinars, diagnostics, and career counseling services. Schoolchildren are assisted in preparing for the Unified State Examination, with the most active students getting invited to participate in intensive training classes held during their vacations with a chance to enroll in a university as part of the Company's quota. Students of technical universities study petrochemistry under their mentors' tutelage and are entitled to an allowance.

2023 saw

128 university students

enroll in the program

SIBUR's **First Element** Program is a paid internship with competitive salaries for chemists and engineers to help them learn their trade and start a promising career. Participants are offered the opportunity to get promoted from the level of an intern to that of a shift supervisor, learn about advanced sector-specific technologies, and work under the guidance of experienced mentors.

In 2023,

1,179 people

were employed under the auspices of the program

Long-term projects are being run under the Formula for Good Deeds social investment program to support the Company's career guidance activities and to stimulate school students' interest in natural and exact sciences.



3 employees of SiburTyumenGas were awarded prizes at the All-Russian contest "Engineer of the Year 2023". Over 70,000 technical specialists from 59 regions of Russia took part in it.

7 prizes and **12** professional awards were given to SIBUR employees at the International Championship of High-Tech Professions Hi-Tech 2023. The SIBUR team representing the Company at Hi-Tech 2023 was put together based on the results of the PetroChemSkills industry championship held in Tyumen, Tobolsk and Nizhnekamsk. In total, about **1,000** contestants and experts from over 25 Russian companies, as well as participants from 10 EAEU, BRICS and ASEAN member-countries took part in the competition. The 2023 Championship focused on Russia's economy's technological resilience and competitiveness. Practices and technologies applied by the participants during the competition will be transferred to other companies to help increase labor productivity.



The principal benefit of the contest is in the way we apply the skills we learn here, the way we develop our production sites, and the way we replicate the best practices. I am happy to note that as years go by the contest's participants are only getting stronger, and that the competition is getting tougher. All this shows that we've got to be on the right track.

Rustam Galiakhmetov,
Managing Director, Head of SIBUR Corporate University

Solutions for society

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Involving local communities and cooperating with key federal institutions is a basic principle underpinning our Formula for Good Deeds social investment program's activities. We see the quality of project development and implementation continuously improve, new collaborations of our partners take shape, and new creative and socially relevant project ideas emerge. We are happy to see that the Company's support helps forge a community of positive change leaders in the cities where we have a presence.

Alexey Shakhov,
Director, Government Relations

FORMULA FOR GOOD DEEDS

To learn more about the Formula for Good Deeds program, please follow this link





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Key activities in 2023

SIBUR's social investment program The Formula for Good Deeds

- SIBUR is included in the **Leaders in Corporate Charity** rating of the Donors Forum and the Kommersant newspaper.
- The project You Can Do Anything! was included in the collection of corporate practices **Sustainable Development in the Strategy of Russian Business.**
- Inclusive practices of the Formula for Good Deeds social investment program made it to the finals of the "WE ARE TOGETHER" International Award.

RUB **622.5** mln
is the amount of social investments made under the Formula for Good Deeds program

137 Company's grant projects
were implemented in **16** cities with the Company's support

45
inter-regional projects of the Formula for Good Deeds program



Sports	Culture	Inclusion	Environmental protection	City	Edication and science	Volunteering
32 grants RUB 25,668,341	29 grants RUB 22,996,217	27 grants RUB 15,980,016	17 grants RUB 10,867,587	13 grants RUB 11,289,861	13 grants RUB 8,103,151	6 grants RUB 2,360,681
7 projects • Winter fest • Steel character • SIBUR chess school • SIBUR healthy lifestyle • TIMERMAN Ski marathon • Sport Fest • Flag of kindness	**10 projects** • Theatre of nations fest • Theatre of nations on tour • Chernorechye fest • Summer book festival • Draw&Co • Fantastic Plastic • Words' Power literary festival • Moscow Art Theatre Studio School opens new cities • Creative walks with Patriarshy House tours • Rails and SIBUR	**5 projects** • You can do anything • City of opportunities blog • Sunny music • Lessons of support and kindness • We are stronger when we help/Dynamic fellows	**7 projects** • Territory for lapwings • The Green Formula (FEA) • Living symbols of the taiga • Recycling workshop • Innovative collection of recyclables and inclusive environment production • Clean Games • RE-FORM	**7 projects** • Urban renovation • Leadership code • City ecosystem • Art formula • Iconic place • Family – place of strength, • "Bridges - Festival of street arts	**9 projects** • Science sessions • Intensive classes for teachers • Case-In championship • Tech-leaders of future • STEAM-fest • Knowledge reactor • Club for creative residents • 3D Academy • Energosynthesis School	**Corporate Volunteering Program:** • Contest of employees' volunteering projects • Seven company-wide campaigns • Intellectual volunteering on the platform of ProCharity • 13 ambassadors of the volunteering program

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FORMULA FOR GOOD DEEDS

SIBUR has set up a comprehensive inclusive program which amalgamates such ongoing projects as You Can Do Anything! and the City of Opportunities, as well as other grant and interregional projects in the area of Inclusion.



Since 2023, Kazan has been implementing inclusive projects of the Formula for Good Deeds program. Thanks to SIBUR's grant support, a theater laboratory for children with disabilities will be set up at the Kazan Young Spectator's Theatre, while the Said-Galiyev Palace of Culture will host the republican Let's Hold Hands, Friends! festival of creative arts for people with disabilities, and an inclusive museum-style campground for blind and visually impaired children will be organized at the Kazan Kremlin. In addition, last year, thanks to SIBUR's cooperation with the Russian Football Union, the city hosted one of the stages of Will of Steel, an All-Russian football tournament for people with disabilities.

Ayrat Safin,
CEO of Kazanorgsintez

SIBUR continues to implement its Real Tobolsk urban development program. The program is being implemented as part of a trilateral partnership between the Company, the Tyumen Region's government, and the city of Tobolsk's administration since 2021. Here are some of the results of the program's implementation in 2023:

- A specialized gymnastics center was inaugurated, with about 600 children enjoying this great sport there. The new gymnastics center has all the necessary equipment and amenities required for holding training sessions and tournaments.
- Comprehensive renovation of one of the largest schools of the city, Building 1 of School 16 in the 10th Neighborhood, has been completed. In addition to the renovation of the building itself, the school's grounds were improved and turned into a modern leisure zone to be enjoyed by the entire neighborhood.
- The building of the children's technopark Quantorium, where about 1,400 children are engaged in creativity-filled scientific and technical pursuits, has also undergone a complete overhaul.

Support for our regions of presence

- In 2023, an additional cooperation agreement was signed with **KhMAO-Yugra**, while cooperation with **YaNAO** was further expanded.
- The **Real Tobolsk** program continued its activities.

Financial support for entrepreneurs in the regions

RUB **10.6** mln
in Tobolsk

RUB **1.9** mln
in Svobodny

According to the 2023 assessment,

92%
of the 2022 projects comply with the national development goals of the Russian Federation

191
of the program's projects partially or fully comply with 6 of the RF national projects' goals



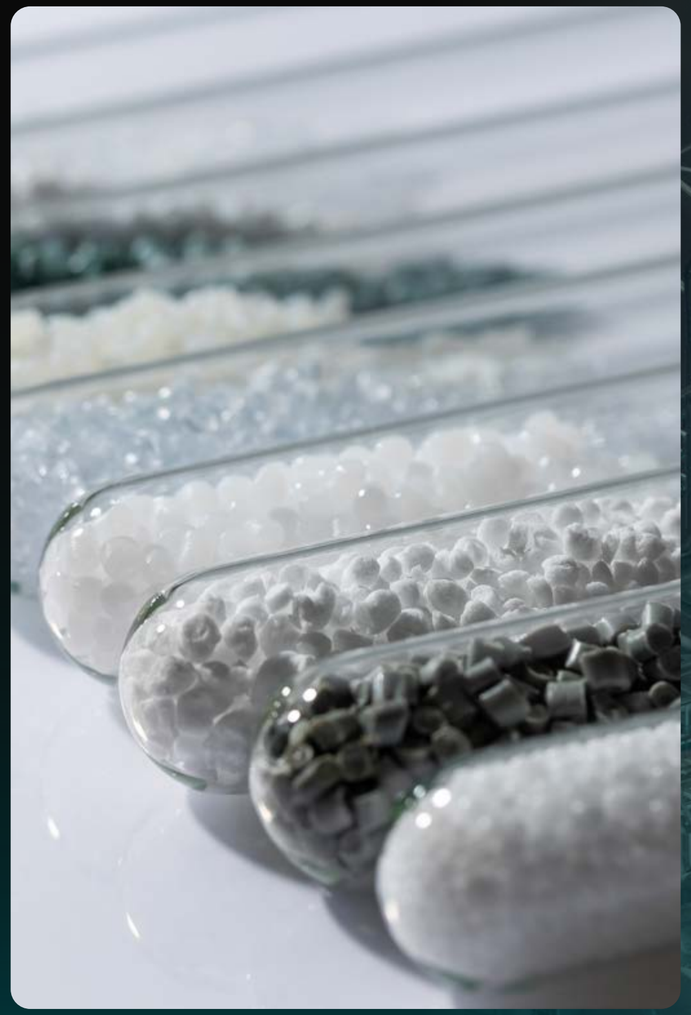
Employees as volunteers

- The Amur Region, where the regional office of the National Corporate Volunteering Council is headed by SIBUR, was awarded the title of the **Capital of Corporate Volunteering** at the 12th Moscow International Forum Corporate Volunteering: Business and Society.
- **A mobile application** of the Formula for Good Deeds program was launched for Android and IOS.

9,690
employee volunteers contribute to the social transformation of their cities



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The Group’s profile

GRI 2-6, 2-23

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SIBUR is one of the largest and fastest growing companies in the global petrochemical sector, Russia's top producer of polymers and rubbers, and a driver of Russia's circular economy. SIBUR is at the forefront of Russia's petrochemical sector development by building new production facilities that meet world-class standards, by developing and rolling out innovative products, by retrofitting its existing facilities to bring them in line with cutting-edge technologies, by enabling import substitution across several areas, and by setting an example of effective digital transformation that permeates all aspects of the Company's operations.

The Company's activities are underpinned by the principles of sustainable development and continuing improvement to ensure a better future for people and for the entire planet. The Company's motto is Partners for Growth. This means that SIBUR combines the efforts of a wide range of stakeholders to achieve better results.

SIBUR's leadership is manifested by its high positions in various ratings and rankings, the long-standing trust of its business partners, and by steady growth of its key indicators.

The Company’s corporate values reflect SIBUR's approach to doing business

Close-knit team

By combining talents, we complement each other while tackling unique challenges together

Mutual respect

We cultivate an environment for everyone's development while respecting each other regardless of our job titles or occupations. Trust and fairness are at the heart of our culture

Getting better every day

We are constantly evolving to build a better future. Staying ahead of tomorrow's challenges, we are always on the lookout for pioneering ideas, knowledge and technology

Smart result

Our goal is to achieve results in the most efficient way possible. We embrace innovative approaches and technologies, as we do good for people and preserve the environment

Partnership

We build partnerships with our clients founded on mutual respect and understanding of the challenges they face

Uncompromising safety

Safety is our priority. We protect people's health and lives, help preserve the nature for future generations

Business model

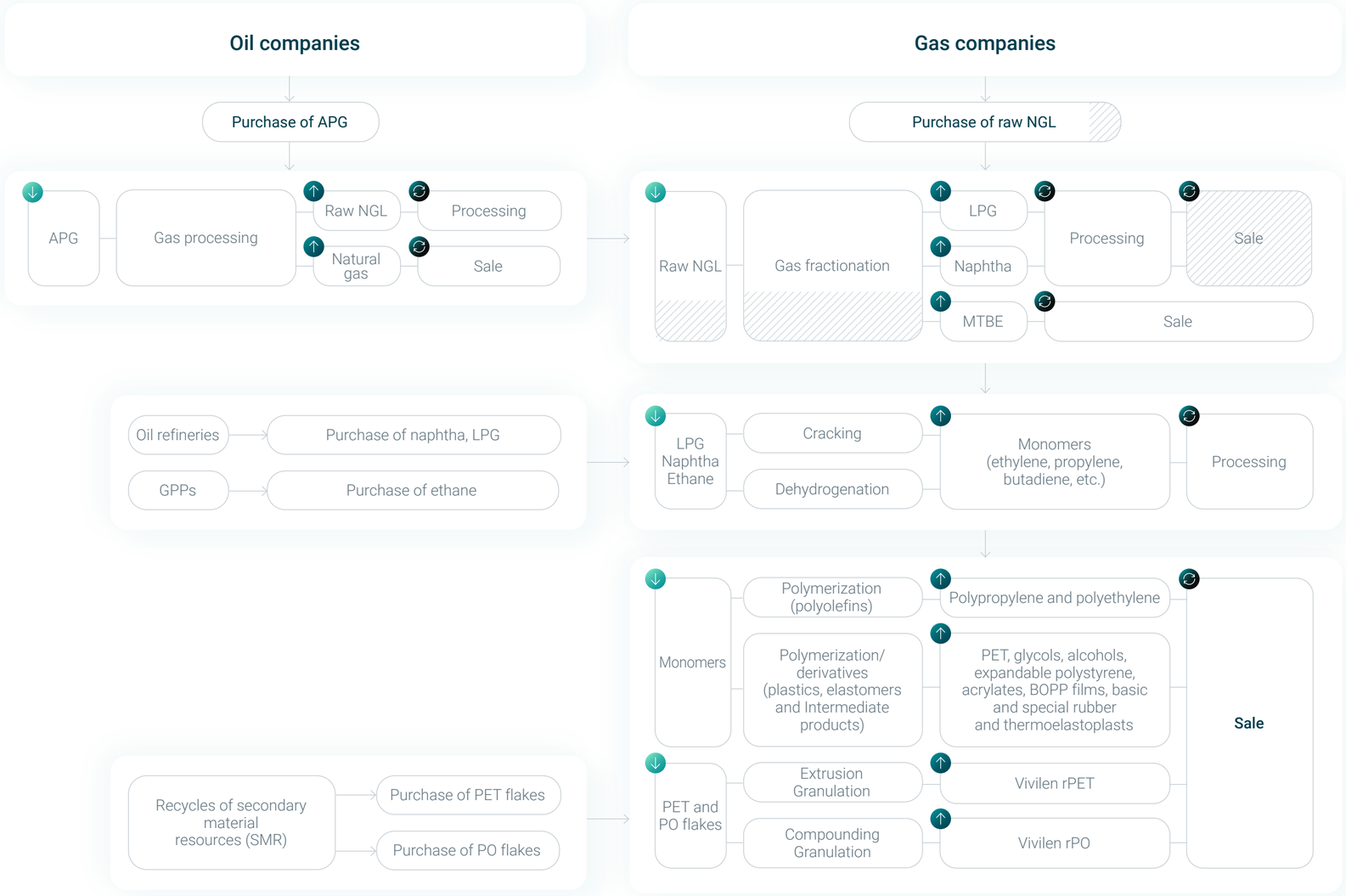
GRI 2-29

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At the heart of SIBUR's business model is its unwavering commitment to making sought-after products that enable further growth and create development opportunities for our customers, while injecting generous social investments in the development of the regions of its presence and contributing in a major way to improving the quality of people's lives.

SIBUR's products are used across a broad swath of sectors of the nation's economy including construction, food processing, healthcare, pharmaceuticals, agriculture, automotive industry, and others. The Company makes safe and top-quality products by constantly improving its manufacturing processes while striving to reduce its environmental impact. Other fortes of the Company include its secure access to raw materials, stability of its financial performance, focus on fast-growing petrochemical markets, and promising investment projects.





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Geography of presence

GRI 2-1, 2-6

The company's geography of operations is comprised of 20 Russian regions in the European part of the nation, in Siberia, and in the Far East. The diversity of our production sites' locations allows us to optimize logistic chains starting with the sources of raw material all the way to sales markets. We have established local presence offices in several key countries to facilitate our exports-related activities.

3,600 km
is the length of the Company's pipeline infrastructure

6
offices set up abroad to facilitate the Company's exports

>100,000
tons of new storage capacity in foreign jurisdictions

Changes in the structure of the Company's assets in the Republic of Tatarstan

The reporting period saw changes in the structure of the Company's Kazan-based assets: non-core businesses were sold. To wit, the sale of TGC-16, a power generating company, previously acquired together with the assets of Kazanorgsintez and Nizhnekamskneftekhim, to TAIF Group, was completed in May. In accordance with the long-term contracts concluded with the Company earlier, TGC-16 will continue to supply thermal power to SIBUR's enterprises in Kazan and Nizhnekamsk.

In December, Kazanorgsintez sold a plant producing polyethylene pipes and fittings. RemGazCommunications became the buyer of the plant with the output of 29,600 tons per annum. The deal has helped bring the relationship between RGC and SIBUR to a new level of partnership, allowing RGC to optimize its logistics and be more flexible in regulating its deliveries. This is expected to result in an increase in the volume of polymers processed by local players.

Map of SIBUR's assets



SIBUR continued to further reinforce its strong position in the domestic and international markets. Sales in Russia and in CIS countries remain a key focus due to the push toward substituting imports of finished products and feedstocks, and replacing traditional materials. The Company's projections underscore the importance of strengthening its presence in these markets with a focus on creating new product grades.

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Strategic overview

Overview of the markets

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Macroeconomic environment

"Stable volatility"[1] is the term that can best describe the overall situation in the global economy in 2023. Among the main factors influencing the world markets were a tight monetary policy pursued by a number of countries and heightened interest rate, persistent inflation, high energy prices, geopolitical risks, and low economic growth rates compared to earlier periods.



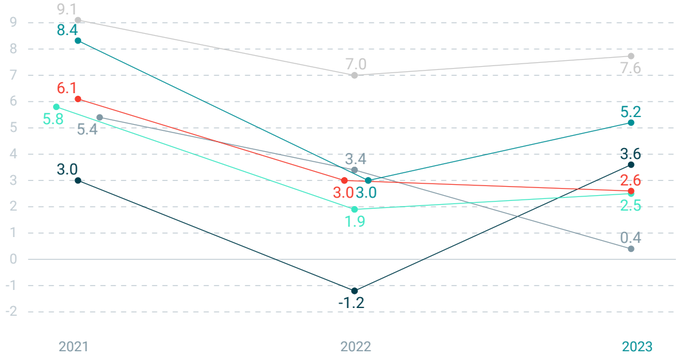
The growth in consumption of base polymers in the Russian domestic market in 2023 offset the negative impact of external factors, specifically, negative price changes in global petrochemical markets and volatility of the ruble.

The global economy, following its 2021-2022 post-COVID recovery, showed a decline in the growth rate from 3% to 2.6% by the end of 2023. Nevertheless, the 2023 GDP figures in the US, China and India were higher than the previous year's values. The EU countries' growth was below 1%, but the service sector's dynamics (driven in part by growing tourism, which had rebounded to the 2019 pre-pandemic level) has so far been able to offset the decline in industrial production, which, at the end of 2023, reached almost 6% YoY.

Although the rate of inflation in developed economies has been slowing faster than expected, it has failed to reach the target level. As central banks as national regulators are not yet confident that they can claim to see a negative trend for the inflation rate's growth to be able to start a cycle of interest rate cuts.

Slowdown in global growth vs. acceleration in the US, India, and China

Real GDP dynamics, % YoY



Sources: Refinitiv Eikon, US Bureau of Economic Analysis, National Bureau of Statistics of the People's Republic of China, Ministry of Statistics of India, Eurostat, SIBUR analysis.

Russia's economy grew at the rate of 3.6% in 2023 The recorded growth rate turned out to be the highest in a decade, except the post-COVID year 2021. Weak external demand for Russian exports was offset by strong fiscal and credit stimuli.

2023 saw a weakening of the ruble against major currencies, with the average ruble-dollar exchange rate falling from an average of 69 rubles per dollar in 2022 to 85 rubles per dollar in 2023, or by 23%. At one point in the middle of the year, the exchange rate dropped to as low as 101.36 rubles per dollar, but thanks to the tightening of monetary policy the rate subsequently stabilized at around 90 rubles per dollar. In experts' view, the key factor that drove the weakening of the ruble was the shortage of foreign currency supply in the market caused by declining export revenues as a result of a decrease in the Russian Federation foreign trade balance by $197.3 billion compared to 2022 (-63%) and a drop in the volume of sales of foreign currency earnings by exporters in Q2 and Q3, amid a stable demand for imports, continued capital outflow, and foreign debt repayments.

2023 saw a decline in oil prices, which, however, could have been more pronounced had it not been for the consistent stance of OPEC+ regarding offsetting oil production growth in other countries. In 2023, oil prices showed high volatility but, generally, trended downwards. The average price fell from $82.8 per barrel in January to a monthly low of $74.7 per barrel in June, before exceeding $90 per barrel in the third quarter and falling back to around $80 per barrel in the final months of the year. As a result, Brent crude averaged $82.6 per barrel in 2023, down 18.4% year-on-year.

In 2023, global prices for liquefied petroleum gas and naphtha were down by an average of 16 to 30% year-on-year due to the oil price dynamics and changes in the supply-demand balance.

Petrochemical markets

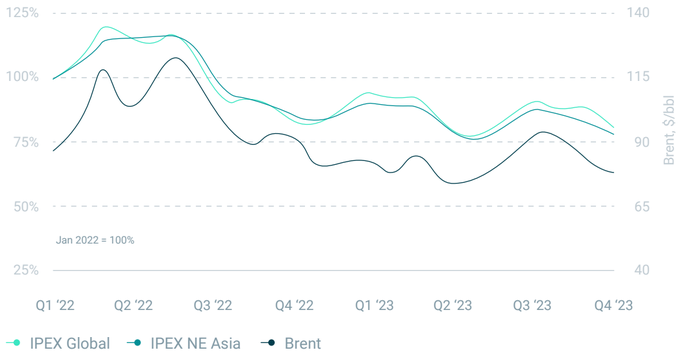
The global petrochemical sector generates about 7% of the global GDP and accounts for 120 million jobs (including downstream processing) worldwide. In 2023, the global and Asian petrochemical markets continued to decline due to oversupply across the vast majority of value chains. There was a slowdown in global chemical production growth to 1.7% (only China showed a positive trend). PP and PE spreads[2] to naphtha in Asian markets remained at the lowest level for the last 10 years (averaging $246 per ton and $288 per ton in 2023, respectively). Amid weak demand, record growth in new capacity commissions in China continued, which put a lot of pressure on the Asian market.

1 The term was suggested by EY experts.
2 The term "spread" as used here refers to the difference between the final product's and the feedstocks' prices per ton and thus clearly shows the profitability margin of a given petrochemical product.

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Petrochemicals price indices vs. the Brent price

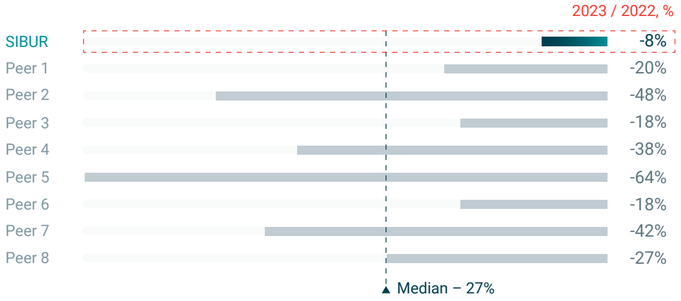
Source: The Company's own data



At the beginning of 2023, prices on key petrochemical products had showed some growth, but starting from March they started to decline again. Even though the price trajectory leveled off somewhat in Q3, the IPEX index was down more than 15% in 2023 against 2022, and prices of SIBUR's finished products were 10% below target.

Changes in EBITDA of SIBUR and that of its peers, in USD

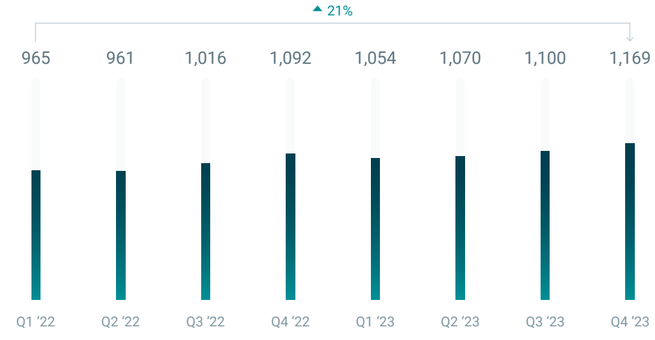
Source: Companies' data



Two main factors were putting pressure on petrochemical prices. First, record growth in new supply continued, primarily in China, where more than 2.5 million tons per year of PE capacity and 7.5 million tons per year of PP capacity were commissioned in 2023. Second, a weaker-than-expected demand in China due to the negative macroeconomic situation (real estate market downturn, contracting exports, etc.) had a role to play.

Overcapacity coupled with moderate demand dynamics stifled price growth and by doing so prevented petrochemical spreads from recovering to historical levels. In this context, the top global players recorded a decline in revenues and margins.

Consumption of base polymers in Russia, thousand tons



Source: Rosstat

At the same time, the domestic market saw a recovery in consumption of base polymers against the backdrop of negative external factors. In 2023, the Russian base polymers market showed active growth of 10% (by +369,000 tons) against 2022, of which about 4% was driven by joint programs of SIBUR and the Company's customers, such as polymer imports substitution, expansion of processing capacities, and substituting traditional solutions with polymer solutions. In 2023, SIBUR implemented 330 programs with over 270 partners to the equivalent of 176,000 tons of products.

Growth potential for Russian polymer market

Thanks to key drivers, the polymer market has the potential of growth in polymer processing and consumption

~1.6 mln tons

Substitution of imported finished products

Including socially significant segments: i.e. Medicine

31%

Domestic demand

Driven by implementation of state support programs

25%

Export potential

Expanding export potential of finished products

23%

Switching to effective polymer solutions

21%



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Russia's recyclables market

The market of recycled polymer feedstocks continued to evolve. Despite experts' estimates that Russia has a high potential for recycling plastic products, the actual recycling volumes are still no higher than 10 to 12%. In 2023, Russia launched a centralized recyclable materials e-exchange operating on the platform of the public law company Russian Environmental Operator featuring a module that monitors prices of recycled feedstocks including plastics. The module that is accessible by all registered users makes it possible to track the prices and the number of lots that match user-set parameters, as well as see a summary of all prices for the entire period that the electronic trading platform has been in operation.

Shortage of recyclable raw materials is a limiting factor for the development of recycling, since the current capacity and depth of sorting of solid municipal waste are not yet at the level that makes it possible to accumulate the amounts of raw materials required for full utilization of the existing capacity.

The regulatory framework for recycling was further updated and improved at the end of 2023 at the initiative of the RF Ministry of Industry and Trade. The agency laid down a list of goods and packaging materials that can be replaced with recyclable polymer analogs. The list became one of the underpinnings of the Law on Extended Producer Responsibility, or EPR, that came into effect in January 2024.[1]

SIBUR, as the largest producer of plastics, including Vivilen PET granules containing up to 30% of recycled content, supported the introduction of the EPR as part of waste management optimization. To mitigate the risk of feedstock shortages, the Company is investing in plastics recycling technologies that will enable it, as early as in the medium term, to process polymer waste without sorting.

SIBUR encourages its customers to increase their demand for recycled products, monitors how its products are recycled, and facilitates their promotion on the market. The Company advances the principles of responsible waste management via its own and partners' projects. The Company has been promoting sustainable development and circular economy initiatives among its suppliers and contractors and members of the public in the cities where it operates, as well as through carrying out its own initiatives and projects implemented together with its partners.

1 Federal Law No. 451-FZ of August 4, 2023 on amending the Federal law On production and consumption waste and some legislative acts of the Russian Federation.

For more information, see sections → Sustainable product portfolio and → SIBUR's contribution to the development of circular economy.

Growth strategy: investment projects

SIBUR's key objectives in implementing its investment projects during the reporting period included reaching planned construction milestones, continuing efforts aimed at mitigating potential risks, and ensuring availability of flexible financing mechanisms.

The measures that had been taken enabled all investment projects to continue according to plan. As of December 31, 2023, the following results were achieved:

>35%

was the degree of progress achieved with the implementation of the Amur GCC project. The project's configuration had been updated, and a licensing agreement with Sinopec signed

90%

was the degree progress achieved with the implementation of the EP-600 project. Key pre-commissioning milestones that had been planned for 2023 were achieved

Amur GCC



325 ha
total area of the Amur GCC

>100
automated and digital solutions implemented to enhance process efficiency

2.7 mln tons p.a.
production capacity

>3,000
number of the Amur GCC's employees, 34.5% of whom are residents of the Amur Region

The Amur Gas Chemical Complex (AGCC) is a joint venture between SIBUR and China's Sinopec that is being built in the city of Svobodny (Amur Region). It will become Russia's largest plant to produce base polymers. The plant is expected to reach mechanical availability in 2026. The plant will have a production capacity of up to 2.7 million tons of finished products per year.

2023 Highlights:

- A new technical and contractual scheme was developed to enable the project to be completed without having to make changes to its output volumes and the product range.
- In 2023, 162 units of heavy-weight and large-sized process equipment got delivered to the AGCC's site; construction of the pyrolysis unit and general plant facilities continued on; construction work at the polymer producing units got resumed.
- Electricity was supplied to the plant's main power facility, the PS-500 kW substation.
- A new residential complex for AGCC employees in the center of Svobodny was built and fitted with all necessary amenities; the second phase of construction is underway.
- Three senior students of Far Eastern State Agricultural University became the AGCC's first interns.
- The Amur GCC was featured at the Rossiya exhibition in Moscow where it was presented as a cornerstone of the petrochemical cluster that is being developed in the region and the backbone of a future industrial park in the Amur Region.

The EP-600 olefin complex



600,000
tons of ethylene per year is the complex's capacity

36%
share of companies local to the Republic of Tatarstan in the overall number of contractors

~90%
availability of the complex

227
staff employees on the facility's payroll

The EP-600 olefin plant in Nizhnekamsk (the Republic of Tatarstan) was included in the Strategy for the development of Russia's petrochemical sector. Once the facility is up and running, it will significantly increase the country's ethylene production capacity to meet domestic demand and reduce reliance on imports of derivative products.

The EP-600 plant is to become one of the most advanced production facilities in Russia. The use of state-of-the-art technologies for processing hydrocarbon feedstocks will help make the new facility resilient, safe, and eco-friendly. The facility will be able to receive up to 1.8 million tons of feedstock materials per year. Startup and commissioning work is scheduled to begin in 2024.

2023 Highlights:

- The ethylene production facility is close to being 90% completed. Installation of steel structures and laying of underground lines are about to be completed, with most of the process equipment having already been installed.
- The power supply infrastructure was commissioned.
- Installation of the flare system was completed.
- 475 staff are employed at the project office, with 251 working on the operations side.

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ZapSibNeftekhim's polypropylene production plant (DHP-2)



570,000 tons a year
polypropylene production capacity

550,000 tons a year
propane dehydrogenation unit's capacity

>370
high-tech jobs to be created by the project

SIBUR embarked on a project to build a new polypropylene plant on the grounds of the ZapSibNeftekhim complex in the Tyumen Region. The project designed to expand SIBUR's production cluster involves building a propane dehydrogenation plant with a production capacity of 550,000 tons per annum and a polypropylene production unit (570,000 tons per annum).

The project will make it possible to involve additional volumes of hydrocarbon feedstocks that have already been accumulated by the Company in Western Siberia in the creation of value-added products. The project's key benefit is that it will be able to integrate into the existing petrochemical production complex in Tobolsk thus allowing the Company to use the existing energy and logistics infrastructure of ZapSibNeftekhim. The facility's launch is scheduled for 2027.

2023 Highlights:
- Design documentation for the process units was finalized.
- The process units' 60% 3D model was produced.
- Contracts for 443 pieces of core process equipment were made.
- Excavation works in process area were completed.

Polyethylene production plant in Kazakhstan (Silleno)



USD 7.6 billion[1]
total size of investment in JV Silleno

876
new jobs to be created at JV Silleno

In 2022, Kazakhstan's sovereign wealth fund Samruk-Kazyna, KazMunaiGas, SIBUR Holding and participants in operator companies signed foundational documents for the establishment of joint ventures (JVs) on the basis of KPI Inc. and Silleno on the territory of the special economic zone National Industrial Petrochemical Technopark in Atyrau. KPI Inc.'s plant with the nameplate capacity of 500,000 tons of polypropylene per year, was commissioned at the end of 2022.

Silleno's annual output is expected to be as much as 1.25 million tons of polyethylene. It is set to produce about 22 grades of polyethylene using licensed US-origin technologies of Chevron Phillips and Univation, 40% of which will be premium grade PE. The expectation is that the project's participants will take their final investment decision (FID) in 2024.

2023 Highlights:
- An agreement was signed in May with China Petroleum & Chemical Corporation (Sinopec) on the principles of joint implementation of the Silleno JV project, under which Sinopec may become a full-fledged partner of the project.
- In October, KazMunaiGas, SIBUR Holding and Sinopec signed purchase and sale agreements for a stake in the polyethylene production project. As a result, the ownership structure of Silleno will be as follows: KMG – 40%, Sinopec – 30%, SIBUR – 30%.[2]

1 Approximate assessment of the project's cost.
2 In April 2024, a tripartite protocol was signed, officially finalizing Sinopec's entry into the project.

Performance by business areas

Business segments	Petrochemistry		Procurement and trading
	Olefins and polyolefins	Plastics, organic chemicals, elastomers, intermediates, etc.	
Description	• Production of various types of petrochemical products and their sale on the Russian and international markets • This segment utilizes associated petroleum gas (APG) and liquefied natural gas (LNG), NGLs, naphtha, liquefied petroleum gas (LPG) and ethane as feedstocks that are purchased from major Russian oil and gas companies.		Selling surplus petrochemical feedstock (LPG and naphtha) on foreign markets.
Core assets	Production hubs in Western Siberia, conveniently located to lower feedstock transportation costs, as well as large enterprises in Central Russia: • Hydrocarbon processing and transportation infrastructure (APG and NGL pipelines connecting the fields to gas processing plants (GPPs) and gas fractionation units (GFUs) in Tobolsk); • one propane dehydrogenation plant in Tobolsk and two pyrolysis plants in Tomsk and Kstovo; • two polypropylene (PP) and polyethylene (PE) plants in Tobolsk and Tomsk, and PP plants in Omsk and Moscow; • five BOPP film plants in Central Russia and Siberia; • polyvinyl chloride (PVC) and caustic soda production in the Nizhny Novgorod region; • a synthetic rubber production plant in Voronezh; • production sites in the Republic of Tatarstan (PE and PP).	Production facilities in Russia (Central Russia and Eastern Siberia): • one pyrolysis plant; • four plants producing plastics and organic synthesis products; • three plants producing elastomers; • production sites in the Republic of Tatarstan (production of synthetic rubbers and plastics). Production facilities abroad: • a butyl rubber plant in India.	SIBUR currently uses more than 70% of petrochemical feedstock at its own facilities for further processing into higher value-added products. The remaining feedstock materials are sold on external markets as LPG and naphtha (accounted for in this segment). As a result, this segment represents both potential opportunities for expansion of petrochemical capacities and a reserve for ensuring self-sufficiency in raw materials in case of a decline in supplies from oil and gas companies.
Main products	Olefins and polyolefins: • Polypropylene (PP); • polyethylene (PE) / low density polyethylene (LDPE) / high density polyethylene (HDPE); • BOPP film.	Plastics and organic synthesis products: • polyethylene terephthalate (PET); • glycols; • ABS plastics; • general purpose polystyrene; • expanded polystyrene; • alcohols; • acrylates; • dioctyl terephthalate (DOTP); • polyvinyl chloride (PVC); • caustic soda; • Vivilen rPET granule; • Vivilen rPS granule. Elastomers: • base (commodity, commercial) rubbers; • special (specialized) rubbers; • thermoplastic elastomers. Intermediates and other petrochemical products: • ethylene; • propylene; • benzene; • styrene; • terephthalic acid (TPA); • ethylene oxide; • butadiene • isoprene; • bisphenol A; • propylene oxide; • isobutylene; • methyl tert-butyl ether (MTBE); • fuel components (FC).	• Liquefied petroleum gas (LPG); • naphtha.

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GRI 2-6

Operational and financial performance

In 2023, the volume of associated petroleum gas (APG) processing showed slight growth of 0.8% to reach 20.5 billion cubic meters. LHCM purchases increased by 3% gainst 2022.

Sales volumes grew virtually across all groups of petrochemical products by 11% overall year-on-year, mainly due to higher sales of plastics and organic synthesis products, as well as polypropylene and polyethylene due to ramped up output in Tobolsk. The decrease in naphtha sales in the Procurement and trading segment was due to its higher internal utilization rate at our production facilities in Tatarstan.

The Company's revenue in the reporting year amounted to RUB 1,086,987 million. Net income totaled RUB 168,512 mln.

As of December 31, 2023, total debt remained virtually unchanged at RUB 691,781 compared to the beginning of the previous year. Net debt was equal to RUB 636,991 million.



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Digital Transformation

GRI 3-3

Contribution to the UN SDGs and national projects

Material topics

Digitalization

Impact Materiality Survey Results

2023 results

Leadership

- SIBUR-developed solutions were presented at **key sectoral events** (CIPR, Innoprom, etc.)
- Alisa Melnikova, SIBUR's Director for Digital and Information Technologies, was announced **Director of the Year by Comnews Awards**
- The SIBUR Digital brand moved up 10 points (to the 25th place) in the key **ranking of IT employers by Habr and Ecopsy**. The brand is among the top 3 industrial IT clusters
- SIBUR's product Data Catalog won in the Best in-house development for internal tasks category at the Comnews's **Best Digital Solutions for the Oil and Gas Sector** contest.

New solutions

- **69 new hypotheses** for AI-based solutions were developed and included in the project portfolio. Large Language Model (LLM) solutions were added to the set of tools used. Innovation laboratories were set up to test and verify the hypotheses
- SIBUR became a **member of the Software Technology Independence Consortium** and together with its partners is leading 3 important areas of focus



In 2020, digital transformation was included in the list of national development goals of the Russian Federation. Through a system of government support measures and incentives to boost the economy's demand for IT solutions, an enabling environment is being put in place for the development and implementation of domestically developed digital technologies.

Despite the geopolitical factors and personnel challenges faced by the IT Sector, the planned indicators of the national goal are met every year, including thanks to the achievements of major companies that create products and solutions for their sector and the entire market.

Russian businesses, including SIBUR, are facing an ambitious goal to ensure digital resilience, business continuity, and business process efficiency. Despite the departure of foreign vendors after 2022, SIBUR is successfully coping with the challenges and continuing its digital transformation, focusing on expanding the use of AI-driven solutions.

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Management approach

GRI 3-3

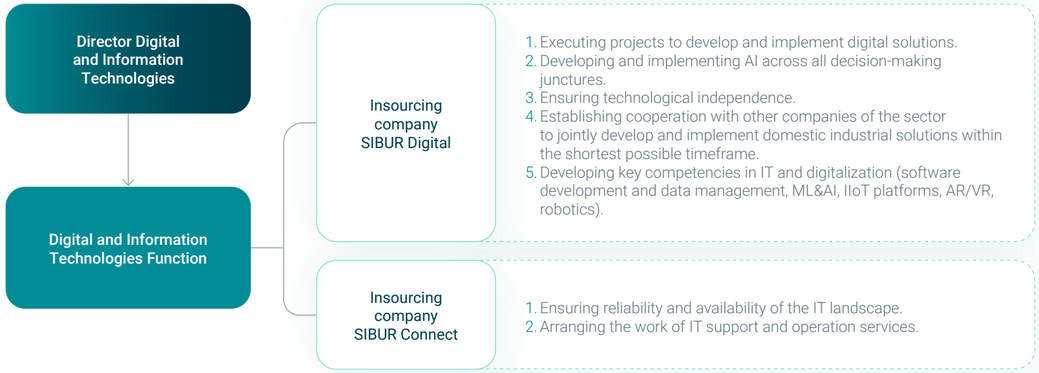
SIBUR is carrying out a far-reaching program of digitalizing its production and business processes by creating its own solutions and applying advanced products developed by leading Russian IT companies in various fields from artificial intelligence and advanced analytics to data management tools, industrial Internet of Things, mobile and web applications, to augmented and virtual reality, computer vision and others.



The credit for our progress should certainly go to the joint business and IT team that has been working towards common goals of the Company's development and achievement of the desired effects of our projects. Our IT cluster currently employs more than 2,000 professionals. For SIBUR, as a producing company, many of these competencies are new. At the dawn of digitalization, we chose to develop our own development capacity and create digital solutions for areas where they had not existed not only at SIBUR, but also nowhere on the market. And this turned out to be a wise choice. Today, we willingly share our digital expertise with the rest of our sector, creating a foundation for technological independence, working together with the largest manufacturing and IT companies operating on the Russian market.

Alisa Melnikova,
SIBUR's Director of Digital and Information Technologies

The governance structure of the Digital and Information Technologies function



In 2023, a new unit was created as part of the Digital and Information Technologies function to implement major projects aimed at achieving our technological independence in software (SW) development. Its key objectives include creating and implementing state-of-the-art high-tech domestic IT solutions to replace foreign software by working together with leading petrochemical and IT companies, as well as forging partnerships to make sure that solutions created by SIBUR are available to other industrial companies in Russia and in friendly countries.

Achievements

69 hypotheses
regarding implementation of AI-driven solutions developed in 2023

>RUB 11 billion
economic effect from digital transformation projects in 2023

3 projects
led by SIBUR jointly with its partners in the Software Technology Independence Consortium



2023 Target

Import substitution:

- Joint development, with oil and gas, petrochemical, and IT companies, of domestic systems for process modeling, predictive diagnostics, reliability management over a five-year horizon, including systems with export potential.
- Replacement of the MES-system with a domestic analog.
- Monetization of solutions developed in-house, including outside of the Russian Federation.

Unified IT landscape:

Getting the project Development of unified processes and applications at the enterprises in the Republic of Tatarstan completed by January 2024.

Digitalization of business processes:

Expanding the use of AI-driven solutions to enhance digital maturity of all company's processes.

2023 results

- SIBUR became a member of the Software Technology Independence Consortium and, together with several other major companies, is leading three technology areas crucial for the sector: development of a domestic MES system, process modeling solutions, and predictive diagnostics. In addition, in 2023, SIBUR presented its closed-type RTO (real-time process optimization) system at the Demo Day of the Industrial Competence Center Chemistry.
- A project to replace the MES system was launched: piloting is planned for 2024 to be followed by implementation and replication at all production sites within five years.
- SIBUR-developed solutions are presented at key sectoral events (CIPR, Innoprom, etc.). Partnerships with leading Russian IT companies are developed to promote the solutions.

- The project was implemented on schedule. Starting from January 1, 2024, the transition to a unified corporate template was completed at Kazanorgsintez and Nizhnekamskneftekhim.
- Over 8,500 employees of the Company were trained to and now use the unified corporate template developed to reflect operational business activities of Kazanorgsintez and Nizhnekamskneftekhim.

69 new hypotheses for AI-based solutions were developed and included in the project's portfolio. Innovation laboratories were launched to test hypotheses and pilot solutions.

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Key areas of digitalization

In 2023, as part of its digital transformation, SIBUR implemented a portfolio of organizational projects to further improve the efficiency of the Company's end-to-end business processes and to get them digitalized.

The economic effect of completed 2023 projects exceeded **RUB 11 billion**, of which the largest share is attributable to projects in the areas of production (**RUB 4.3 billion**) and marketing and sales (**RUB 4.2 billion**).

The cumulative economic effect from the digital transformation of processes over a 6-year span exceeded **RUB 45 billion** by the end of 2023. Half of this effect was achieved thanks to AI-driven solutions widely implemented across all of the Company's processes.

The RTO, APC, Chromatograph production project implemented at Sibur-Khimprom won SIBUR's annual 2023 Energy of Recognition Contest of team and individual achievements in the Organizational Project category.

ЭНЕРГИЯ ПРИЗНАНИЯ

The thrust of the project is to develop a proprietary predictive model to replace TECHNIP's SPYRO software. RTO (Real Time Optimization) is an online system that calculates optimal values of furnace process parameters to maximize the output of the most valuable pyrolysis products, given all production constraints. The model's prediction accuracy is over 90%.



Key projects with a digital component	Results[1]	Economic effect
Sales (O2C)	1. Implemented projects to develop digital sales and e-commerce channels. 2. Implemented projects to develop commercial chains in support of export sales, with due consideration of the nature of sales markets, key customer requirements, and optimal terms of logistics. 3. A common commercial sales scheme for RusVinyl's finished products was implemented as part of the company's integration into SIBUR.	**>RUB 4.2 billion**
Production (P2P)	1. Pilot implementation of the APC (Advanced Process Control) system. 2. Within the framework of the Industry 4.0 approach, more than 30 cases were implemented at enterprises; mobile smart video surveillance is deployed during shutdown maintenance. Functionality has been expanded and new areas of UAV services implementation have been considered. 3. The SPC (Statistical Process Control)[2] tool has been introduced. 4. RTO (Real Time Optimization): avoided having to shut down RTO components from overseas suppliers by developing our own statistical model for the pyrolysis furnace, commissioned one RTO+APC system for industrial use, and prepared three more to be deployed in the first quarter of 2024.	**>RUB 3.3 billion**

Key projects with a digital component	Results[1]	Economic effect
Maintenance and reliability (M2F)	1. Design and engineering, construction, installation, and commissioning operations with IoT sensors at some enterprises were completed. 2. Implemented mobile walkabouts at enterprises located in the Republic of Tatarstan. 3. A vibration diagnostics solution was implemented at ZapSibNeftekhim and at SIBUR-Kstovo, an assessment of the pilot scope was carried out and a decision on further replication was made. 4. Predictive diagnostics 2.0 was commissioned. Measures have been taken to ensure the accuracy of units' models to over 80%. 5. Replicated the solution developed for producing digital Permits to Work. 6. Replicated the mobile maintenance solution.	**>RUB 1 billion**
Logistics (SC)	1. ERP integration with external warehouses was secured; 2. Implemented a Vendor Management system to monitor outstanding accounts receivable and payable; 3. A solution for managing container transportation (TMS) was launched into pilot operation; 4. Implemented an IT solution to replace Transporeon; 5. EWM warehouse management system was rolled out to the finished product warehouses at Kazanorgsintez.	**>RUB 1 billion**

1 Quantitative effects include effect from all other projects with a digital component.
2 A statistics-based system for controlling and managing process stability and product quality.

Solutions for developing business process digitalization and optimization

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SIBUR views development of industrial segments in partnership with other leaders of our sector as one of its most important objectives at this juncture. If every single company just did its own thing in isolation, we would end up having 10 same-type narrow-purpose products that would not be applicable to meeting everyone's needs. But our common goal is to radically reduce the time and cost it takes to execute a project like this by using common development platforms and technology stacks, a common pool of personnel and competencies, and by pooling our investments. Only this approach will allow us not only to gain technological independence and sustainability in the shortest time possible, but to also ensure our leadership in the international arena. And this is something we have all the capabilities and prerequisites for achieving.

Vasily Nomokonov,
Member of the Management Board,
Executive Director of SIBUR LLC

Consortium for technological SW independence

SIBUR is a member of the sector's Software Technology Independence Consortium. The Consortium was established in 2023 for the purpose of achieving 100% substitution of foreign-made software for the oil and gas, and the petrochemical sectors. Together with the largest companies in the sector, SIBUR is leading three most important technology areas for the sector: development of a domestically-produced MES system, process modeling solutions, and predictive diagnostics.

In 2023, common requirements of the largest industrial companies were formulated, which allows to ensure that domestic IT systems follow a cross-sectoral format from the initial stage, and to consolidate the best existing practices in developing them. In addition, a mechanism for co-financing development efforts was set up, which will allow participating companies to significantly optimize costs and timeframes for solution development.

In 2024, the first prototypes of solutions will be developed and presented. Following that, they will be replicated at all enterprises of the participating companies over a timeframe of 3 to 5 years.

Development of AI-driven solutions

Further development of AI-driven solutions and their implementation at all the Company's decision-making points is also one of the strategic areas of digital transformation. In 2023, SIBUR developed 69 new hypotheses for implementing AI-driven solutions, opening new horizons for improving the efficiency of the Company's processes by increasing labor productivity, speed, and accuracy of business decisions in the course of executing processes, while preventing failures associated with operation of equipment or infractions caused by staff actions.

Large Language Models (LLM) solutions have been added to the set of tools that are being used. The scope for AI applicability was also expanded, and new pilot projects were launched for performing research activities that include modeling polymers and their properties, optimizing compounds' synthesis processes, and carrying out digital experiments to shorten research timeframes. Innovation laboratories were set up to quickly test hypotheses on the basis of emerging technologies and to form a funnel of new initiatives in the field of digitalization, including those that rely on AI.

AI-Russia Alliance

SIBUR has been a member of the AI-Russia Alliance since 2022. As part of its Alliance membership, SIBUR participates in the development of sectoral clubs to share best practices with companies within and across industries, to advance the AI education and staff training system, and to improve the regulatory framework with a view to lifting regulatory barriers to the effective application of AI within the industry.

SIBUR is committed to continue sharing its practices of successful use of AI-driven tools, expertise, and digital solutions that have already been implemented and replicated at the Company's enterprises, so that the use of AI could provide a significant positive effect to the Russian industry.

2024 and medium-term plans

Focus area	Technological independence	Artificial intelligence for enhancing process efficiency	Building and monetizing new digital solutions
Activities	• SIBUR's leadership in projects seeking to create and implement MES, process modeling and predictive maintenance solutions in the petrochemical sector: piloting solutions in 2024, implementing them in 2025, rolling them out at SIBUR's facilities and at other companies over a timeframe of 3 to 5 years. • Systemically and completely substituting foreign-developed IT solutions with Russian solutions within 5 years.	• Development and implementation of AI tools to improve the quality of decisions in all of the Company's processes, to increase labor productivity and produce new economic effects. • Further enhancement of the level of digital maturity of processes to enable implementation of AI at all business decision-making junctures.	• Innovation Labs: testing state-of-the-art technologies to fill the funnel of initiatives seeking to help improve the company's performance. • Monetizing digital solutions developed at SIBUR, forging partnerships to promote them. • Securing "survival" of the new wave of Russian digital solutions.

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Innovation and R&D

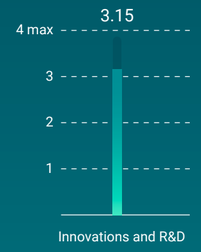
GRI 3-3

Contribution to the UN SDGs

Material topics

Innovations and R&D

Impact Materiality Survey Results



2023 results

Leadership

- **957 patents** in SIBUR's overall patent portfolio
- **Member of the Intellectual Property Working Group** created under the RF Ministry of Economic Development
- Finalist of the **Successful Patent 2022**[1] contest of domestic inventions organized by Rospatent
- Awards of the **Oil 4.0 contest**: the Company's ECONS efficiency management system was chosen as the winner in the Best economic effect category; Laboratory information management system (LIMS) for R&D became the best in the Discoverers of the Year category
- **1st place** in the republic-wide 2022 competition held among companies, organizations, and institutions of the Republic of Tatarstan vying for being recognized as the best in managing innovation, process improvement efforts, and patent filing and licensing activities[2]

Responsibility

- **RUB 5.5 billion** invested in R&D in 2023
- **9 R&D centers:** Tomsk, Moscow, Perm, Voronezh, Nizhny Novgorod, Nizhnekamsk, Vsevolozhsk and Kazan, and a pilot industrial center Krasnoyarsk Synthetic Rubber Plant

New solutions

- Received Made in Russia certification for the polypropylene PP H031 BF grade (an innovative product with a great export potential)
- A joint master's program on process modeling Advanced Engineering School was launched together with Kazan National Research Technological University (KNRTU)
- A new R&D center PolyLab Nizhny Novgorod was opened



1 The contest's results were made public in October 2023.
2 28 Resolution of the Board of the Society of Inventors and Rationalizers of the Republic of Tatarstan dated February 21, 2023.

Management approach

GRI 3-3

SIBUR is actively involved in innovation and R&D activities, which is an important driver of growth and enabler of competitiveness of the Company's products and technologies. R&D investments in 2023 amounted to almost RUB 5.5 billion, which is more than twice as much as what was spent in the previous year.

SIBUR's strategic focus areas for R&D include development of formulations and processes for manufacturing products and additives to ensure successful running of the Company's enterprises. One of the most important drivers is the growing customer demand for product homologation and for import substitution.

SIBUR's approach to innovation and R&D management is set out in the Company's standard Procedure for organizing and performing research and development work.

2023 saw the following changes in the Company's innovation management structure: previously, R&D centers were spread across individual enterprises located in five different cities, with two more specialized organization located in Tomsk (NIOST) and Moscow. The restructuring brought together the centers in Kazan, Nizhnekamsk, Voronezh, Vsevolozhsk, Perm, and Nizhny Novgorod under the umbrella of a single PolyLab brand, with each center continuing to focus on their core areas of expertise.

To implement the Company's strategy, it was decided to set up a new future-proof R&D center in Kazan (PolyLab Kazan). In 2023, the concept of the center was developed in keeping with the best practices of the Russian Federation and other countries, followed by the start of engineering and design activities.

Innovations play an important role in SIBUR's operations by generating long-term positive effects for its production activities and providing a basis for continuous improvement of materials used in production and of products made.

SIBUR POLYLAB



POLYLAB Vsevolozhsk
POLYLAB Voronezh
POLYLAB Kazan
POLYLAB Moscow
POLYLAB Nizhnekamsk
POLYLAB Nizhny Novgorod
POLYLAB Perm

SIBUR Innovations Tomsk

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Intellectual property

SIBUR participates in the development of the intellectual property market in Russia and is among the top 5 industrial companies in Russia in terms of the number of patents obtained. SIBUR's patent portfolio includes 374 valid patents, including over 110 patents issued by foreign IP offices. The Company's patented solutions relate both to the company's core business and to other types of new products and technologies under development, including polymer recycling and waste reduction at industrial enterprises.

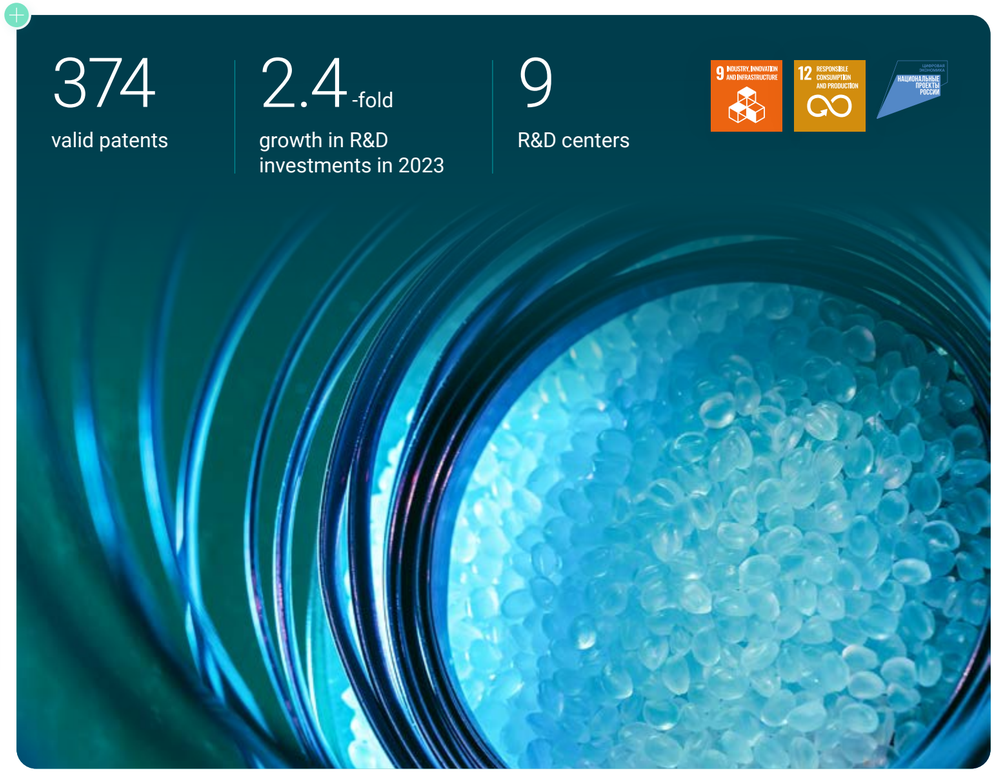


Patents serve to protect a product by documenting certain proprietary characteristics that can be identifiable in competitors' finished products in case they copycat another company's technology. These characteristics are "markers" that not only define the high-quality properties of the product, but also contribute to the ease of proving an infringement on our exclusive rights by competitors. Availability of such protection makes innovative projects much more attractive economically, and this helps accelerate development and market launches of new high-quality products.

Maria Bogomolova,
Practice Leader, SIBUR's Intellectual Property

The Company's representatives are members of the Intellectual Property Expert Group set up under the Russian Federation Ministry of Economic Development.

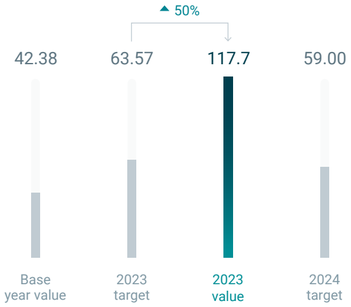
Achievements



The Goal of the Sustainable Development Strategy

is to increase investments in R&D projects focusing on recycling polymer waste and involving renewable raw material sources by 50%

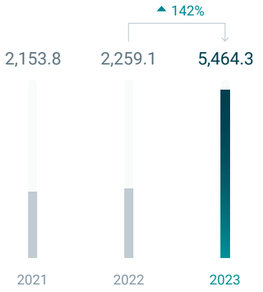
Investments in R&D projects aimed at recycling polymer waste and involvement of renewable raw material sources, RUB million



SIBUR's patent portfolio



Investment in R&D, RUB million



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Meeting 2023 targets

2023 target	Main results of 2023
Development of a range of product grades	A total of **27 grades and special solutions** were introduced for such industries as construction, transportation, packaging, medicine, and consumer goods, including: • 3 new grades of BOPP films introduced. • 2 new grades of rubber developed. • An injection-molded ABS plastic grade based on in-house produced rubber placed into production. • New grades of Vivilen rPET HF brand rolled out. 3 film grades and rPS developed and placed into production, rABS grade developed, 3 more grades are under development.
Development of sustainable development projects	• **2 projects** were launched to develop rubbers incorporating bio-circular raw materials or products resulting from tire recycling. • Work was initiated to develop a line of styrene plastics that would include recycled polymers. • The Focus project was implemented jointly with Danaflex, a roadmap was drawn up for transitioning to mono-solutions in packaging. • The Company formulated its position on banning chemicals and protecting plastics on international UNEP platforms.
Substitution of imports	• As part of the effort aimed at substituting imports of critical specialty chemicals, **234** items were identified, of which **97** analogs were homologated at the enterprises, **29%** of which are made locally. • Domestic catalysts previously available on the market were used instead of the imported ones at **10** units at various SIBUR enterprises. • A project was implemented to foster development of a Russian manufacturer of Ca/Zn stabilizers.
Customer support	• Customer service support was provided to customers based on the latters' **176** queries in the following areas: technical consultations, laboratory support, helping improve the quality of clients' products, certification testing, development of clients' product portfolios. • A project was implemented to provide support to tire-making companies. Seven grades of rubber were suggested as replacement for previously imported rubbers. Provided testing services to customers and granted them access to research equipment to accelerate development of new formulations. • **2** webinars and **9** in-person training seminars for clients were held. • Ensured the company's participation in the development of the regulatory framework for customer support.

SIBUR's award case

NEFT 4.0

The ECONS and LIMS R&D projects received awards of the **Oil 4.0** contest at the Tyumen Oil and Gas Forum. The ECONS performance management system became the winner in the Best economic effect category; the Laboratory information management system (LIMS) for R&D was found to be the best in the Discoverers of the Year category.

Роспатент

An acrylic acid polymer developed by SIBUR became the winner of the Successful Patent 2022[1] contest of domestic inventions patented in the Russian Federation and having produced desired economic effects, an event organized by Rospatent, while its latex used for manufacturing latex gloves became a finalist. The acrylic acid polymer was developed by SIBUR's research center NIOST. Butadiene-nitrile-carboxylate latex is being manufactured at SIBUR's Krasnoyarsk-based facility Krasnoyarsk Synthetic Rubber Plant. The synthetic butadiene-nitrile latex formulation was developed over a course of several years as a result of a strong collaboration of a cross-functional team comprised of employees of the Elastomers Research Center in Voronezh, the NIOST Center, and the Company's pilot production center.



1 Competition results were announced in October 2023.

New R&D solutions and innovations

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In 2023, SIBUR's research centers in various cities kept on proposing and testing effective solutions developed for the purpose of expanding the Company's product portfolio and the range of product grades it has on offer, while developing circular economy projects, and contributing to substituting imported products in order to ensure that the domestic market demand for quality materials is fully met.

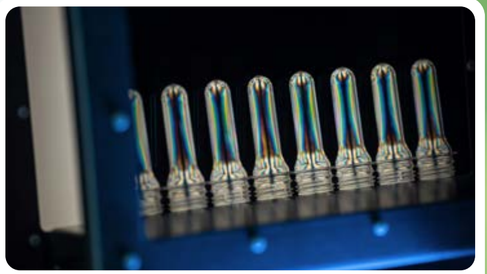
The list of successful projects implemented over the reporting period includes:



HD 60472 LB polyethylene for making fuel tanks was developed by researchers from SIBUR and SIBUR PolyLab R&D center and put into commercial production together with AvtoVAZ and DIPO, a manufacturer of fuel systems for Euro 5 and Euro 6 Class cars. This is the first Russian-developed material that is suitable for being used in manufacturing automobile fuel-holding tanks. It does not accumulate static electricity, withstands constant contact with fuel without dissolving, while offering a number of other advantages. HD 60472 LB has already been tested by the fuel system manufacturer and the automaker and has received all necessary certificates. Whereas, previously, such type of polyethylene had to be purchased from European manufacturers, from now on Russian consumers no longer need to depend on imports.



Label material produced with the use of recycled plastic was created by experts of SIBUR PolyLab and BIAXPLEN. The polymer roll label that is manufactured with the use of recycled plastic has already been put into production and successfully tested. It will complement the Vivilen product line and meet the growing demand for sustainable labels.



A proprietary n-Butyllithium production technology was developed at by the SIBUR Innovations team. Pilot tests of the Russian-made specialty component were successfully performed at SIBUR's Nizhnekamsk and Voronezh enterprises. n-Butyllithium, a key component in the process used for making synthetic rubbers and SBS polymers, is not produced in Russia and had been previously imported mainly from Europe and the USA. It is currently imported from Asia-Pacific region countries. Rubbers and SBS-polymers made with the use of n-Butyllithium have greater abrasion resistance, flexibility, and strain recovery properties, which positively affect consumer properties of the final products, including car tires, shoe soles, etc. In addition to meeting its own current and future needs, SIBUR sees potential for supplying n-Butyllithium to consumers from other industries, such as the pharmaceutical sector.



GRI 2-28

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R&D-centers	Key development projects in 2023	R&D and innovation cooperation
PolyLab Moscow	• The new Vivilen rPET HF brand launched, **3 film grades** and rPS developed and introduced, rABS developed, development of 3 more grades has been launched. • Development of the Medicine product grade range, including grades complying with pharmacopoeia requirements for use in finished products. • New polyolefin grades launched: **11 new** polypropylene and polyethylene products.	• **Tyumen State University:** collaboration in modeling the catalyst poisoning process and determining the period of operation. • **Russian Peoples' Friendship University**: the project Thermolysis analysis of fractional composition of secondary raw materials. • **A.V. Topchiyev Institute of Petrochemical Synthesis of RAS (Russian Academy of Sciences)**: the Thermolysis composition analysis of samples with experimental field testing of thermolysates project.
SIBUR Innovations Tomsk	• **Key milestones of strategic projects** were reached, including projects to create technologies for producing olefin polymerization catalysts, organic synthesis catalysts, and specialty chemicals. • The number of projects at the scale-up stage **tripled** (12 vs. 4 in 2022). • **5 new projects** were launched to develop technologies to produce catalysts for the Company's existing production facilities.	• Collaboration with three international laboratories as part of a grant received on a competitive basis from the Russian Science Foundation (RSF) for Conducting pilot R&D projects within the framework of strategic initiatives of the President of the Russian Federation in the scientific and technological sphere on the topic of Creating technologies for synthesis of olefin polymerization catalysts. • In 2023, a joint master's program in process modeling was launched jointly with **Kazan National Research Technological University** as part of the Advanced Engineering School project. • A funnel of priority universities for personnel training and implementation of joint projects was developed: **Mendeleev Russian Chemical Technology University, Russian Technological University MIREA, St. Petersburg State University, St. Petersburg State Technological University**, and others. The plan is to explore potential areas of collaboration with these schools.

R&D-centers	Key development projects in 2023	R&D and innovation cooperation
PolyLab Voronezh	• **4 grades** (2 rubber grades, 2 SBS polymer grades[1]) introduced and homologated with customers (tire companies, shoe manufacturers). • The laboratory phase of TRL5 development of improved Nitrile latex technology completed. The project is now awaiting an investment review and decision. • **7** imported brands of synthetic rubbers were substituted.	• **RTU MIREA**: a project to explore feasibility of optimizing the formulation and modes for manufacturing tire tread rubbers based on SIBUR-made rubbers. • **Kazan National Research Technological University (KNRTU)**: a project to carry out in-depth studies of rheological properties of rubbers. • **Consulting company** (Spain). • **Voronezh State University**: a project to develop technology to produce hydrogenated TPE and di-block copolymers. • **Vyatka State Technical University**: research into composition of rubbers for re-engineering purposes.
PolyLab Kazan	Development of the range of plastics grades: • New grades of PC-022 URL and PC-005 polycarbonates introduced • PC UV5 and PC-ABS 1736 compound grades developed. Development of the range of polyolefins grades: • Formulation for the inner layer of shockwave tubes and a cable grade 153-10KM developed.	

1 SBS polymer is a thermoplastic elastomer of synthetic origin, able to form in materials a strong and elastic mesh of bonds, to melt and get processed as a plastic at high temperatures.

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R&D-centers	Key development projects in 2023	R&D and innovation cooperation
PolyLab Nizhnekamsk	Pilot batches of propylene glycol and di-propylene glycol were produced. Customer homologation was successfully completed. **The economic effect amounted to RUB 61 million.** • A prototype of SKI (5dm³) grade was produced. It was tested at a customer's facility, with gloves made exhibiting physical and mechanical characteristics complying with the GOST 57396 standard. • An injection-molded grade of ABS plastic based on rubber of the Company's own manufacturing was introduced. • **New grades of lithium butadiene rubber** for tires were introduced, with positive feedback received from a customer. • A new grade of butadiene-styrene di-block copolymer BS-311 introduced. The rubber was put into serial production of molded grades of ABS plastics. • Pilot batches of new functionalized grades of butadiene styrene rubber DSSK-621B, DSSK-620B, DSSK628B, DSSK-615B, DSSK610B were produced. Positive feedback after homologation was received from customers in Russia, Belarus, and China. As part of import substitution efforts, DSSK-620V, DSSK-621V grades were put into serial tire production at a customer's facility.	**Kazan (Volga Region) Federal University**: a project on Microscopic analysis of samples of chemically resistant UPPS, ABS plastic.
PolyLab Vsevolozhsk	**65 new products** were developed and produced by Elastokam in 2023.	
PolyLab Nizhny Novgorod	• A strategy for developing the range of product grades was finalized. • Work began to advance PVC recycling. • A project to develop domestic production of Ca/Zn stabilizers was implemented.	Efforts to create a pilot plant for the synthesis of new PVC grades by working jointly with R&D centers and institutes

SIBUR's employees, including those who are not directly involved in developing new products and technologies, are also actively engaged in inventive efforts carried out as part of the Company's intellectual property development program. All employees of the Company, regardless of whether they are employed by R&D or production facilities, are entitled to taking part in the development efforts.

A manufacturing project titled Managing Chemicals Supply Risks Amid Sanctions Restrictions and Exploring Analogues for Chemical Products became the leader in the Organizational Solution team category of SIBUR's annual Energy of Recognition 2023 contest of team-based and individual achievements.

ЭНЕРГИЯ ПРИЗНАНИЯ

The project involves development of domestically produced equivalents of 749 components of specialty chemicals purchased from high-risk countries. Introduction of domestic components will help avoid risks of supply gap and production downtime.

Working groups with a focus on different areas were set up under the project, including R&D WGs. A semi-automatic tool was developed to identify and assess supply risks of each chemical product, and a tracker tool for searching for analog products was introduced.

As a result, solutions were found for substituting critical specialty chemicals for 743 of the components. A decision was made to launch local production of specialty chemicals for which equivalent products could not be found elsewhere.



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Solutions for a circular economy

SIBUR's R&D centers' important remit is to develop and test solutions for involving plastic waste in recycling and using recycled raw materials in making new products. The ultimate goal is to come up with a recycled material that will be virtually identical in its properties to the virgin raw material.

For this purpose, regular testing of the company's own products made out of recycled plastic is carried out at PolyLab (Moscow).

Stages of processing Green pellets at POLYLAB Moscow



01. Prompt identification of polymer types using IR detection

02. Checking the quality of raw materials and PET preforms for compliance with international standards

03. Manufacturing of products and assessment of their properties, indudrig safoty

04. Simulation of filling and strength testing at pressures exceeding standard values

PolyLab Voronezh in 2023 completed the development of an alkali-soluble adhesive to improve the quality and involvement of recycled PET flakes. The project was transferred to a partner for further implementation. The Moscow and Nizhnekamsk centers conducted a series of tests of thermolysis oil, a commercial fuel produced from unusable plastic waste by thermolytic decomposition. After the successful tests, negotiations were initiated to acquire a license to make the product. PolyLab Vsevolozhsk focused on involving polyurethane foam waste in recycling.

Solutions for the sector

A key element of SIBUR's R&D infrastructure, PolyLab is also a competence center for the entire petrochemical sector. Its centers do joint development work with industry partners, host training courses and technical seminars, excursions, career guidance, and other events.

>60 in-person educational sessions for students, partners, and employees

>2,500 tour participants at PolyLab Moscow

>300 professional discussions at PolyLab's site

>50 new research techniques introduced to meet key industries' demand

PolyLab employees actively participate in sectoral and professional events, attend Russian and foreign exhibitions to learn about other companies' development work and share experience. In 2023, delegations of SIBUR's experts visited, among others, production and research centers of partner organizations in India and Turkey, as well as specialist exhibitions and conferences in Vietnam, China, and the United Arab Emirates.

Representatives of regional centers also participate in the development of industry expertise. As an example, employees of the Intellectual Property function participated in the third Science Popularization Festival - Milmax Science Kazan 2023 hosted by the National Library of the Republic of Tatarstan. They spoke at the round table dedicated to the Evaluation of R&D project prospects with the use of patent analytics tools at the Kazan Digital Week 2023 Forum.

PolyLab Voronezh was featured at Russian and international conferences, including GRTE 2023: Global Rubber, Latex & Tyre Expo (Thailand), International Rubber Conference 2023 (China), Central Asian Road Conference 2023 (Uzbekistan), CIS Road Congress 2023 (Kazakhstan), and others.

Employees of PolyLab Nizhnekamsk took part in the Tatarstan Petrochemical Forum 2023, and in the 19th International Scientific and Practical Conference New Polymer Composite Materials. Mikitayev Readings, and a number of other highly specialized experts' meetings. PolyLab Perm attended the IPTF International Polymer Technology Forum.

2024 and medium-term plans

Focus area	Developing the range of product grades	Developing sustainability projects	Import substitution	Customer support
Activities	• Introducing new grades of styrene plastics. • Launching the second R&D laboratory for footwear-grade and elastic PU foam. • Expanding the portfolio of specialty polymers.	• Creating a mechanical recycling product portfolio. • Technical support of projects for chemical recycling of secondary materials, developing bioproducts projects. • Expanding the range of products made with the involvement of recycled materials. • Vivilen brand's promotion.	• Implementing the program for substituting imported raw materials for risky items. • Promoting product solutions and scientific research in the oil and gas and mining sectors in Russia and abroad.	• Developing formulation solutions, consulting, and testing. • Developing customer services. • Promoting research and testing methods among SIBUR's customers through customer webinars.

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Social capital

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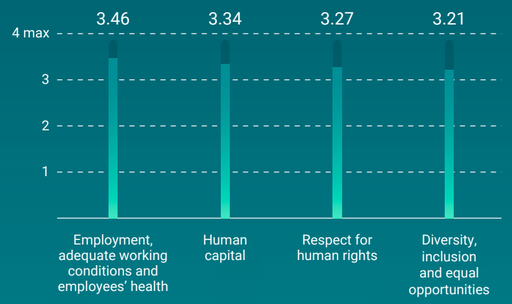
Human potential development

Contribution to achieving the UN SDGs and national goals

Material topics

- Employment, providing adequate working conditions, and employees' health
- Human capital
- Respect for human rights
- Diversity, inclusion and equal opportunities

Impact Materiality Survey Results



2023 results

Leadership

- **TOP 10** in the HeadHunter's ranking of best employers and first place among B2B companies
- **Platinum** status in Forbes ranking of Russia's best employers
- **5th place** among its target audience in the Future Today rating
- **3rd place** in Ecopsy and Habr ranking of IT- employers across industrial sectors
- **One of the best** employers for engineering students in the oil and gas sector according to Changellenge platform
- **Winner** of the Woman Who Matters 2023 **award** for Best Corporate Diversity and Inclusion Practice
- Leader in the **Employer of the Year 2023** category at the 4th International HR Summit Human Capital of the Country: Leaders' Strategies
- SIBUR's employees were prize-winners of the 3rd **International Construction Championship** in three categories: Building Project Management, Startup and Commissioning, and Construction Supervision

Responsibility

- Employee engagement – **87%** (+7.5% against 2022)
- Loyalty – **81.7%**
- Satisfaction – **83.7%** (+1.2%)
- Women account for **29%** of SIBUR's total headcount
- **192 hrs** – average length of training per employee
- **74%** – increase in new employees in 2023
- **67%** – share of internal promotions to management positions
- **100%** of SIBUR's employees are covered by collective bargaining agreements

Solutions for development

- >850 members of the **Equal Opportunities Community**, level of engagement of SIBUR's female employees grew to 89.2% (+10.3% against 2022)
- **950 young specialists** hired by SIBUR in 2023
- **7 top prizes and 12 professional awards** won at the International championship of high-tech professions High-tech-2023
- As part of the **National Project Education**, SIBURINTEKH implements programs to popularize engineering professions and provide tailored advanced training to schoolchildren and university students



Management approach

GRI 3-3

Strengthening the HR function as a key unit responsible for ensuring business resilience has been a conspicuous trend in the social sphere ever since the start of the pandemic. Understaffing and growing competition for high-quality talent at all levels underscore the importance of managing companies' human potential, while finding prompt answers to emerging challenges, strengthening, and rethinking the corporate culture.

Experts note the importance of developing critical skills and competencies, including managerial ones, as well as an unconditional focus on building a talent pool for both current and future business needs.

A leader in Russia's sustainability agenda, SIBUR provides its employees with various career and personal growth opportunities, helps them maintain proper work-life balance, provides adequate working conditions and compensation, and adheres to the principles of diversity and inclusion.

With every year that passes, the Company's human potential development programs become broader in scope and get more diverse. SIBUR has been successfully implementing programs in the fields of training and professional development, mentoring, promoting engineering professions, relocation to facilities located across diverse regions of the country, and in the area of corporate volunteering. The quality of this effort has served to increase the employee engagement rate, which reached 87% in 2023.



In our work, we are focused on creating a human-centered environment where the availability and quality of services and employee comfort are an integral part of the Company's policies. We are also keen to create development and growth opportunities both for our young staff by offering programs that are sought after by today's students, and for older specialists by nurturing the Company's culture of mentoring. In other words, SIBUR has everything in place for ensuring growth and success of those who are ready to set ambitious goals and work towards achieving them.

Danil Rasskazov,
Director for HR management, SIBUR LLC

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The Company's corporate values that are based on the principles of partnership and mutual respect are conducive to maintaining a comfortable and enabling environment in a team, supporting mutually respectful relations between members of staff, promoting development of each employee, and thus ensuring business resilience under any circumstances.

Employees are SIBUR's core value. We believe that talent and leadership development is underpinned by a corporate culture that encourages opportunity, creates an inclusive environment, and values diversity and mutual respect.



In all its activities, SIBUR strictly complies with the labor law, and guarantees full respect for the rights and freedoms of its employees. The Company provides equal opportunities and transparency in hiring, promotion, remuneration, and training for each employee.

Key HR management documents

HR management policy	Contains key principles guiding the Company, as well as strategic goals and tasks in HR management and areas of activity to achieve them.
Procedure for managing personnel potential	Sets out the Company's main approaches to personnel potential management and development.
Code of corporate ethics	Sets out the Company's approaches to strengthening its business reputation, promotes honest and ethical business conduct, as well as prevention of abuse and violations of law.
Human rights policy	Expresses SIBUR's commitment to respecting human rights and intolerance to all types of discrimination, stipulates the core principles and instruments of human rights protection, as well as guarantees that these rights are respected in all areas of the Company's activity.
PJSC SIBUR Holding's Diversity and inclusion policy	Expresses SIBUR's commitment to the principles of diversity and inclusion, recognizes their importance and universality, and establishes that diversity and inclusion are crucial for achieving SIBUR's long-term development goals, facilitate attracting, developing, and retaining talent, making the most effective and efficient decisions, while also allowing for a prompter response to dynamic changes in the external environment.
PJSC SIBUR Holding's 2025 Sustainable Development Strategy	Sets out the Company's goals in HR management. Provides a basis for goal-setting in enterprises' functional contracts and enterprise-level master plans.
Master plans of SIBUR enterprises: medium-term strategy	Set out measures focusing on such areas as professional staff development, productivity growth, creating an engaging and safe work environment, HR management policy transformation, and others.
Enterprise-level resource strategies	Contain an action program or a set of instruments for managing HR resilience, completeness, and competence.

Goals of the 2025 Sustainable Development Strategy in human potential development

- **Increase employee engagement** to 80%
- **Increase share of women** at least two-fold[1] in the Management Board and in top executive positions
- **Diversity and inclusion**
  Create a comprehensive diversity and inclusion program, incorporate these principles into key documents and corporate practices

In 2023, the rate of employee engagement reached 87%, the share of women among the Management Board's members was at 17%. The Equal Opportunities Community started its work to promote the principles of diversity and inclusion throughout the Company.



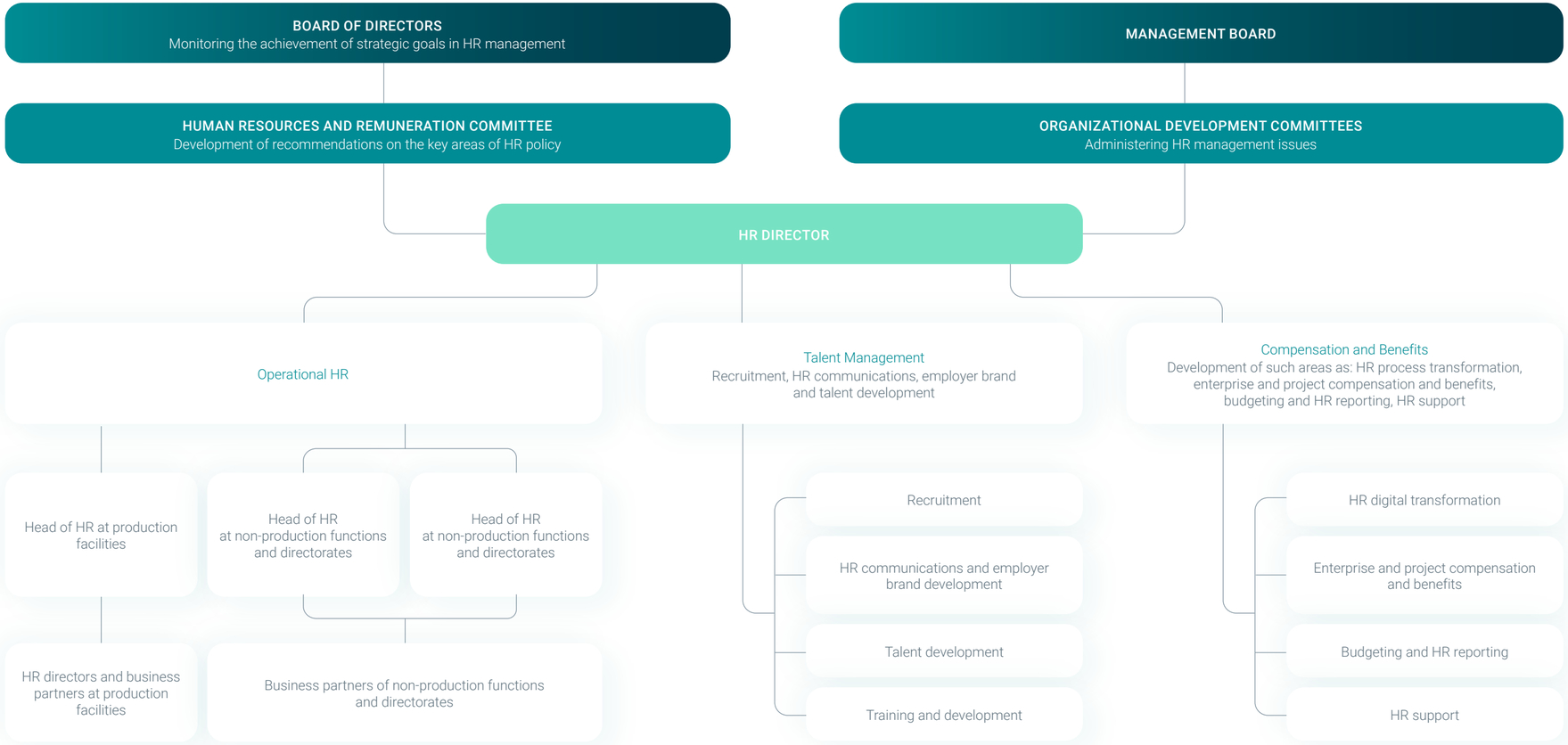
1 Compared to 2018.

HR management system

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The HR management function is stipulated at all management levels – from the Board of Directors performing a coordinating role to managers of units in charge of HR-cycle performance.

HR Management Structure



In 2023, the Production Efficiency Function updated its **resource strategy** assisted by an HR business partner. Based on the updated resource strategy, the resource strategies of manufacturing enterprises were also reviewed (or newly created), and the resulting performance metrics were consolidated at the corporate center level in the form of a unified roadmap for implementing the measures.

SIBUR employs the best **digitalization** technologies in HR management. The Company has reengineered several of its key HR processes, including staff recruitment and adaptation, budgeting, employees' personal accounts, manager self-service software for salary review and budgeting, HR dashboarding, career management module, digital signatures, and updating the organizational change implementation process.

Achievements

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87% ▲ 7.5%
employee engagement rate

+18 p. p.
increase in management Net Promoter Score (mNPS) at enterprises in the Republic of Tatarstan

+74%
increase in staff recruitment in 2023

>850 members
of SIBUR's Equal Opportunities Community

>3-fold
growth in the total number of employee training hours

17%
the share of women on the Board of Directors

67%
the share of internal appointments to managerial positions

950 young professionals
hired by SIBUR

11.7%
staff turnover rate



2023 goals	2023 results
Professional training for workers and engineers/technician staff	• It has been confirmed that knowledge and skills acquired at SIBURINTECH are being successfully applied in the workplace, with a 96% success rate. • 17 priority training programs have been developed and launched at SIBURINTECH, tailored to meet customers' priority needs. • The training plan for SIBURINTECH programs has been implemented with business benefits exceeding targets by 128% (internal training – 144%, external training – 96%).
Support for the implementation of the HR cycle and related management practices, labor protection and industrial safety practices in the Republic of Tatarstan	• The program of introducing Managerial Work Standard and HR Cycle Tools practices across enterprises in the Republic of Tatarstan has been implemented. • Over 800 managers completed training on using these tools. • The management Net Promoter Score (mNPS) and employee engagement rates have shown significant growth compared to 2022: mNPS +17.4 percentage points, engagement level +11.6 percentage points.
Professional training of target students for PEF (Production Efficiency Function)	• Increased Personnel Security to 32% for key PEF positions. • An updated adaptation plan has been implemented that considers the need to leverage employee experience and external expertise in problem-solving. • 95% of the team's key positions have been filled. • The share of internal appointments to key positions is 92%. Staffing level for key positions is at 96%. • Measures have been implemented to ensure production stability in case of mobilization: proactive hiring, training of young professionals, training in related professions, including training for women. • A Career Longevity program has been developed to attract retirees / veterans.
Implementation of programs for HiPo (HiPro) employees: leadership programs, expert track	• Over 120 professionals were trained in Mechanical Engineering Technology and Chemical Technology. • 120 individuals underwent training under the Leadership Physics program.
Training of professionals in target investment projects	• 41 professionals received training in Construction Investment Project Management. • 70 professionals received training for the Ethylene-60 project.
Development of cross-functional competencies for employees and managers	• 285 employees completed programs at the CROSS Academy.

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Personnel Structure

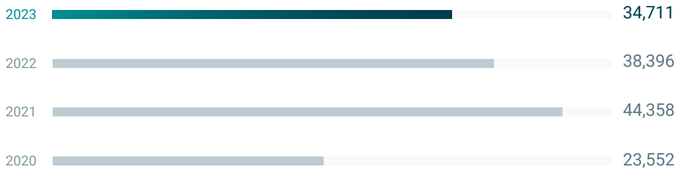
GRI 2-7, 401-1

In 2023, the Company's average headcount amounted to 34,711 employees, and by December 31, 2023, the headcount reached 36,448 individuals. 89% of the employees are under open-term employment contracts, with 36,328 individuals employed on a full-time basis. Compared to 2022, the Company's workforce decreased by 4% over the reporting period.

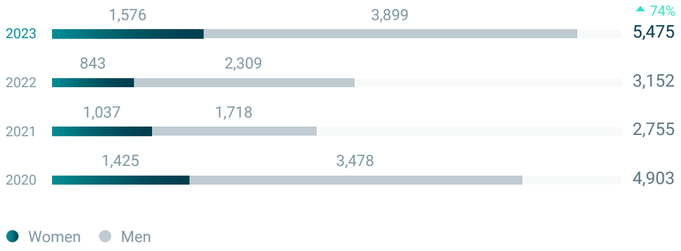
In 2023, external hiring numbers at SIBUR increased by 50% compared to 2022, as a result of active hiring of staff for investment projects as well as engaging external expertise to address the Company's current business challenges.

The recorded fluctuations in the total staff headcount are associated with the Company's expansion in 2021 due to the acquisition of the TAIF Group's assets, as well as subsequent optimization of the merged company's workforce.

Average headcount dynamics in 2020–2023, pers.

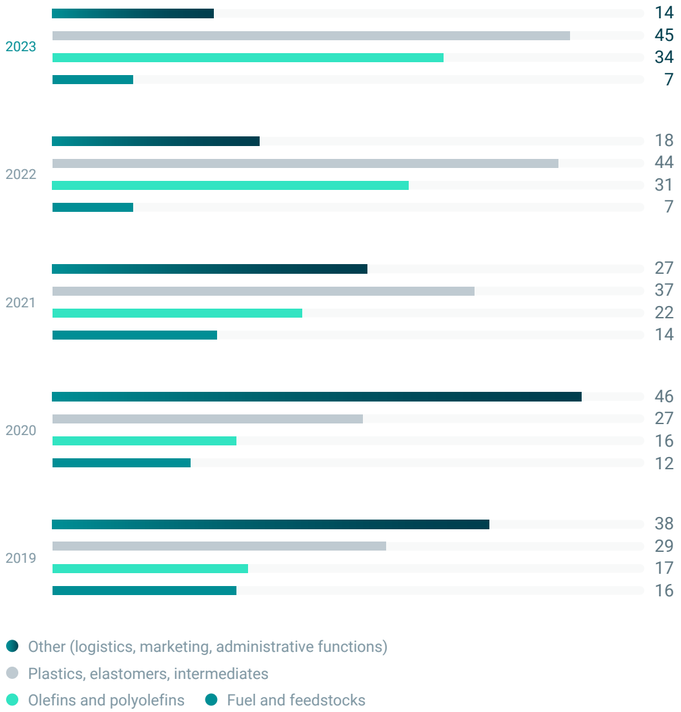


Number of new hires in 2020–2023, by gender, pers.



Personnel Structure

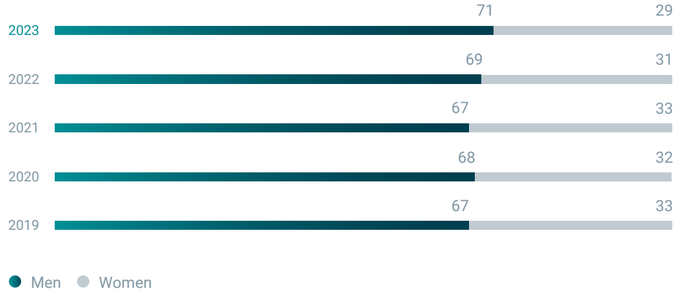
Personnel structure by business segment, %



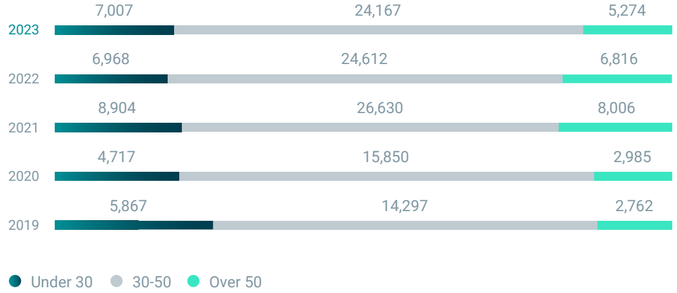
Company staff turnover[1], %

		2019	2020	2021	2022	2023
Total staff turnover rate		8.1	9.5	5.0	12.4	**11.7**
By gender	Women	19.1	40.8	5.9	24.5	12.7
	Men	13.5	31.3	4.7	15.1	11.3

Personnel structure[2] by gender, %



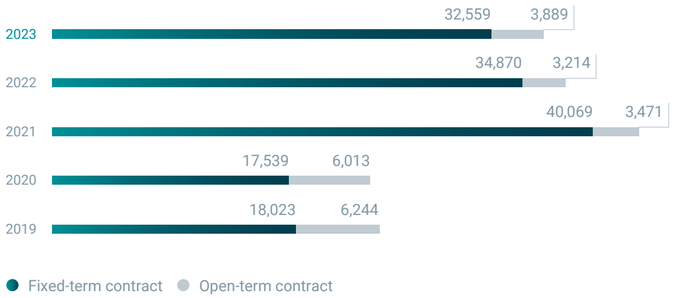
Personnel structure by age, total, pers.

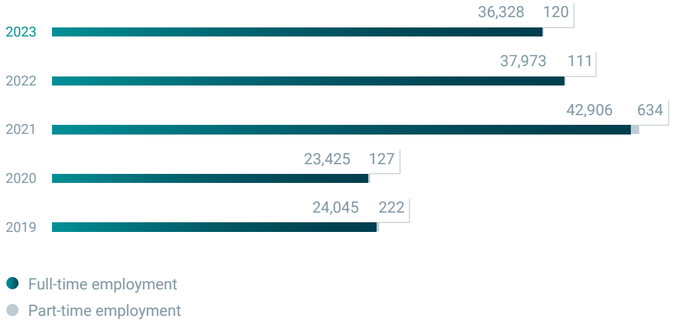


1 Staff turnover rate does not account for personnel dismissals for organizational reasons. More information about staff turnover is available in the ESG data book on the Company's website.
2 In 2023, the number of male employees was at 25,752 and the number of female employees was at 10,696.

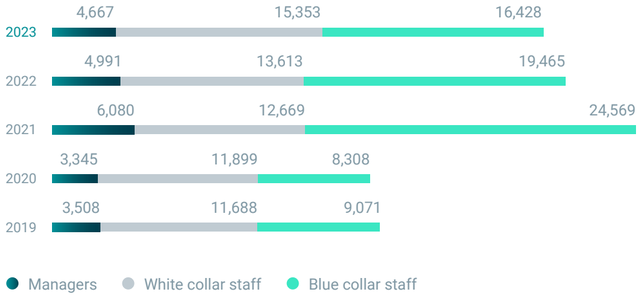
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Personnel structure breakdown by type of employment contract, pers.





Personnel structure by job position, pers.



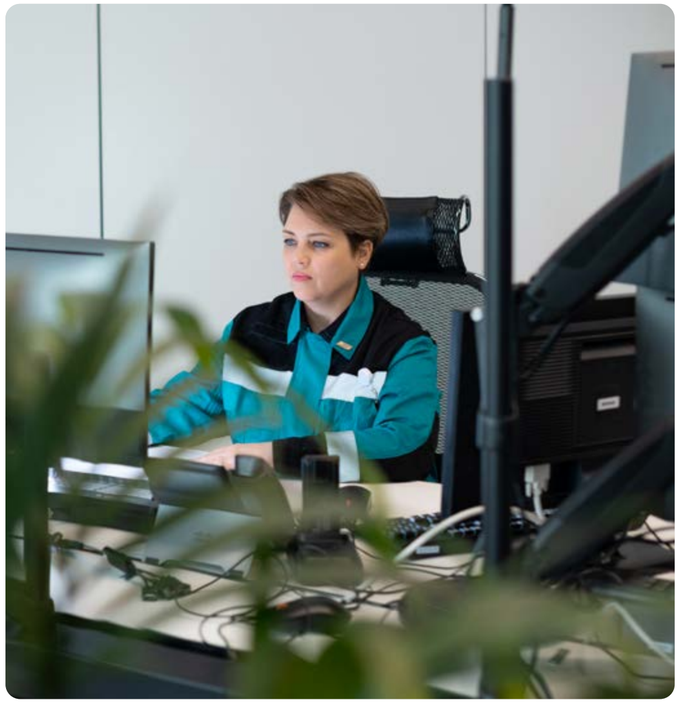
Further details about the personnel structure arranged by gender and age is available in the ESG data book on the Company's website.

Respect for employees' rights

GRI 405-1

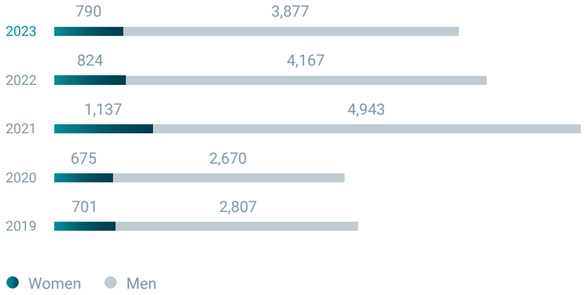
At every management level, SIBUR creates equal opportunities for unleashing the potential of each employee regardless of their gender, age, nationality, religion, or other characteristics, focusing solely on individual knowledge, competencies, and skills.

In 2023, the proportion of women was 29% of the total workforce, which is in line with industrial sector's indicators and meets legislative requirements governing the use of female labor in performing hazardous and / or dangerous jobs. The Company ensures equality of pay between men and women in similar positions, creates comfortable conditions for female employees on maternity leave and supports them upon their return to work. The share of women on PJSC SIBUR Holding's Board of Directors in 2023 was 17% (2 out of 12).

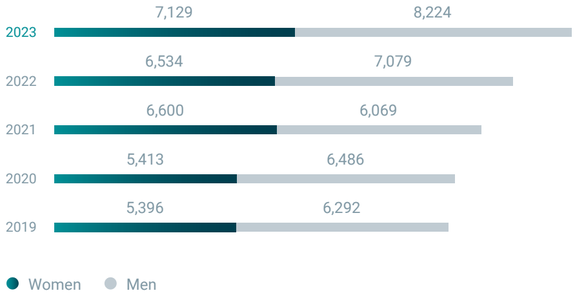


Personnel structure by job category and gender, pers.

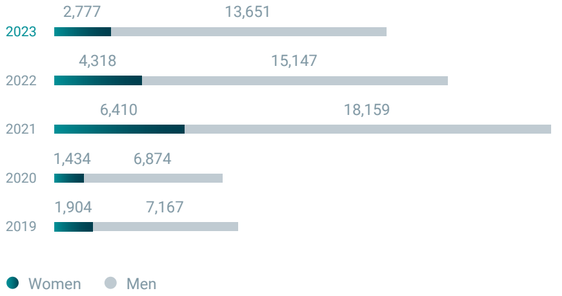
Managers



Whiter collar staff



Blue collar staff



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GRI 401-3

The Company provides support for employees' families, maternity, and paternity benefits. In 2023, 364 employees took childcare leave, with a return-to-work rate of 56% among women and 36% among men who took childcare leave. The employee retention rate reached 87%, including 86% among women and 100% among men.

For more information on social support measures for employees see the Social support section on page 54



Number of employees on parental leave, pers.

	2019	2020	2021	2022	2023
The total number of employees who took parental leave within the reporting period, including	413	566	562	458	**364**
Women	404	561	558	455	346
Men	9	5	4	3	18
The total number of employees who returned to work after the end of parental leave within the reporting period, including	324	187	145	515	**276**
Women	318	186	142	494	272
Men	6	1	3	21	4
The total number of employees who returned to work after the end of childcare leave and continued to work 12 months later, within the reporting period, including	212	167	120	321	**239**
Women	206	166	118	319	235
Men	6	1	2	2	4
The total number of employees who were to return to work within the reporting period after the end of parental leave, including	404	290	371	515	**499**
Women	391	287	365	494	488
Men	13	3	6	21	11

Return and retention rates for employees who took parental leave, %

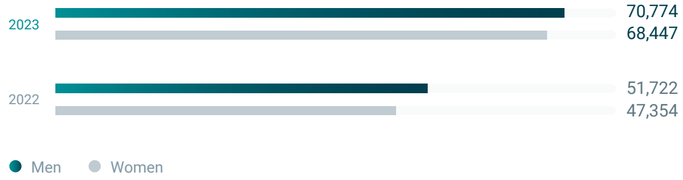
	2019	2020	2021	2022	2023
The return-to-work rate for employees who took parental leave, including	80	64	68	100	**55**
Women	81	65	68	58	56
Men	46	33	83	86	36
The retention rate for employees who took parental leave, including	59	52	N/A	70	**87**
Women	58	52	N/A	70	86
Men	100	17	N/A	67	100

GRI 202-1, 405-2

The Company ensures fair and adequate pay for its employees. The level of pay for entry-level employees at SIBUR exceeds the statutory minimum wage (MW) in the regions of its presence by an average of 4.35 times for men and 4.2 times for women. In 2023, the ratio of women's average wages to men's was 0.94 in the white-collar staff (specialists) and blue-collar staff (workers) category and 1.12 for the managers category.

For more details on salaries, see the Employee compensation and motivation system section of this chapter on page 53

The wages of entry-level employees, rub.



The ratio of women's average wages to men's, %



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To create a supportive and engaging environment and promote a culture of diversity and inclusion, SIBUR has established the Equal Opportunities Community, which currently numbers over 850 members.

For more details on the activities of the Community, see the Corporate governance section of the Diversity and equal opportunities chapter on page 148

One of the core priorities at SIBUR and within the Equal Opportunities Community in particular is to ensure a productive environment, promoting interaction among people of different ages and generations. There are onboarding and adaptation programs for young professionals, while more experienced employees can unlock their potential through mentoring programs.

For more information, see the Corporate training and development system section of this chapter on page 57

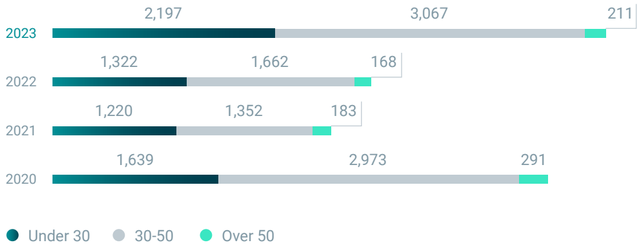


Opportunities for people with disabilities

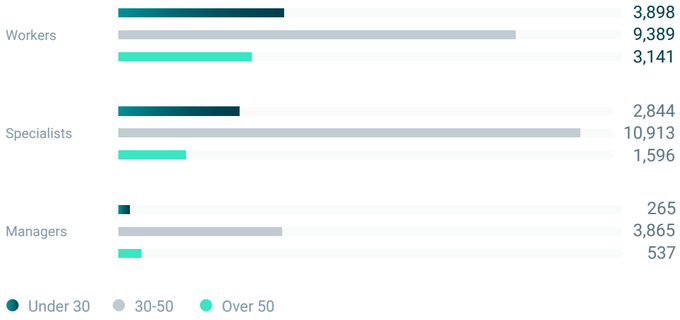
The Company complies with legal requirements on quotas positions for people with disabilities. The share of employees with disabilities in the overall structure of SIBUR personnel is 0.35%.

GRI 401-1

Number of new hires by age in 2020–2023, pers.



Personnel structure in 2023 by job category and age, pers.



SIBUR conducts diversity and inclusion training for its employees. A new module on Diversity and Inclusion has been added to the updated Sustainable Development course. The Company's online educational platform also offers training tools in this field.

As of the end of 2023,

84% of the Company's employees

completed the Sustainable Development training program

Employee compensation and motivation system

SIBUR has built a highly professional and motivated team capable of achieving ambitious business goals and the objectives laid out in the Sustainable Development Strategy. The Company ensures fair compensation, benefits, and allowances in accordance with corporate standards, as well as a comprehensive social support package for all employees, regardless of their position.

The base pay (the fixed component of the salary) of entry-level employees exceeds the statutory minimum wage at least 2.7-fold, with the average salary exceeding the minimum wage at least seven-fold for women and at least eight-fold for men.

Employees' compensation is based on objective and unbiased assessments and includes both fixed and variable components. The fixed level of pay is determined solely by the employee's qualifications, experience, knowledge, and skills. The Company ensures equal treatment and does not tolerate discrimination based on any criteria. The variable component is regularly reviewed and depends on the achievement of KPIs for individual employees and departmental KPIs, including the attainment of targets set out in the enterprise-level master plans and in the Sustainable Development Strategy within the responsibility areas of specific functions.

The principal tool for managing employees' remuneration is regular review (annual differentiated review) of the fixed salary component. This involves analyzing market data and establishing unified pay ranges for each position level across different locations. The specific pay change resulting from the review for a given employee is determined by their individual performance and the level of compensation set for the target range.

Total staff expenses and employee pay expenses

	2021	2022	2023
Total staff expenses, RUB million	52,303	85,510	**98,986**
Average salary, RUB	106,760	128,250	158,142

In 2023, the Company adjusted its levels of pay by means of a wage indexation process as required by law. As an additional measure of employee support, employees are entitled to receiving partial advance payments (i.e. before the established deadline) of their annual bonuses.

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Other important incentives and motivating tools for employees, besides salaries and bonuses, include:
- corporate and sectoral awards;
- participation in corporate events at various levels, including those involving the Company's top management;
- company-wide recognition and publications in corporate media;
- participation in various ambassador programs (such as volunteering movement's ambassadors or compliance ambassadors);
- opportunities to receive gratitude from their colleagues via the corporate CLICK network.

A key corporate initiative aimed at recognizing individual employees and teams is the Recognition Energy award campaign. The Company acknowledges personal contributions of each individual through various forms of recognition, including thank-you letters and monetary rewards.



The awards are presented in several categories:

- **Sectoral awards** are given for significant contributions to the development of the Company and the industry as a whole. Achievements in this category are recognized with orders, commendations and diplomas from the Russian Ministry of Industry and Trade, the Russian Ministry of Energy, the Russian Chemists' Union, as well as from local authorities.
- **Corporate awards** recognize significant team and individual achievements at the enterprise, holding, or industry level.
- **Individual awards** of three degrees are given to employees who have made a personal contribution to the Company's development.
- In four **team categories**, awards are given for initiatives and projects aimed at efficient business transformation and improving process performance.

In 2023, a total of 1,318 individual and team awards were presented across the entire Company. Compared to the previous year, the number of award winners grew more than one-and-a-half times. For the first time, awards were presented in the Organizational project category, expanding the shortlist of finalists to 12 teams. Five teams were named winners and, along with other awardees, they received awards from SIBUR's CEO Mikhail Karisalov.

Social support

RUB 1,969 mln

is the amount spent on social programs for employees, including trips to health resort and children's camps, on professionally significant events, cultural and mass-scale events, activities, and gifts for children, as well as on events promoting a healthy lifestyle



GRI 401-2

An employee's compensation package includes life and health insurance, medical services, disability compensations, maternity/paternity leaves, subsidized vacations, and relocation packages. In addition, SIBUR has been implementing other healthcare and comprehensive employee support initiatives.

100%
of employees are provided with voluntary medical insurance policies

14,274 individuals
including employees and their family members who spent their vacations at corporate health resorts

13,492 employees
participated in events promoting healthy living that were organized by trade union organizations

2,889 children of the employees
stayed at corporate resort camps for kids

>11,700 employees
are beneficiaries of social and cultural projects and events

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By working together with its trade union organizations, SIBUR implemented a wide range of social support measures for employees in 2023, including:



Health improvement for employees and their families

at the corporate SIBUR-Yug health resort located in Anapa on the Black Sea coast. The center provides for comfortable vacations of the company's employees, their families and children and is considered one of the best resorts on the Black Sea coast.

In 2023, the health resort hosted

18 group stays

numbering a total of

11,070 visitors,

including 3,630 who traveled gratuitously by a corporate train.



Sporting events and marathons,

including the SIBUR Run Challenge, Sibur Swim, and Sibur Walk, annual corporate sporting events that bring together employees from across all of SIBUR's enterprises. Monthly goals are set throughout the year to run, swim, or walk a certain number of kilometers and complete tasks of a challenge.

In 2023,

>1,200 employees

participated in these activities.



Adaptation centers for relocated employees,

which not only help relocatees integrate into their new lives but also actively involve all other employees and their families in the company's life, offering participation in various events of multiple formats, from volunteering projects to programs supporting a healthy lifestyle, sports, and creativity-themed events.

In 2023,

~2,000 employees

were relocated, including 400 to major projects in the Amur region and 350 to Tobolsk.



Programs for employees' children

include various activities to introduce kids to the values and activities of the company, invitations to festivities, concerts and sports competitions, organized recreation in children's health camps, and gifts presented to the children on various holiday occasions and at the start of the school year on September 1.

In 2023,

~40,000 New Year's gifts

>3,200 first-graders' backpacks

for the September 1 date

were handed out to the employees' children

>3,000 children

spent their vacations at children's' health camps



Health improvement programs and initiatives to promote a healthy lifestyle

also include, in addition to the sports events above, a corporate project titled The Health Formula. 6 steps. The Healthy Diet program is implemented at all enterprises, with on-site cafeterias having become more comfortable and convenient with an offer of a more balanced diet. They feature a free salad bar of seasonal vegetables and fruit, and further discounts are provided for all items of the healthy food menu (marked with a green apple).

More detailed information about measures of social support to the Company's employees is featured in the Responsible Employer's Report titled The Opportunities You Deserve, published on the Company's website.

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Personnel engagement

SIBUR regularly assesses employee engagement and conducts other internal studies and surveys. The company's commitment to performing engagement research has made it possible to increase the frequency of measurements that are being taken in new circumstances. This enables real-time tracking of significant changes and taking necessary remediation actions promptly.

In 2023, three engagement surveys were conducted: a comprehensive annual summer survey covering engagement, loyalty, and satisfaction metrics, and two pulse surveys in the first half of the year evaluating the effectiveness of initiatives implemented based on the findings of the 2022 survey.



We continue to see a very high response rate to our surveys. This is because employees see the results of the initiatives that get implemented based on the outcomes of our surveys, and, secondly, the management is actively involved in this process, responding diligently to the results and initiatives that get put forward. We don't take any further specific actions to boost participation, and yet, we are still able to remain successful simply because our employees trust the company, see the importance of these surveys, and are confident that improvements will follow.

Svetlana Pershina,
Head of HR Communications and Employer Brand Development

This approach allows us to promptly adjust our action plans to improve declining indicators, identify areas requiring greater attention, and capitalize on our strengths.

Systematic and regular engagement work has helped us drive several key indices upwards (changes vs. 2022 values are shown in parentheses):

Engagement
87% (▲7.5%)

Loyalty
81.7%

Satisfaction
83.7% (▲1.2%)

eNPS
37.2% (▲12.5%)

mNPS
53.4% (▲12.8%)

Solutions for training specialists of the future

The rate at which modern production facilities are transforming, adoption of cutting-edge technology and emerging digital tools impose high demands on professionals at all levels. To ensure effective, high-performance work and to maximize each employee's potential, the Company annually develops and implements various training programs, runs an onboarding program for new hires, implements mentoring and talent pool development programs.

One of the Company's Corporate University's areas of focus is interaction with talented and high-potential graduates and young professionals, as well as with partner educational institutions in the regions where SIBUR is present. Annual events with a career guidance component are held for schoolchildren and teachers as part of the Formula for Good Deeds social investment program.

RUB 33.96 mln/person

is the labor productivity rate achieved in the reporting period, which is 14% greater than in 2022 (RUB 26.1 million/person)



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Corporate training and development system

GRI 404-1, 404-2

SIBUR's educational programs are developed in line with the company's needs, changes in the external environment, and with employees' expectations. SIBUR maintains a healthy balance between face-to-face, hybrid, and distance learning formats. This includes international modular programs, developmental sessions, workshops, e-courses, webinars, dialogue simulations, VR and AR, as well as other learning formats.

The key document governing implementation of internal training programs is the educational standard Procedure for planning, development, organization and evaluation of training, which lays out the goals and principles of training, performance evaluation criteria, roles of all participants and their actions at all stages: from program planning and development to evaluating results.

The Company's Corporate University is the organization responsible for developing corporate training programs, enhancing personnel potential, while supporting business in the process of going through transformation. Training is conducted at various sites within the Company, including in Moscow, making full use of training classrooms at the enterprises, SIBURINTECH's facilities in Tobolsk, the site of the product development and testing center SIBUR PolyLab, external educational platforms, as well as partner universities' venues.

For more information about the Corporate University's structure and key training locations, see the Responsible Employer's Report: The Opportunities You Deserve.

The goals set forth by the standard

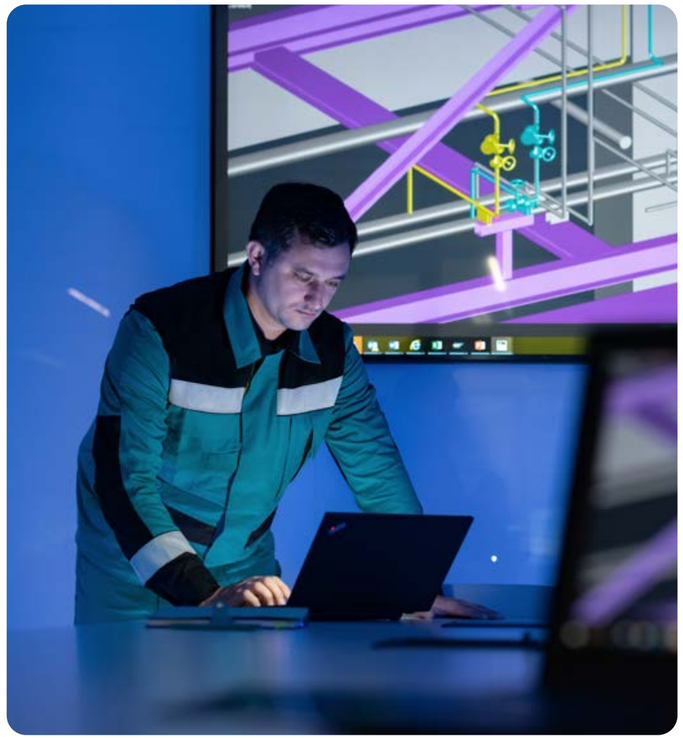
1. Preparing employees for effective job performance in their current roles
2. Developing competencies of employees and potential employees to prepare them for future roles and positions
3. Preserving, systematizing, and transferring best practices and experience to create a self-learning organization
4. Fostering and developing a management culture and leadership energy

The formula for successful learning

70% on-the-job training

20% learning through experience of others

10% learning through study of structured knowledge



>400 courses
for developing corporate and professional competencies

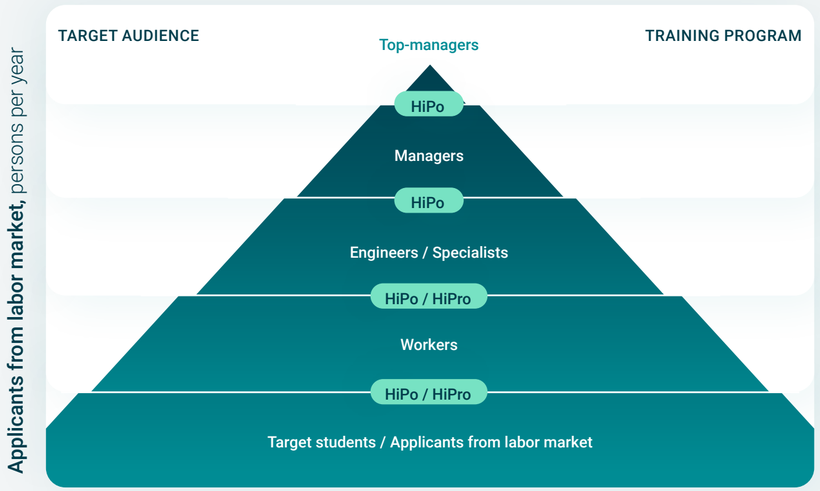
>300 courses
offered at SIBURINTECH

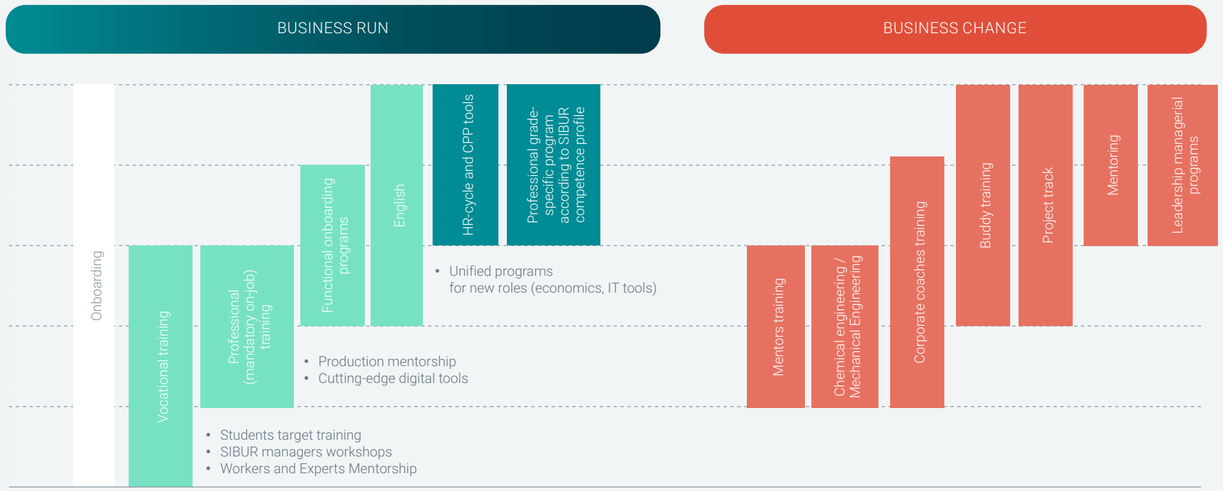
~340 trainers
on the Corporate University's faculty

192 average hours
of training per employee in 2023

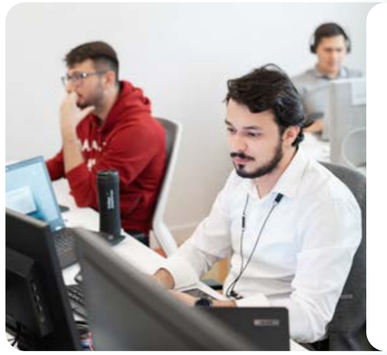
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Corporate University's educational products' architecture





Key training solutions



Business Run

80 standard mandatory courses

ensuring employees' efficiency in performing specific functions or jobs, including an onboarding course to help adapt to the working environment within the Company or a specific department, as well as the Manager's Work Standard (MWS). The module's programs are mandatory for all new employees and those transitioning to a new position, as well as in the event new business processes or products emerge.

Business Change

>50 courses

developed on the basis of personnel assessments, current and future changes in SIBUR's business. These encompass comprehensive educational programs and standalone learning solutions, expert career track programs and project track programs for employees with leadership, expert, or project manager potential.

On-the-job training

Development of work competencies and acquisition of new skills.

Open courses

Development of SIBUR employees' human potential, including courses on digital competencies, hard and soft skills.

External-focus training

Preparing future personnel for the Company, developing instructors, teaching SIBUR's customers and partners.

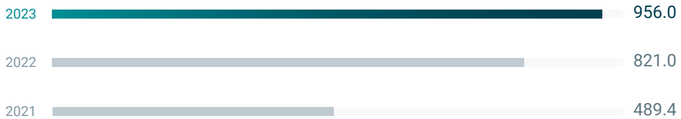
Number of hours of training

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Total number of hours of training



Spending on training, RUB million



Number of hours of training by position



Number of hours of training by gender, total



The significant increase in the number of training hours is related to the expansion of the company's portfolio of key projects and intensification of training of specialists needed for the implementation of these projects, as well as the inclusion of Nizhnekamskneftekhim and Kazanorgsintez within the scope of SIBUR.

For more details on the Company's projects, see the Strategic Overview chapter of this Report on page 28

114 number of training hours in 2023 per person, for women

223 number of training hours in 2023 per person, for men

RUB **956** mln
total spending on external and internal training in 2023

+16%
increase in total spending on external and internal training compared to 2022



Development of leadership and management skills

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An integral part of employee training and development is the fostering of a leadership culture and the improvement of management skills. The Company aims to prepare leaders who not only possess the competencies needed to run the organization but can also mentor their successors, i.e. the people who will then become independent leaders themselves. Cultivating new leaders is part of the corporate culture and it helps initiate an enduring "leadership engine".

SIBUR's Corporate University implements programs for various job levels that help develop management skills and form a talent pool for filling top positions at production facilities.

31%
was the level of job security for holders of key positions in 2023

67%
was the share of internal appointments to management positions in 2023



Program	2023 Results
Academy of cross-functional engagement 2023 saw a relaunch of the CROSS Academy, one of the most successful formats for developing soft skills. The comprehensive approach that the Academy follows enables participants to master a set of tools necessary for effective engagement and for the achievement of common goals both within their own teams, and when working with colleagues from related departments or project teams.	**285** employees completed training under the CROSS program
Leadership Physics The comprehensive leadership training program, The Leadership Physics, helps build a talent pool for top positions at production facilities. The program consists of four modules and, in addition to the theoretical component, includes unsupervised work, project work, mentorship sessions, pitch sessions, and reference visits to SIBUR's facilities. It also involves completing practical tasks to put theoretical knowledge directly into practice.	**120** employees completed the Leadership Physics program **35%** program graduates were appointed to new positions
School of Shift Supervisors A shift supervisor is an employee who plays a crucial role in ensuring the efficiency of the entire shift's operations. Their responsibilities include ensuring smooth and cohesive work of the team while adhering to safety rules, organizing and leading the workflow, complying with process instructions, safety rules, and equipment operation guidelines. This position requires a high level of responsibility and management skills that the School helps to instill and enhance.	A pilot program was launched at **3** enterprises The program is ready to be upscaled to an audience of **1,000+** first-line managers at production facilities
Leadership DNA A leadership training program for experts as well as entry-level and mid-level managers.	**100** participants **19** functions



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Engineering Standard

To ensure the required level of professional competencies that are needed for achieving the Company's long-term goals, SIBUR implemented its Engineering Standard in 2022. This standard defines a model for training specialists at various levels. It provides the basis for standardizing documentation and updating the personnel training and assessment process by using innovative methods and tools.

The Engineering Standard ensures transparency of the career growth system enabling employees to understand their career paths and the opportunities available to them within the Company. Now that the system has been implemented, each employee can use a set of metrics to determine what and when they need to study to be promoted to the next level.

The standard is applicable to the following categories of employees:
- new hires/young professionals at the recruitment stage;
- employees aiming for another job, or a related profession/grade;
- employees with identified critically lacking competencies.

The standard is also used to evaluate the effectiveness of mentoring. Successful mentors may be invited to participate in additional training programs to enhance their professional skills and competencies.

Results of implementing the Engineering Standard in 2023:

6,142 employees of common professions received training according to the Standard

2,514 process and job instructions were updated

1,504 production mentors received certification

2,576 competency standards got developed

Enhancing professional and industry expertise

Chemical Engineering

The innovative Chemical Engineering program for SIBUR employees was introduced in 2019. It has proven to be an important tool for professional development and career growth. The program aims to expand professional competencies in engineering expertise, economics, enterprise efficiency management, investment activities, and project management. Training lasts a year and includes three educational levels: basic, standard, and expert.

Participants in the Chemical Engineering educational program receive a professional retraining/continuous professional development diploma from Tomsk Polytechnic University, as well as certificates from Russia's New Economic School and the Polytechnic University of Milan. Successfully defended production projects get considered for their implementation at the Company's enterprises.



Mechanical Engineering

At the request of the Company, the Engineering School of New Manufacturing Technologies and the Engineering School of Natural Resources at Tomsk Polytechnic University developed a professional retraining program in Mechanical Engineering.

The program focuses on modular retraining of mechanical engineers, taking into account modern global trends in resource analysis and in enhancing reliability of process equipment. Moreover, the program addresses the challenges of our times including rapid development and improvement of import substitution mechanisms, most efficient use of available technological, digital and production resources for analyzing and selecting materials for products, monitoring and increasing equipment performance and reliability.



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Assessment of employees' potential

GRI 404-3

The Company continues to develop best practices for assessing its employees' efficiency and potential, as it builds an end-to-end personnel development process.

End-to-end employee efficiency assessment process:

1

Employee potential assessment:

- Calibration sessions
- a 360° assessment
- Instrumental assessment methods

2

Employees training and development:

- 70% – development through new working tasks
- 20% – working together with a superior/mentor
- 10% – academic studies and trainings

3

New career opportunities for employees

In 2023, capacity assessment and performance evaluation sessions were attended by nearly 800 company executives representing a variety of grades and functions.

The Company is using the following tools for its employees' development: developmental tasks within their current roles, rotation opportunities, mentorship provided by more experienced colleagues, coaching by direct supervisors, development within professional communities (e.g., through reference visits), corporate management and leadership development programs, as well as external training.

This comprehensive approach has resulted in a growing share of internal appointments to leadership positions at SIBUR. In 2023, this figure exceeded 60%.

The mentorship program

SIBUR has put in place a large-scale mentoring program, designed to preserve and transfer accumulated experience and expertise, and to ensure continuity between different generations of employees. Any employee who has worked in the Company for at least two years, has the necessary professional qualifications, and has references from their manager can become a mentor.

During their interactions with the mentees, mentors would identify missing competencies, update competency profiles, form a training and assessment schedule, prepare the mentee, and develop protocols of admission to service areas, of assigning a skill category or a professional level. In addition, the mentor participates in updating instructions, standards, and training tools.

A special training program is provided for mentors, which consists of several stages, including development of a list of candidates to becoming mentors, distance learning and a Production Mentoring Workshop, admission to occupational mentoring based on training results, and master classes based on the results of individual assessment.

After completing the training, an annual assessment of mentors is carried out according to predetermined criteria, as well as confirmation of their status through testing and other tools.

To maintain the mentors' level of motivation, various formats of material and non-material incentives are provided. Along with additional payments for mentoring activities (up to 25% of the base level of remuneration), special events are held with the participation of management, corporate awards are provided, and opportunities for career growth and recognition within the Company are offered.



Results of the program achieved by the end of 2023:

3,217 mentors trained

70 participants in the Mentors' Forum

44 awardees

Projects and programs for schoolchildren, students, and graduates

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SIBUR supports educational and career projects for schoolchildren, students, and university graduates. Interactions with potential young specialists are carried out along two streams of activity: improving the quality of training for university graduates and those who graduated from vocational schools through systematic engagement with educational institutions, as well as additional training and reskilling of graduates who get hired by the enterprises.

In 2023,

950 young specialists

were hired by SIBUR

Corporate University programs for high school and university students:	2023 Results
Trajectory Corporate educational platform for grades 10 and 11 and for college students. Participants have access to webinars, diagnostics, and career counseling. Schoolchildren receive assistance in preparing for the Unified State Exam, and the most active ones are invited to participate in intensive classes during holidays and are offered the opportunity to enroll in a university under the company's quota. Students from technical universities study petrochemistry under the guidance of mentors and are provided with scholarships.	**128** students took part in the program
First element Paid internship with a competitive salary for chemists and engineers, aimed at helping them master the profession and start a successful career. Participants are offered the opportunity to grow from interns to shift supervisors, familiarize themselves with cutting-edge industry-specific technologies, and work under the guidance of experienced mentors	**1,179** people were employed through the program

PetroChemSkills

The PetroChemSkills professional championship, organized by SIBUR according to WorldSkills standards, is one of the key drivers of development for the Russian industry. In 2023, over 150 participants from 29 enterprises in the petrochemical, nuclear, energy, and metallurgical industries took part in the professional competitions.



This year marks the fourth edition of PetroChemSkills. Each year, we strive to improve and expand the competition's program while attracting new participants from various industries. We invite representatives from government agencies, instructors and students from universities and vocational schools. It's gratifying to observe the growing level of skill shown by contestants. All of this allows us to speak of a streamlined system for training workers and engineers, contributing to elevating the prestige of vocational professions in the country. We plan to continue developing the championship movement and introducing new competencies going forward.

Rustam Galiakhmetov,
Managing Director, Head of SIBUR Corporate University

Projects implemented as part of the Education focus area of the Formula for Good Deeds social investment program are designed to support the Company's career-guidance activities and seek to stimulate schoolchildren' interest in natural and exact sciences.

In 2023, with the support of SIBUR, the implementation of long-term projects continued:

Steam fest science festival

In 2023, the project included two festivals, held in Noyabrsk and Svobodny. Each city hosted around 70 events: science shows, chemical laboratories, lectures, workshops, quests, interactive sessions with scientists, teachers, science evangelists, and psychologists

Science sessions

Schoolchildren from Kazan and Nizhnevartovsk became participants of a course on Nanotechnology. In Voronezh, the key topic was chosen to be the Fundamentals of Physics. Over the course of 3 sessions, 390 children took part in the events, with 30 teachers and assistants undergoing training to conduct the program on their own.

Steam school for teachers

In 2023, the project got implemented in Kazan, Nizhnekamsk, and Svobodny. 430 instructors participated in educational intensive courses led by well-known Russian practitioners and experts in innovative educational methods.

Tech leaders of the future

In 2023, 20 instructors from Pyt-Yakh and Noyabrsk underwent training that was based on the techniques of the Tech Leaders of the Future regional pre-accelerator. As a result, 2 programs were incorporated into the activities of 6 educational institutions.

Social partnership

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Interaction with trade unions

GRI 2-30

The rights and interests of SIBUR's employees are represented by such trade union organizations as SIBUR Profsoyuz, Russian Chemical Workers' Union, and Electrical Workers' Union. These unions establish a link between the needs of workers and the Company's production objectives, aiming to improve the quality of working conditions.

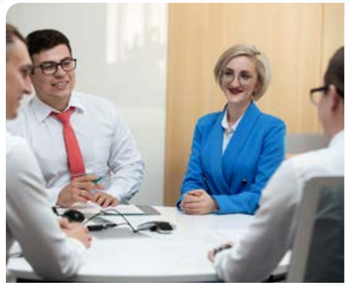
For more information about SIBUR's union activity please check The Responsible Employer's Report, The Opportunities You Deserve.

	2019	2020	2021	2022	2023
Percentage of employees covered by collective bargaining agreements	100%	100%	100%	100%	100%
Percentage of employees who are members of trade unions	61%	54%	84%	80%	69%

SIBUR Profsoyuz plays a crucial role in creating opportunities for active social engagement among employees. The union represents the interests of the Company's workers and regulates social and labor relations by negotiating collective agreements. It makes sure that employees are provided with broader guarantees compared to standard labor legislation regarding occupational health and safety, oversees improvement of employees' financial status, as well as cares for the health and recreation of workers and their families.

The fundamental principle of collaboration between SIBUR Profsoyuz and the Company's management is social partnership to effectively address any issues concerning both the workforce as a whole and each individual employee. This approach fosters a healthy atmosphere within the team, minimizing the possibility of workplace conflicts, which, in turn, positively impacts the efficiency of the production process and the achievement of planned results at the level of individual enterprises and across the entire Company.

Trade unions do work in several areas:



Organizational and union work

- Signing and monitoring performance under collective agreements at SIBUR's enterprises.
- Providing legal assistance to employees in resolving issues directly related to work activities, as well as helping them with personal matters.
- Developing My Union Card loyalty program and others.



Occupational Health and Safety

- Ensuring comfortable working conditions for employees and compliance with corporate safety standards at work.
- Supporting the achievement of the Managed Zero goal through the development of the OHS commissioners' function.



Strengthening of health and promoting a healthy lifestyle

- Creating favorable conditions to preserve and enhance health, promote healthy habits, and lead a healthy lifestyle.
- Popularizing the GTO (Ready for Labor and Defense) training program among company employees.
- Organizing corporate sports competitions.



Social development

- Cultural events, intellectual and creative contests for employees and their families.
- Working with enterprises' veterans.
- Administering rehabilitation of employees' and their family members' health.

32 primary union organizations

69% is the percentage of unionized employees

37 cities

35,000 union members

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Nizhnekamskneftekhim joined SIBUR's unified social benefits package

In July 2023, the Nizhnekamskneftekhim enterprise of SIBUR signed a new collective agreement for a three-year period. From that moment, the company's employees transitioned to a unified social benefits package that covers all SIBUR enterprises. The new agreement came into effect on August 1,

expanding its social benefits' scope by

38%



The collective agreement with Nizhnekamskneftekhim retained all existing benefits while also introducing new ones.

All payments, that were previously equal to one minimum wage, now increased to

20,000 rubles

Additional benefits, missing from the previous agreement, were introduced, including:

- Assistance during childcare leave.
- Reimbursement of up to half the cost of childcare in preschool institutions.
- Payment during periods of temporary disability.
- Provision of backpacks to first graders.
- Payment for a disabled child.
- Financial assistance in case of a death of a close relative.

The amounts of benefits payments related to marriage, childbirth, anniversaries, and returning from active military service were also increased.

2024 and medium-term plans

Focus area	Activities
Succession	• Implementation of resource strategies for key functions, including a proactive succession management program and career paths for designated functions. • Execution of a young specialists' recruitment plan, staying in the top quartiles in employers' rankings. • Development of the employer brand with a focus on ESG agenda. • Achievement of target coverage with leadership, managerial, and functional development programs. • Increase in conversion to appointments for graduates of leadership and managerial development programs. • Preserving leadership in employee engagement among industrial companies (based on the benchmark) by staying within the range of 87% to 92%. • Retention of key employees, reduction of turnover rates across employee categories. • Reinforcement of the HR role and contribution to the Company's business agenda, development of HR competencies. • Enhancement of the employee and manager customer journey through automated solutions.
Training and development	• Rolling out a professional learning and development program, emphasizing the relevance of training initiatives, assessing the applicability of acquired knowledge, and streamlining training processes through automation within individual dashboards. • Updating procedures for holding Human Resources Committees' meetings. • Standardizing approaches to team development management.



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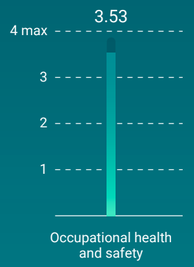
Occupational health and safety

Contribution to the UN SDGs and national projects

Material topics

- Occupational health and safety

Impact Materiality Survey Results



2023 Results

Leadership

- Award of the regional stage of the Russian Organization of High Social Efficiency all-Russian competition organized by the Ministry of Labor and Social Protection of the Russian Federation in the For **Promoting A Healthy Lifestyle In Organizations Of The Production Sector** category
- **5 OHS commissioners** from SIBUR Profsoyuz were among the winners of the Best OHS commissioner of Russia's Neftegazstroysoyuz (Oil and Gas Construction Union) competition
- SIBUR enterprises became winners of the All-Russian 5 Stars: Leaders of the Chemical Industry competition, held by the Russian Union of Chemists, in the following categories: Enterprise of Sustainable Development (SIBUR-Kstovo, Small-size Enterprises category), Responsible Employer (Tomskneftekhim, Medium-size Enterprises category); SIBUR-Kstovo, Small-size Enterprises category)

Responsibility

- **RUB 4.4 billion** is the size of investment in OHS
- **RUB 1.8 billion** are the medical safety expenditures
- A **27%** reduction in the number of lost-time injuries per employee per year
- **0.5** was the LTIF rate among the employees
- Implementing **a system for managing contractors' industrial safety in the course of implementing construction projects**
- Piloting of **lockout/tagout (LOTO) systems at two facilities to prevent non-isolated dangerous** equipment from being started up inadvertently
- Implementing **digital tools** within OHS processes

Solutions for development

- Developing staff competencies in OHS through incorporating OHS elements into **production training programs**
- A **40%** increase in the number of employees who have undergone training in OHS programs
- The **annual safety championship and OHS commissioners' sessions** are crucial elements of the safety culture



Management approach

GRI 3-3

Ensuring the safety and health of its employees and contractors is one of the key focus areas in SIBUR's sustainable development efforts.

SIBUR's occupational health and industrial safety management system complies with the requirements of Russian law and the industry's best practices. It encompasses a range of measures to minimize hazardous situations, including introductory briefings and occupational health training, analysis of the causes of workplace injuries and occupational diseases, comprehensive assessments of occupational health conditions, and periodic medical examinations. SIBUR takes all necessary measures to prevent hazardous situations and strives to minimize injuries during production activities.

At SIBUR, we are fostering a Zero Injuries culture characterized by zero tolerance for safety rules violations, both with respect to oneself and to others. We promote responsible behavior at all levels to ensure safe working conditions for all SIBUR employees and contractors.



At all SIBUR facilities, we live by the principle of Safety Without Compromise. We advocate for the unconditional priority of human life and health above all else. We urge everyone to strictly adhere to safety rules without dividing them into primary and secondary ones. Furthermore, the mindset we have in our company is that safety is everyone's responsibility!

Pavel Silich,
Director of Occupational Health and Safety at ZapSibNeftekhim

Key OHS documents

Integrated management system policy of SIBUR LLC and the enterprises of PJSC SIBUR Holding on occupational health and safety, environment, industrial safety, and quality	It establishes the company's strategic goals and commitments within the integrated management system in the areas of occupational health, environmental protection, industrial safety, and quality.
PJSC SIBUR Holding's 2025 Sustainable Development Strategy	It sets forth the company's goals in the field of OHS. It serves as the foundation for establishing objectives in functional contracts and master plans of the enterprises

- Guidelines for an integrated corporate management system of SIBUR LLC and the enterprises of PJSC SIBUR Holding on occupational health, safety, environment, and quality
- Regulations on occupational health and safety
- OHSE standards
- OHSE requirements

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OHS management

The 2025 Sustainable Development Strategy's OHS goals:

- **reduce LTIF[1] by 5% annually** among the Company's employees and contractors[2]
- **0** fatalities



SIBUR's has built a clear organizational structure of OHS management. At the top level, it is the Management Board Member – Managing Director who is responsible for occupational health, safety, and environment (OHSE)

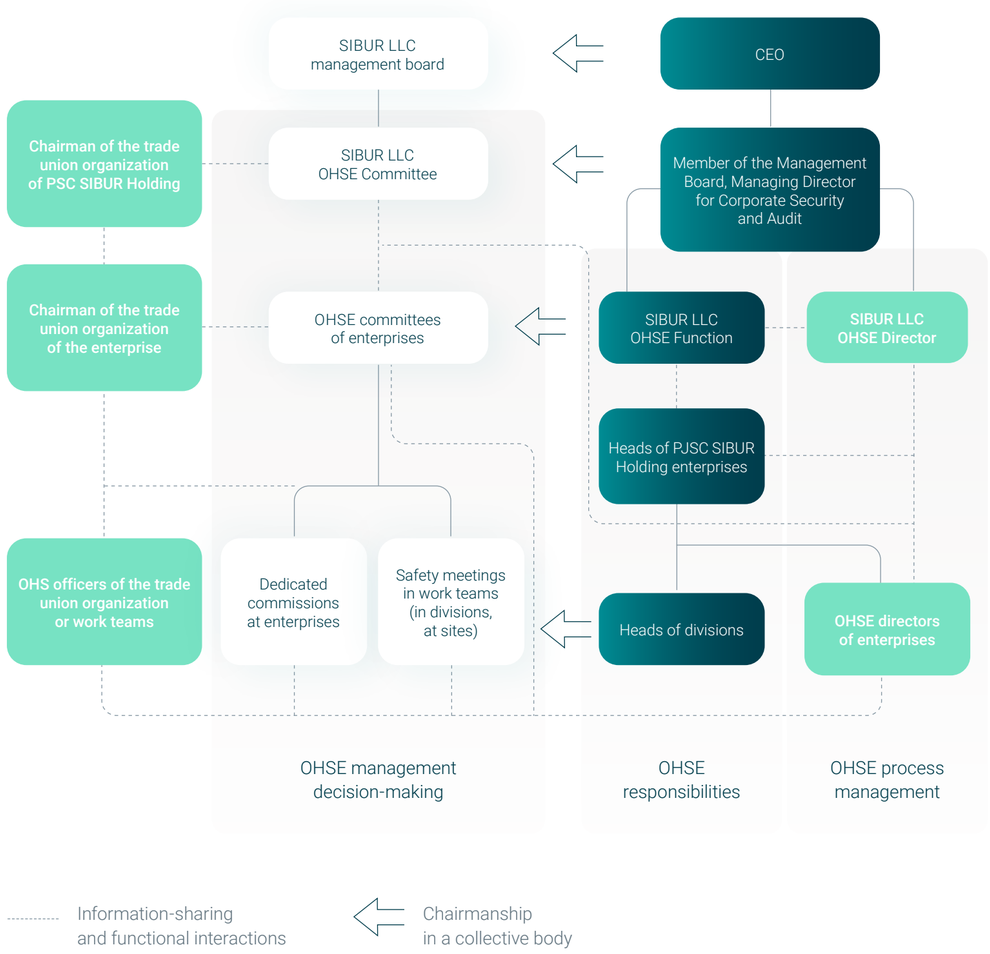
Since 2020, SIBUR LLC has had its own OHSE Committee, established to ensure effective management in this area through strategic decision-making on safety culture development, prevention of workplace injuries, reduction of occupational health risks, and prevention of accidents and fatalities. In the reporting year, two committee meetings were held. Among the key issues addressed by the Committee at these meetings were the status of OHSE activities, the results of investigations into injury cases within the Company, and an analysis of injuries and accidents.

OHS activities at SIBUR's facilities are overseen by the CEOs of the enterprises in collaboration with the enterprise's OH Committees. These committees are responsible for investigating and analyzing the causes of safety rule violations, reviewing cases of non-compliance with OH legislative requirements by employees, and the results of the conducted special assessments of working conditions (SAWC). They also revise standards for issuing personal protective equipment (PPE), if necessary.

Furthermore, the enterprises appoint designated occupational health and safety officers. These officers represent the trade union organization and ensure compliance with OHS requirements at both administrative and operational levels.

The Company has its integrated OHS management system in place that complies with the requirements of national legislation and is certified in accordance with ISO 45001[3]. The system applies to all SIBUR employees and contractors.

HSE management structure at the Managing organization



1 LTIF – Lost Time Injury Frequency.
2 The Company's contractors involved in construction activities are not included in the statistics.
3 Integrated management system.

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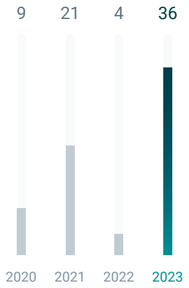
Communication channels

GRI 403-2, 403-4

The Company has state-of-the-art corporate communication tools that are being used to promptly report any OHS violations and incidents: e-mail, hotline, and reports to a dispatcher. Information is provided as part of the incident notification matrix.

In 2023, the OHS hotline received 36 reports, that were used to identify dangerous situations for further assessment and minimization of OHS risks and improvement of the OHS management system.

OHS-related calls to the hotline, number of calls



Corporate OHS communication tools



- **Lightning reports:** A tool for prompt notification about emergencies, incidents, and accidents.
- **Registration of a behaviorial safety audit (BSA):** BSA is a tool for promoting a safe employee behavior model.
- **Electronic OHS audit log:** a tool for checking OHS status, monitoring the day-to-day running of safety systems, conditions, and parameters.
- **SIBUR hotline:** a tool for employees and other stakeholders to report OHS issues in the Company.
- **OHSE corporate portal:** a digital planform for communication on OHS issues.

Achievements

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

298,905
behavioral safety audits held with the Company's employees

100%
enterprises have health centers

–10.8%
reduction in the number of workplace accidents among employees

0.06
AR-1 Accident Rate Index (PSER)

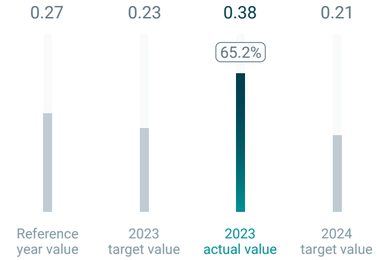
1,352
corrective action notices issued by regulatory authorities as a result of inspections have been resolved

57%
growth in OHA investments

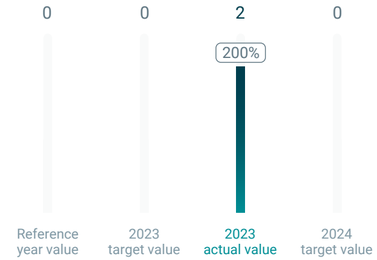
4,523
healthcare facilities available through voluntary health insurance (VHI)

Achieving Sustainable Development Strategy goals

Annual LTIF reduction among employees and contractors by 5%



0 fatalities among employees and contractors



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2023 Goal	2023 Results
Interaction with the Company's employees and contractors' staff: Enhancing staff competencies in occupational health and safety (OHS) through incorporation of OHS elements into production training programs.	• Appointment map for potential key positions across the enterprises has been developed. During the reporting period, new appointments were made at 12 company sites. A job security matrix for those included in the succession talent pool for key positions has been devised. • Viability assessments of the operational model have been conducted, totaling 23. Action plans have been devised to enhance the process viability level. • Practice of conducting assessment sessions for leaders of the OHS function at the enterprises on a semi-annual basis has been established. Results from the reporting period are reviewed, and calibration is done for the focus areas of the upcoming period. • Annual summary meetings involving OHS function leaders from all enterprises are held. A project for ensuring job security for a three-year period has been put in place.
Work with contractors' staff: Implementing a contractor industrial safety management system during the execution of construction projects	Within the framework of implementing the standard system for managing the occupational health and safety of contractors, the following practices have been implemented: • A standard set of instructions has been developed for various stages of project implementation. • Regular rituals for discussing problematic areas, risks, and current project results have been introduced, including procedures for providing periodic reporting. • Goal setting for construction projects has been supplemented (including approaches for Exceeding Expectations assessment*). • Metrics for calculating OHS manpower have been introduced. Key 2023 projects included: • The establishment of an OHS department in the EP-600's operations unit, along with a role distribution matrix for startup and commissioning works. • Conducting a risk session for startup and commissioning works. • Developing a system of performance indicators for assessing implementation of OHS projects, with regular monitoring of progress with achieving the indicators.
Improvement of production infrastructure: Implementation of the third stage of the targeted initiative to bring the loading and unloading racks in conformity with OHS requirements.	• In 2023, activities were conducted at the following enterprises: Kazanorgsintez, ZapSibNeftekhim, Nizhnekamskneftekhim, Voronezhsintezkauchuk, Zapsibtransgas. • Installation of stationary anchor lines for loading and unloading racks was carried out. • Replacement and repair of the ventilation system were performed. • Equipment replacement was conducted. • The total expenditure for the implementation of the activities amounted to RUB 112.2 million.
Implementation of LOTO blocking systems: Development of a strategy to introduce lockout/tagout (LOTO) systems at production facilities to prevent non-isolated dangerous equipment from being started up inadvertently	• Two pilot projects were conducted, and an implementation group received training (52 individuals). • Pre-audits were conducted (costs for acquiring LOTO devices were assessed). • LOTO devices were purchased for a total amount of RUB 4.1 million. • The Organization of Lockout-Tagout Energy Control System procedure at SIBUR Holding Enterprises was developed. • A training course on LOTO was developed jointly with the Corporate University. The first group of internal trainers was trained (14 individuals). • A roadmap for implementing LOTO at SIBUR enterprises was developed.
Operational management: Implementation of measures developed as part of managing identified injury and accident risks	• The number of accidents related to high-risk work decreased by 2%. • Travel routes were identified, and timely cleaning and gritting of pedestrian paths were organized. • Repairs to buildings and structures were carried out.
Interaction with supervisory (regulatory) authorities: Implementation of measures to fix the infractions identified by regulatory authorities in the area of OHS	• Through cross-functional collaboration, 1,352 infractions identified by government regulatory authorities were fixed.

Occupational injuries

GRI 403-2, 403-3

SIBUR performs work to identify potential hazardous situations, analyze and assess associated risks, and document such situations and risks. This data is used to assess the efficiency of preventive measures. The identification of hazards and assessment of risks and opportunities in the field of occupational health and safety align with the requirements of ISO 45001:2018 standard. The Company takes into account information on the results of the accident analysis and incident investigation.

The Company performs a special assessment of the working conditions, and suspends any works if the working conditions at workplaces are classified as dangerous or if there are hazards that may lead to material risks occurring.

The Company implements its **Intervention** program aimed at creating horizontal safety networks across all divisions by instilling a culture of proactive intervention involving every employee responding to situations posing risks to life and health. The program outlines a structured approach to intervening in hazardous situations:

Step 1
Approach the employee and request them to halt the unsafe action or point out the hazardous factor.

Step 2
Explain the danger of the situation.

Step 3
Explain the potential consequences for the health and lives of both the employee and those around them.

Step 4
Ask them not to continue working until safety is ensured.

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GRI 403-2, 403-7, 403-9, SASB EM-IS-320a.1.

Despite the implementation of safety measures to prevent accidents among Company employees and contractors, 41 workplace accidents were recorded in the reporting year, involving both Company employees and contractors. Among these, two were fatal (both involving Company employees: at SiburTyumenGas and ZapSibNeftekhim). 13 accidents occurred among contractors on Company construction projects, with one resulting in a fatality. SIBUR conducted a comprehensive analysis of all accidents and incidents to prevent their recurrence in the future.

Following the investigations, the Company undertook the following measures:

- Updated the corporate Tokobezopasnost (Safe Current) program;
- Organized roundtable discussions on high-risk activities, management of regulatory requirements, development of safety behavioral audit tools, and production control;
- Revised technical documentation to specify safety requirements and action sequences during work execution;
- Developed initiatives to enhance the control environment, conduct high-risk activities, and manage injury prevention programs;
- Conducted field meetings of the Occupational Health and Safety Committee and roundtable discussions involving production management;
- Enhanced documentation for high-risk activities;
- Initiated the development of a Shift Managers School course.

Analyzing the trends in injury rates and investigating accidents, incidents, and emergencies allows to identify the principal sources of hazards and risks, as well as to assess the effectiveness of preventive measures aimed at reducing workplace injuries and preventing accidents.

SIBUR has introduced a procedure for accounting, investigating, and controlling minor injuries.[1] In 2023, 175 minor injuries were registered that required first aid only.

Lost time injuries among employees and contractors (LTI), persons[2]



Registered injuries at work among employees and contractors, TRI, persons[4]

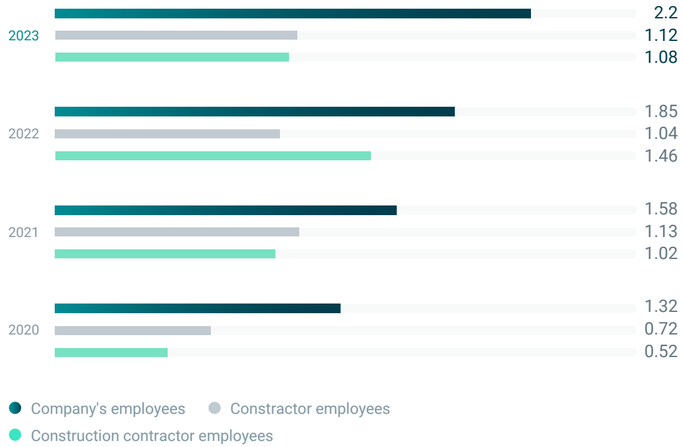


Lost time injury frequency rate, LTIF[3]



RT-CH-320a.1

The total recordable incident rate dynamics, TRIR[5,6]



1 Minor injuries stand for the nondisabling injuries incurred by an employee and/or without disruption of body organs that requires first aid, and/or without the need to see a doctor (first aid) or medical intervention and/or medical care.
2 Employees of construction contractors are contractors' employees involved in construction and capacity expansion projects.
3 Lost Time Injury Frequency Rate, LTIF = (the number of lost time injuries, minor injuries that require medical help) x 1,000,000 / (total worked hours). According to the methodology approved by the company, the calculation of the indicator does not take into account injury cases where there was no occupational factor present that had caused the accident. The number of man-hours worked in 2023 was 66,046,097 by the company's employees, 42,966,321 by contractors, and 33,439,567 by employees of construction contractors.
4 Number of registered injuries among employees and contractors' employees (TRI).
5 The total recordable incident rate (TRIR) = (total number of the registered injuries + number of minor injuries) x 1,000,000 / (total worked hours).
6 The data for previous periods has been adjusted based on calculations per 1,000,000 hours worked (prior to 2023, calculations were based on 200,000 hours worked) to ensure consistency in presenting the indicator.

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Control and Monitoring

OHS Auditing

All SIBUR enterprises regularly conduct external and internal audits. They aim to determine the extent of the enterprises' compliance with statutory requirements, the Company's internal standards, and best available practices in OHS.

SIBUR analyzes the quantity and nature of near-miss[1] incidents, which are situations that could have led to serious consequences, based on the findings of behavioral safety audits (BSAs). The data obtained from this analysis are utilized by the Company for accident prevention and injury reduction purposes, as well as for assessing the effectiveness of applied protective measures (barriers). In 2023, there were 298,905 BSAs recorded with Company employees and 30,496 with employees of contractor organizations.

OHS audits and checks in 2023

Audits by control and oversight authorities	• 119 notices were issued; • A total of 1,352 items on notices were addressed, including those issued previously; • No violations directly related to the threat to the Company's employees' lives and health were identified; • Administrative fines in the amount of RUB 113,000 were imposed on 18 Company's executives; • 17 administrative fines in the amount of RUB 3,650,000 were imposed on the legal entity.
Internal audits of the OHS management system	• updating risk and hazard registers, taking injury prevention measures; • making action plans, improving work processes/ procedures and updating the responsible persons list; • involving employees in OHS management, encouraging safe conduct and initiatives.
Behavioral safety audits	• Improving SIBUR employees safe behavior model; • Improving safe behavior model of contractors' employees and visitors

1 Consolidated Set of the GRI Standards 2021, Glossary: close cal, near-miss, near-hit.

Contractor safety management

SIBUR established a unified safety management procedure for the work performed by contractors that is set forth in the Company's standards and in the Requirements regarding health, safety and environment, and includes an assessment of the efficiency of contractor industrial safety management.

As part of its corporate procedures, SIBUR assesses contractors' compliance with the requirements regarding the qualifications of contractors' OHSE services and analyzes injury cases among contractors' employees as well as the efficiency of the contractors' OHSE management system.

Contractors' access to performing work on the grounds of the Company's production facilities is provided by means of issuing an electronic Permit to Work.

Behavioral safety audits

Indicator	2022	2023
Number of BSAs with the Company's employees	281,063	298,905
Number of BSAs with contractors' employees:	28,463	30,496
Number of BSAs with contractors' employees that helped reveal hazardous situations	19,551	17,834
Number of violations of occupational safety requirements by subcontractors identified during inspections that required initiating claims procedures	1,645	4,018

Technical labor inspectors representing primary trade union organizations of SIBUR and over 100 occupational safety commissioners regularly conduct so-called "stop-hours" for workers involved in production and employees of long-term subcontractors to remind them of the need to comply with safety rules during hazardous gas works. Let's Remember and Prevent! safety case-book, produced by SIBUR Profsoyuz's Center for Occupational Health and Safety Practices are used as visual aids.

Ensuring safety during EP-600 construction

The construction site of EP-600 uses the efforts of 16 Russian contracting organizations. The work scope is broken down by functional area which helps enhance overall management of the construction process. With a workforce totaling 3,300 individuals, subcontractors are primarily involved in installing metal structures, laying pipelines, installing equipment, and performing electrical installation work.

In a move designed to enhance safety, a dedicated Occupational Health and Safety service was established within the operational unit of EP-600 in 2023. In addition, a comprehensive matrix outlining role distribution during startup and commissioning works was put together. A dedicated risk assessment session on startup and commissioning activities was conducted to mitigate potential hazards. To monitor progress achieved over time, a system of performance indicators was devised to evaluate execution of OHS projects with regular oversight and control mechanisms put in place.



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Risk management

GRI 403-2, 403-3

To support management decision-making aimed at optimal resource allocation and maintaining a high level of safety, SIBUR employs a risk-oriented approach. The Company utilizes a variety of methods to analyze and assess risks associated with the current state of equipment safety parameters and labor processes, aiming to eliminate all potential uncertainties. In 2023, the Company identified and brought under control 12 new risks while eliminating 42 significant risks. By the end of the reporting period, 27 significant risks remained under scrutiny. SIBUR has identified falling from height as the primary risk.

SIBUR has implemented the **5 Steps to Safety** approach to analyzing safety of work execution. This method involves a step-by-step safety assessment before and during work execution. At each of the five steps, employees are required to address a question relevant to that step:

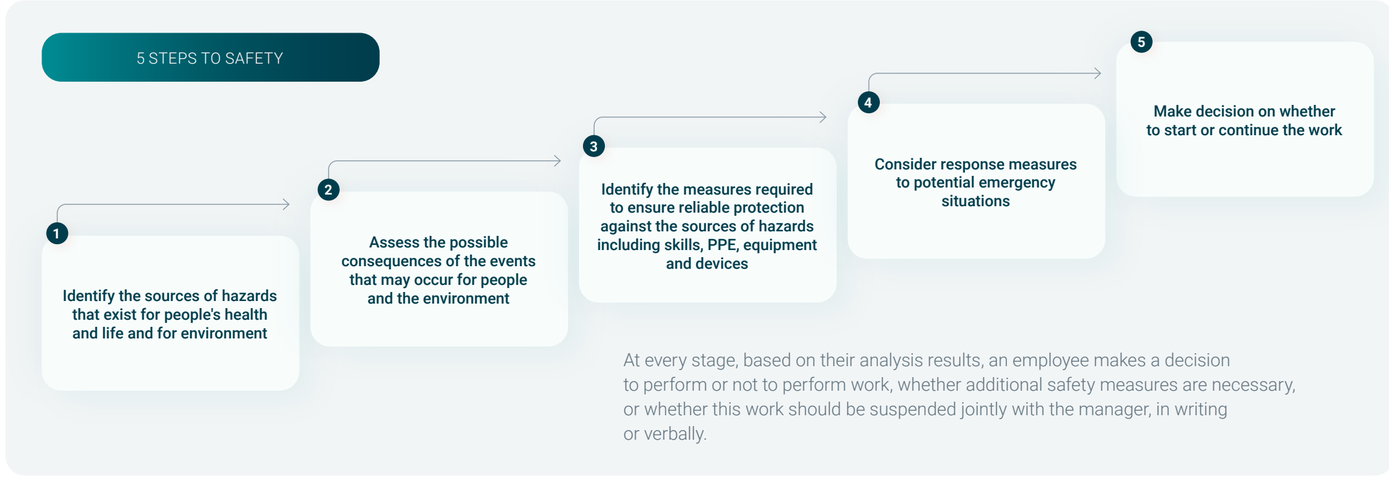
Step 1 What are the sources of danger when performing this type of work?

Step 2 What are the consequences for people and the environment?

Step 3 What needs to be done to protect against these sources of hazards?

Step 4 What needs to be done if the situation gets out of control?

Step 5 May I start my work?



At every stage, based on their analysis results, an employee makes a decision to perform or not to perform work, whether additional safety measures are necessary, or whether this work should be suspended jointly with the manager, in writing or verbally.



Identifying technogenic risks

GRI 403-2, 403-3, 403-9

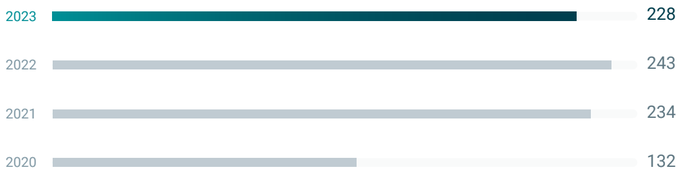
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SIBUR performs continuous monitoring of industrial risks with a technogenic potential and strives to prevent such risks. In 2023, the Company identified 34 grave and 87 moderate industrial risks, developed measures to manage them, and allocated the necessary resources for this purpose.

SIBUR uses two levels of accident rates – AR-1 and AR-2 – to analyze the effectiveness of managing technogenic risks, based on the global Process Safety Events Rate (PSER).

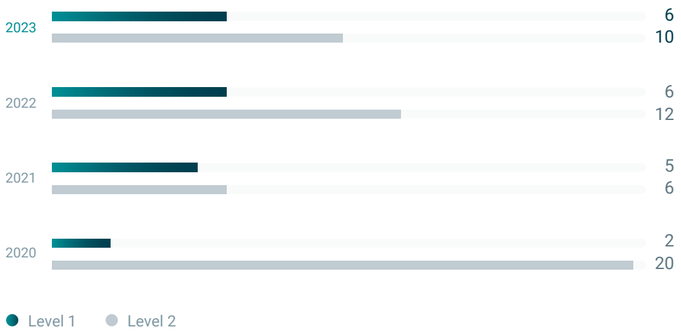
SIBUR's PSER (Process Safety Events Rate)[1]	In 2023
1st level Accident rate An event classified under the AR-1 accident rate corresponds to the Accident category within the framework of industrial safety management approach.	0.06 no changes vs 2022
2nd level Accident rate An event classified under the AR-2 accident rate corresponds to the Incident category within the framework of industrial safety management approach.	0.11 0.02 less vs 2022

Hazardous production facilities, units



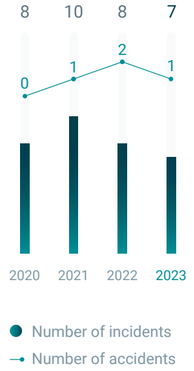
1 The calculation of the accident rate index is determined by the ratio of the number of level 1 (AR-1) or level 2 (AR-2) events to one million hours worked.

Distribution of events (including accidents, incidents, and potentially hazardous events) considered when calculating PSER accident rate





Accidents and incidents

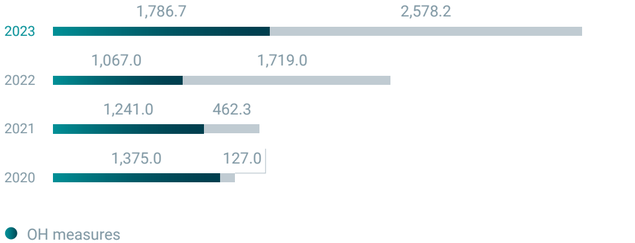




GRI 403-7, RT-CH-320a.2

In 2023, SIBUR's investments in occupational health and safety (OHS) activities increased by 57% to RUB 4.36 billion. This includes RUB 1.79 billion allocated for occupational health and RUB 2.58 billion for the implementation of targeted work programs aimed at bringing SIBUR facilities into compliance with industrial safety regulations and norms.

Occupational Health investments, RUB million



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OHS Digital solutions

SIBUR pays special attention to expanding the use of digital solutions in the field of occupational health and safety. In 2023, the Company continued to use digital tools aimed at reducing the number of walk-about inspections in extreme weather conditions and on hard-to-reach production sites, identifying defects, enhancing equipment reliability, and promoting industrial safety culture.



Measures to develop and deploy digital tools

Measure	Digital tool	Result achieved
Implementation of the project using intelligent video surveillance (IVS) systems	• Black Screen IVS	Strengthening of control over the use of PPE and protection equipment against falls at loading and unloading racks.
Transformation of the audit system at Company enterprises	• Come and See	Ability to monitor the production facilities' status by using a mobile application. Automatic generation of work assignments based on the monitoring results.

Protecting employees' health and preventing occupational illnesses



SIBUR invests heavily in the development of its employees. Our goal is to maximize retention of each of our employees and teach them to take good care of their own health. Such an approach is not only morally and socially responsible but it also helps reduce the impact of health-related factors on the technological efficiency of the company's operations and its business processes. Preventive medicine is the future where we will learn to prevent people from developing diseases instead of treating their consequences.

Anna Tumasyeva,
SIBUR's head of medical safety and health protection service

GRI 403-6

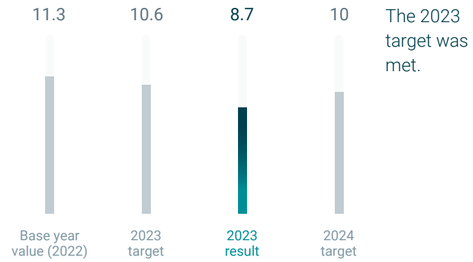
SIBUR cares about the health of its employees and makes every effort to prevent occupational diseases. All SIBUR employees undergo preliminary and periodic medical check-ups. SIBUR also conducts regular health days, holds sporting events, performs screening for chronic illnesses and monitors psychological health of its employees, and takes advantage of capabilities offered by telemedicine. The Company takes measures aimed at prevention of occupational diseases, upgrades its health centers and medical equipment. All Company's employees are insured against accidents and have access to expanded voluntary health insurance (VHI) programs.

The health of its employees is fundamental to ensuring the Company's continuous operations. SIBUR continually redoubles its efforts to ensure medical safety at its facilities. In 2023, the Company spent RUB 1.8 billion on providing medical assistance, developing its medical infrastructure, and preventing employees' illnesses.

The goal of the 2025 Sustainable Development Strategy regarding employee's health and occupational diseases prevention:

Reduce temporary employee disability caused by illnesses by 5% annually, ensure medical safety of operations, maintain and strengthen the health of the workforce, and adhere to the most stringent standards of medical safety.

Number of temporary disability days per employee:



The 2023 target was met.



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Measures to ensure medical safety across different aspects of the Company's operations in 2023

Measure	Result achieved	
Ensuring proper functioning of the medical infrastructure	**39** health centers on enterprises' grounds **10** ambulance vehicles for emergency care **2** multi-purpose polyclinics **131** units of electronic medical examination system (ESMO) for automated pre-shift check-ups	• Health centers at 100% of enterprises are operational. • Major investment projects have been provided with proper medical infrastructure. • The medical infrastructure of Nizhnekamskneftekhim and Kazanorgsintez enterprises has been put in place. • Medical equipment has been installed and put into operation at Nizhnekamskneftekhim's polyclinic including a computer tomograph, endoscopy equipment, an ultrasound machine, a mammograph, dentistry equipment. • 8 enterprises were provided with ambulance vehicles. • 29 new ESMO units have been installed and put into operation, with 85% of enterprises equipped with such systems (excluding Nizhnekamskneftekhim and Kazanorgsintez – their equipment is scheduled to be installed in 2024).
Ensuring accessibility of medical care	**93%** medical personnel staffing level **6** licenses for conducting examinations for all types of intoxication **4,523** the number of healthcare facilities available to employees under the voluntary health insurance (VHI) program	• Nizhnekamskneftekhim's polyclinic is 94% staffed, ZapSibNeftekhim's polyclinic is 91% staffed, and health centers are 92% staffed. They all maintain full functionality. • Polyclinics and health centers have been reorganized to extend operating hours for polyclinics (daily from 7:00 am to 7:00 pm) and health centers (24/7) to ensure 100% access to medical care. • Three additional licenses for conducting examinations for all types of intoxication have been obtained. • Risk-based voluntary health insurance programs have been introduced for employees of Nizhnekamskneftekhim and Kazanorgsintez. • The scope of services provided and the list of medical institutions available to employees within the risk-based voluntary health insurance program have been expanded without increasing the level of funding.
Ensuring disease prevention and maintaining employee's health	**53%** employees worked without taking a sick leave **18,384** workers trained in providing first aid	• Enterprises work without interruption as there are no shift staffing gaps due to employees' illnesses. • Medical safety and the staff's sanitary and epidemiological well-being were ensured across all investment projects. • Mandatory medical examinations were completed for 20,387 employees in hazardous and dangerous work conditions. • 126 employees returned to work post laser vision correction, with 79 returning after additional examination and treatment. • Pre-shift medical examinations covered 100% of shift personnel and 82% of administrative and management personnel (at enterprises equipped with ESMO complexes). • Treatment at health resorts arranged for 4,134 employees at the Sibur-Yug Health Resort Center and the Korabelnaya Roshcha Resort, with 733 additional employees receiving treatment at regional resorts using funding by the Social Insurance Fund.[1]

1 Social Insurance Fund of Russia.

SIBUR is a place where a healthy lifestyle is encouraged!

In 2023,

>12,500 SIBUR's employees

participated in projects promoting healthy living, regularly engaged in physical activity and in sports. This led to the following outcomes:

- **625** GTO (fit for labor and defense) Excellence Pins
- **Over 1,500** participants in company-wide competitions, including SIBUR Skiing, Razumov 3*3 Basketball, Summer Spartakiad, and Kama Autumn;
- **Over 2,300** employees took part in daily Healthy Minutes;
- Participants of the Running Challenge collectively covered the distance of over **130,000** kilometers;
- Sibur Walk's participants collectively took half a million steps;
- **220** Sibur Swim's swimmers collectively swam **3,400** kilometers;
- **160** sports ambassadors inspired colleagues by their example;
- Participants in the Healthy Lifestyle Builder program practiced healthy habits over a period of 12 months to improve their health;
- **Over 300** employees competed for the title of the strongest person in the Company by participating in SIBUR Strength' Power Endurance Championship.

Personal protective equipment (PPE) is an integral part of ensuring safety at work. The Company regularly upgrades its PPE in accordance with the approved standards to protect employees from injuries and occupational diseases and ensure they stay comfortable under different ambient conditions.

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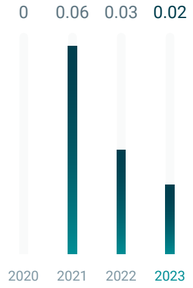
Identified occupational diseases

GRI 403-10, RT-CH-320a.2

One case of occupational disease was registered in 2023. The main factors that cause occupational diseases are heavy workloads and excessive noise generated during production compared with the noise limits stipulated by standards. SIBUR identifies and evaluates such factors based on the level of impact on employees within the framework of a special assessment of the working conditions that is used by the Company to elaborate prevention measures. Key prevention measures in this case include automation and mechanization of the production processes where feasible. SIBUR replaces its equipment as needed to eliminate the source of excessive noise.

SIBUR's production processes involve handling of chemical substances. To reduce their impact on employees' health, the Company performs regular instrument assessment of hazardous factors, develops instructions and standards, reduces the time spent by employees in the exposure area and consistently introduces new safe chemical agents for production purposes.

Occupational illnesses rate,
incidence per 1 million hours





Preparedness for emergency situations

GRI 403-7

Preparedness to react correctly to emergency situations is a must-have skill for SIBUR's employees and contractors. Preparations for emergency response, regular training of personnel and site readiness checks are at the core of the Company's efforts meant to improve its response in the event of emergency.

As required by law, all SIBUR enterprises have action plans in place to localize and eliminate the consequences of accidents at hazardous production facilities, implement and regularly test local warning systems, and purchase special equipment, tools and vehicles designated for use in the emergency area.

In 2023, the Company updated its contracts with professional emergency response services at 10 of its facilities to expand and optimize the range of services they provide.

Mandatory drills to test response to emergency situations are conducted at SIBUR facilities according to predetermined schedules. The aim of these activities is to prepare for emergency rescue operations in practice by gathering and equipping personnel, by establishing coordination between company employees and rapid response services, as well as by coordinating the efforts of the management in the event of responding to an accident and rescuing the staff in such circumstances.

In 2023,

9,921 training sessions

538 drills

SIBUR received letters of commendation for having the best civil defense infrastructure

Voronezhsintezkauchuk took the 3rd place at the regional stage of the contest that brought together Voronezh region's **organizations that set up non-professional emergency response teams** vying for the title of having the best emergency response **training and infrastructure facilities**. The Company received a commendation letter from the Governor of the Voronezh region for its dedication to improving and updating its emergency response infrastructure's educational and training facilities.

The Company also received a letter of commendation from the Office of the City District of Voronezh for taking the 1st place in the municipal stage of the contest titled **Best emergency response training and infrastructure facilities of an economic entity (organization)**, and for its effective organization and implementation of civil defense measures, prevention and elimination of emergencies, ensuring fire safety and safety of people on water bodies.



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Solutions for the future: training and safety culture advancement

GRI 403-5

SIBUR's employees undergo mandatory training in occupational health and safety, as required by law, and in line with corporate training programs. OHS training is available to all SIBUR employees. The principal areas of training include occupational health and safety, electrical safety, fire safety, response to emergencies, and first aid.

Corporate training programs cover:
- Risk management;
- Safety analysis of work performance;
- Safety culture within the company;
- Intervention procedures, and others.

Training programs are developed based on internal analysis of irregularities, as well as injury and accidents metrics.

For their OHS training sessions, SIBUR employees also have access to digital solutions offered by SIBURINTECH, an innovative engineering expertise center (Industry 4.0, VR and AR technologies, etc.).

Participation in joint training programs with other market leaders

Since 2018, SIBUR has been collaborating with Gazprom Neft in implementing the HSE Management program[1] designed for heads of relevant departments of major companies. The primary goal of the program is to develop change ambassadors to help further enhance the safety culture at the enterprises.

The training lasts one year and consists of four modules, inter-session activities, and final projects' defenses. Upon completing the program, its graduates get CPD diplomas from Tyumen State University.

The program also includes guest visits that provide an opportunity to learn from others' experiences and improve existing practices. During one such visit to Tobolsk, participants were given a tour of ZapSibNeftekhim and introduced to key tools such as behavior-based safety reporting and analysis, digital work permits, the OHS System Development ritual, and more. A visit to SIBURINTECH allowed participants to expand their understanding of today's staff training methods and to learn about current trends in ensuring workplace safety.

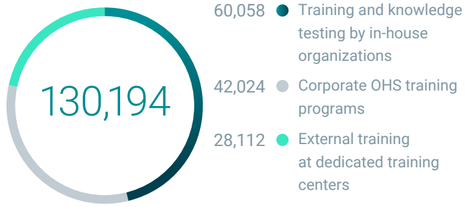


Fostering the safety culture

GRI 403-4

During OHS training sessions at SIBUR, discussions are held regarding hazardous situations commonly encountered in the workplace. These discussions include analyses of examples of incidents to familiarize the participants with proactive intervention practices upon identifying potential hazards.

Number of employees enrolled in training, by training program, pers.



SIBUR carefully monitors permits and authorizations provided to contractors' employees, making sure that access is only granted if they have undergone thorough safety training on all aspects of their work.

SIBUR's annual Occupational Safety Championship

Every year, SIBUR hosts the Occupational Safety Championship, bringing together all company's entities. SIBUR's plants, departments, work teams, and individual employees compete for the title of the most committed and responsible in matters of occupational health, safety, and environmental protection, by showcasing their high levels of engagement in the safety culture both on the workshop floor and in administrative offices.

In 2023, Sibur-Khimprom was recognized as the best enterprise in the Occupational Safety category. Tomskneftekhim was the winner in the Industrial Safety category. Tomskneftekhim also claimed the title of the best enterprise in the Environmental Protection category. The shift of Nyagangazpererabotka, a branch of SiburTyumenGas was named as the best shift in the Occupational Safety category. POLYEF claimed victory in the Industrial Safety category while the title of the Best Environmental Protection Shift was won by the Perm-based Sibur-Khimprom.

Developmental Session for SIBUR's Occupational Health and Safety Commissioners

In 2023, 110 occupational health and safety commissioners and 12 technical labor inspectors took part in the occupational health commissioners' session held in Kazan. The aim of the session was to determine the participants' role in implementing occupational health and safety processes to achieve zero injuries, and to create safe and comfortable working conditions at the Company's facilities. OHS commissioners assist their managers in creating safe and comfortable working conditions. The Company pays a great deal of attention to training and developing such specialists, as well as to rewarding them for their effective performance.

1 HSE Management (Health, Safety, and Environmental Management) is a comprehensive discipline that integrates various aspects related to management of occupational health, safety, and environmental protection at enterprises and within organizations.

2024 and medium-term plans

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Focus area	Activities
Injury management	• Implement measures to enhance the effectiveness of control measures in high-risk work environments. Ensure 100% monitoring of critical high-risk tasks.
Management of Industrial Project Incidents	• Conduct risk assessments for 100% of identified irregularities requiring action, with critical risks recorded in the Enterprise Risk Register. • Ensure 100% production control coverage for hazardous production facilities of I-IV hazard classes using the Come and See electronic system. • Implementation of measures to fix irregularities identified by regulatory authorities in their notices.
Implementing and launching the Company's development projects	• Develop a risk map for pre-commissioning and commissioning works[1] along with mitigating measures. • Introduce OHS practices in project activities: requirements for scaffolding, requirements for hydro/pneumatic testing, requirements for simultaneous operations (SIMOPS).

1 Pre-commissioning and commissioning works.



Contribution to the development of local communities

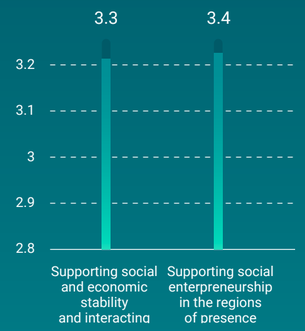
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Contribution to the UN SDGs and national projects

Material topics

- Supporting social and economic stability and interacting with local communities
- Supporting social entrepreneurship in the regions of presence

Impact Materiality Survey Results



2023 Results

Leadership

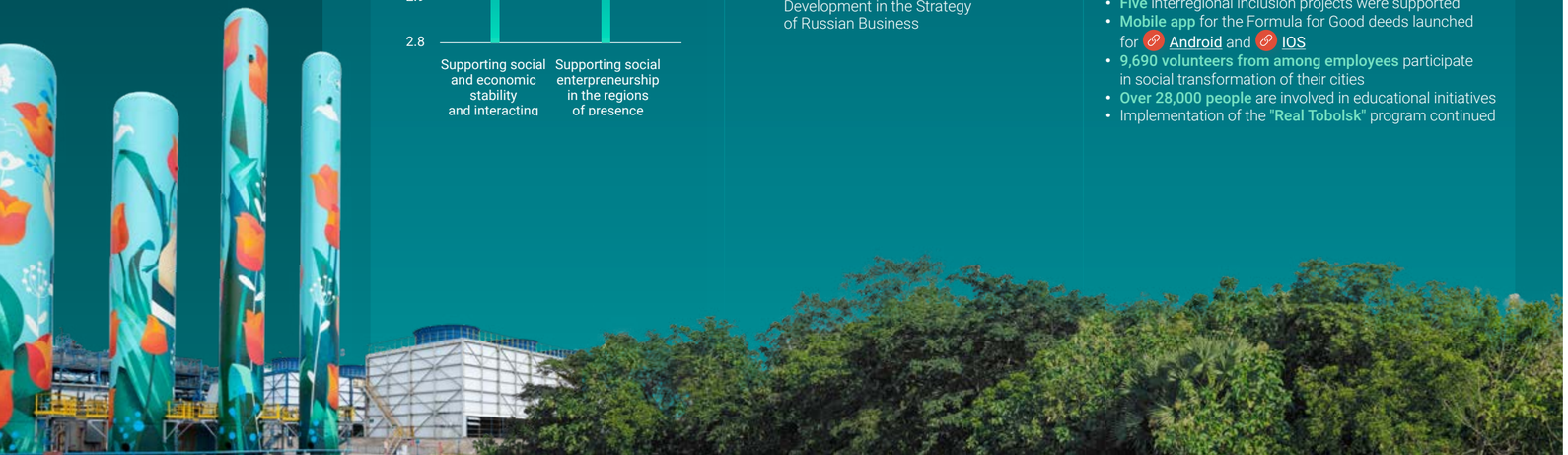
- A+ Group, **Leaders of Corporate Charity** rating
- The Company became a 3rd-degree laureate of the **Leaders of Responsible Business** National Award
- SIBUR contributed to achievement of **national waste management goals**, together with professional market stakeholders and public authorities
- The Amur Region, where SIBUR heads the regional office of the National Corporate Volunteering Council, was awarded the title **Capital of Corporate Volunteering** at the 12th Moscow International Forum Corporate Volunteering: Business and Society
- The inclusive You Can Do Anything! project was included in the **collection of corporate practices** Sustainable Development in the Strategy of Russian Business

Responsibility

- In 2023 an additional agreement on cooperation was signed with **Khanty-Mansi Autonomous region** – Yugra was signed and cooperation with Yamal-Nenets region extended
- **20%** growth of social investments
- **RUB 10.6 mln** in Tobolsk and **RUB 1.9 mln** in Svobodny are the amounts of financial support extended to entrepreneurs in the regions
- **5 interregional projects** in the field of Inclusion
- **RUB 97 mln** is the total amount of grants extended under the Formula for Good Deeds program in 2023

Solutions for development

- **Five** interregional inclusion projects were supported
- **Mobile app** for the Formula for Good deeds launched for Android and IOS
- **9,690 volunteers from among employees** participate in social transformation of their cities
- **Over 28,000 people** are involved in educational initiatives
- Implementation of the **"Real Tobolsk"** program continued



Management approach

GRI 3-3, 413-1, 203-2, 203-1

In the area of social and economic development in the regions of its presence and where it comes to supporting local communities, SIBUR's key objective is to improve the living standards in the cities where the Company operates in a systemic and long-term manner by working in partnership with non-profit organizations, authorities, residents, and other stakeholders, and to create new opportunities for the people's personal and professional fulfilment. SIBUR's key areas of social investment include: urban environment development, education and science, sports, culture, volunteering, ecology, and inclusion.

SIBUR is fully aware that the Company's sustainable development and success of its efforts in creating value for all stakeholders depend not only on its economic investments, but on social ones as well. Partnerships with a wide range of shareholders, awareness and outreach campaigns, knowledge and experience sharing are indispensable for transitioning to a circular economy and achieving SIBUR's ambitions in the area of sustainable development.

The Company actively supports the initiative of its employees to improve various aspects of life in the regions of its presence by allocating grants for the implementation of social and volunteering projects. This approach enables the Company to identify and address locally important issues and support local leaders and caring residents who are personally involved in the transformation of their communities.

SIBUR has been implementing its Formula for Good Deeds social investment program since 2016. The Program seeks to bring about active and caring communities on the basis of shared values in the regions where the Company operates.



SIBUR is the biggest employer and social investor for the regions of its presence. The Company contributes to the development of communities where it operates by paying taxes, creating jobs, and investing in a better social environment. That's why The Formula for Good Deeds is a part of SIBUR's Sustainable Development Strategy and all its projects are aimed at bringing about long-term and systemic positive changes in the social environment. The results that are achieved are owed to joint efforts of all participants: partners, volunteers, and local residents

Elena Snezhko,
Head of The Formula for Good Deeds program

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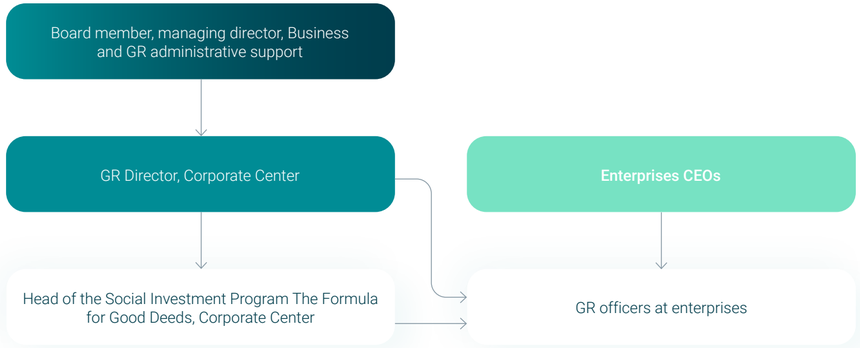
Structure of social investments management

GRI 3-3

2025 Sustainable Development Strategy's goals in the field of local communities and partnership development:

- To launch one long-term inter-regional socially inclusive project
- To bring the share of corporate volunteers to 30%, at least half of them should be environmental volunteers
- To facilitate achievement of national goals in the area of waste management together with professional market stakeholders and local authorities
- To extend the social entrepreneurship support program in the regions of the Company's presence
- Train 85% of employees by 2025 as part of the sustainable development course and extend the training to the Company's partners





Key documents governing development of local communities

Memorandum on interaction with local communities	**Determines SIBUR's position in terms of its interactions with local communities in the regions of its presence.**
Corporate Volunteering Policy	Sets SIBUR's goals, tasks, main principles of social investment and cements volunteering as one of the key elements for implementing the Formula for Good Deeds program.
Social investments policy	Formulates SIBUR's position regarding goals, principles, and areas of social investments.
PJSC SIBUR Holding's 2025 Sustainable Development Strategy	Establishes the company's local community development goals. Serves as a basis for setting goals in functional contracts and master plans of enterprises.
Regulations on the contest of socially significant projects of PJSC SIBUR Holding held as part of the Formula for Good Deeds social investment program	
Regulations on PJSC SIBUR Holding's sponsorship activities to support socially significant projects under the Formula for Good Deeds social investment program	

Interaction with local communities

GRI 2-29, 413-1

The Company's social investment program is carried out in continuous close contact with a wide range of stakeholders. They include the Company's employees and their family members, representatives of government agencies and local authorities, non-profit organizations, employees and managers of social welfare organizations, public opinion leaders, and others.

The Company uses various tools to share information and to discuss pressing issues including public events and projects' presentations, direct surveys, including the ones conducted online, experts' interviews, involvement of residents in the projects of the Formula for Good Deeds program. All the matters related to the Program can be discussed via dedicated feedback channels, such as email, phone, official website, volunteering communities on VKontakte and on Telegram. The program's participants receive newsletters and can find further information about the program on the program's website.

Participation in industrial associations and business alliances

SIBUR is a member and participant of the following associations and business alliances whose activities are related to social investment and community development programs:

- National ESG Alliance.
- Donors' Forum, an association of grant-giving companies.
- Commission for the advancement of corporate social responsibility and social entrepreneurship under the Chamber of Commerce and Industry of Russia's Council on sustainable development of business, corporate social responsibility, and volunteering.
- National Inclusive Agreement of the Agency for Strategic Initiatives' Open to All project.
- National Corporate Volunteering Council.

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Amur Region is the capital of corporate volunteering



Since 2021, SIBUR, in partnership with the Amur Region's Government, has been developing the Amur Office of the National Corporate Volunteering Council to bring together companies, volunteering centers and non-profits to promote best volunteering practices in the region. The program's coverage extends to the cities of Blagoveshchensk, Belogorsk, Zeya, Svobodny, Tsiolkovsky, and other districts of the Amur Region.

In 2023, the Amur Office of the National Corporate Volunteering Council received a professional award titled The Capital of Corporate Volunteering at the 12th Moscow International Forum Corporate Volunteering: Business and Society, which represents one of its key achievements.

In 2023, the Amur Corporate Volunteering Forum was attended by

>150 volunteers

from 6 districts of the region took place

Partnership with regional authorities

The Company interacts with regional authorities on the basis of agreements on social and economic cooperation. In the reporting period there were such agreements in force with Voronezh, Tomsk and Tyumen Regions, the Khanty-Mansi Autonomous District, the Yamalo-Nenets Autonomous District, and the Republics of Altai and Tatarstan.

These agreements seek to advance and expand mutually beneficial and fruitful cooperation aimed at ensuring sustainable development of regional economies, addressing social challenges, and improving the residents' quality of living. These agreements cement plans for future interactions in such areas as comfortable urban environment, education, science, sports, ecology, inclusion, culture, and volunteering.

In 2023 SIBUR entered into a supplemental agreement with the Khanty-Mansi Autonomous District-Yugra on cooperation in implementing socially-significant projects.

Under the agreement, the Khanty-Mansi Autonomous District-Yugra implemented five comprehensive interregional projects in 2023 that were meant to support education, science, and infrastructure improvements. The list of activities included organizing tours of the State Theatre of Nations (Moscow, St. Petersburg) and eco-tours to visit the Living Symbols of the Taiga, holding the School of Energy Synthesis, implementing the educational project Creative Resident's Club, and building a state-of-the-art sports ground for children in an urban setting.





Achievements

GRI 203-1, 413-1, 413-2

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RUB 622.5 mln
volume of social investments under the Formula for Good Deeds program

45 interregional projects
of the Formula for Good Deeds program

137 grant projects
implemented in 16 cities with the Company's support

RUB 97 mln
sum of grants provided under the Formula for Good Deeds programs

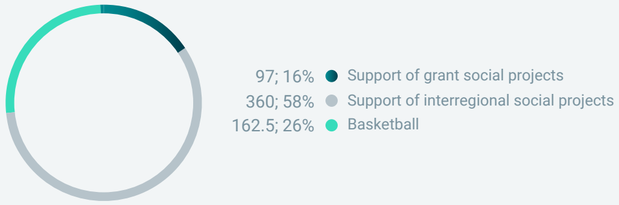
5
inclusive interregional projects

9,690
employees participating in the volunteering movement



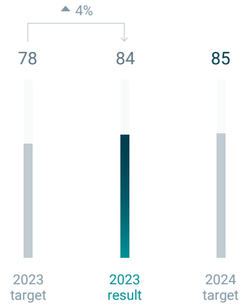
In 2023 the volume of SIBUR's social investments grew by 20% to RUB 622.5 million.

Volume of social investments within Formula for Good Deeds program in 2023, mln rubles, %



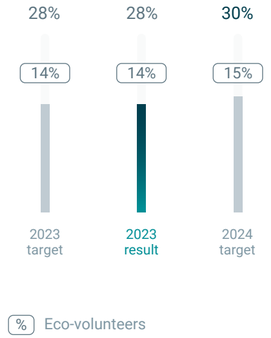
Achieving Sustainable Development Strategy's goals

Train 85% of employees as part of the sustainable development training course



The 2023 target was met.

Bring the share of corporate volunteers to 30%, with at least half of them being eco-volunteers



The 2023 target was met.

Expand the social entrepreneurship support program in the regions of the Company's presence

- Training for entrepreneurs in the Amur Region (PRO City): 44 people were trained, and 10 projects received financial support from the Company
- Financial support for entrepreneurs in Tobolsk (RUB 10.6 million) and Svobodny (RUB 1.9 million)
- Holding the Code of Leadership forum in the Amur Region (150 participants)

The 2023 target was met.

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2023 goal	2023 results
Projects' scaling designed to promote inclusion and expand inclusive communities in the cities of presence	A comprehensive program has been created, which includes ongoing You Can Do Anything! and City of Opportunities projects, as well as other grant and interregional inclusive projects: • You Can Do Anything!: a series of 4 motivational meetings involving famous people with disabilities that brought together more than 400 people in 4 cities. A total of 9 meetings were held over the course of the project and more than 800 people attended them. • City of Opportunities blog: the blog allowed to set up an interregional inclusive community, which united more than 2,200 subscribers. 5 most active bloggers of the community from different parts of the country were nominated for the blog tour in Moscow. • The For Sport! For Life! gala concert featured 10 children with disabilities performing alongside the Dynamic Fellows band, drawing an audience of 1,000. • Lessons in kindness and support comprised a series of 5 events, including educational seminars for teachers and school leaders on the nuances of working with children with disabilities. Social workers attended sessions focusing on handling psychological trauma, with over 200 specialists in attendance. • Sunny Music saw the establishment of 2 inclusive Sunny Notes orchestras, in Dzerzhinsk and Nizhnekamsk. Over 30 children received lessons in music through unique proprietary techniques. The project ended with 2 joint concerts with the founding orchestra from Moscow, accompanied by photo exhibitions spotlighting the orchestra's members.
Expansion of the geography of the grant contest and interregional projects to include Kazan	• In 2023, 6 grant and 12 interregional projects were implemented in Kazan.
Development of the volunteering movement, implementation of new tools for accounting for employees' volunteering activities	In 2023, the advancement of the volunteering movement was facilitated by the introduction of new volunteering initiatives and by the broadening of available communication channels: • Another company-wide initiative, From Heart to Heart, was launched to support children undergoing treatment in hospitals. • The mobile application for the Formula for Good Deeds program was launched for Android and IOS platforms, enabling the Company's employees to sign up for upcoming volunteering campaigns, in addition to a number of other new features. In order to achieve the Sustainable Development Strategy's goals: • Recommendations and the form for monthly accounting of SIBUR employees' volunteering activities have been updated. • Cross-functional collaboration has been initiated at each enterprise with departments responsible for organizing charitable and volunteering events involving the Company's employees. • The use of the digital TimePad platform for gathering information about participants of volunteering activities has improved data collection about newly joined members of the volunteering movement.

The Formula for Good Deeds program

SIBUR's Formula for Good Deeds social investment program has consistently garnered recognition as one of the leading corporate social investment initiatives. In 2023, its top status was reaffirmed by the Corporate Charity Leaders rating, with SIBUR maintaining its place in the A+ group for the third consecutive year.



Formula for Good Deeds is 7 years old

7 Program areas

13 Program Ambassadors

23 Russian regions

>40 Awards and Prizes

>1,030 Grants to local non-profit organizations

9,690 Volunteer employees

>7,300 Events in various formats

>380,000 Event participants

SIBUR FORMULA FOR GOOD DEEDS

Many projects initiated by SIBUR as part of the Formula for Good Deeds social investment program have become emblematic for the cities where the Company operates. Each year, the Company conducts the following events in the regions:

- Science sessions: natural science-themed day camps for vacationing schoolchildren featuring programs developed by Smart Moscow.
- Street art festivals The Iconic Place and The Art Formula, culminating in the unveiling of new urban art installations created with the participation of local residents.
- Extreme Character of Steel races gathering thousands of sports enthusiasts and active individuals.
- Performances by the State Theatre of Nations and Moscow Academic Art Theater's School and Studio.
- Literary festivals Books in the City, Power of a Word, Smena.

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The Formula for Good Deeds social investments program in 2023



137 grant projects

895 events

>90,000 participants

RUB 97 million is the amount of grants



45 interregional projects

1,030 events

>120,000 participants

RUB 360 million is the projects' budget



45 volunteer projects

>500 events

>10,000 paricipants

RUB 3 million is the programs' budget

Examples of social projects implemented in 2023 under the Formula for Good Deeds program

Examples of projects implemented with grant support from SIBUR by local organizations in the cities of the Company's presence



In Dzerzhinsk, the Plastic Center educational and scientific center was inaugurated.

A chemistry-themed intellectual game called KhimikUM was conducted for schoolchildren in Nizhnekamsk.

A series of audio-guided tours along the streets of Blagoveshchensk (Republic of Bashkortostan) was created.

Drivers in Kstovo participated in the cleanup of two water bodies within the city limits.



The Classics and Modern Authors literary parklet was opened in Nizhnevartovsk.

The urban Comfortable Svobodny good-neighborhood festival took place in Svobodny.

The Olympic Dreams winter sports festival was held in Muravlenko.

The Terra Siberia SIBUR cycling race took place in Tomsk.

>1,800

diagnostic and correctional sessions were conducted for children with disabilities in several cities



Examples of SIBUR's interregional projects



The Iconic Place festival took place in Nizhnekamsk and Tobolsk.



11 art objects dedicated to Ethnoecology were created in Blagoveshchensk (Republic of Bashkortostan).

- Under the Family as a Place of Strength project, over 310 specialists working with vulnerable families enhanced their qualifications through educational seminars by experts from SOS Children's Villages.
- The STEAM FEST educational festival gathered 4,500 schoolchildren in three cities.
- More than 10,500 participants, including schoolchildren and students, took part in the CASE-IN engineering championship.
- 20 teachers underwent training as part of the Tech Leaders of the Future pre-accelerator program where 45 schoolchildren presented their projects.
- Over 800 children attended 16 Winter Fest masterclasses led by such celebrity athletes and coaches as Alexei Yagudin, Alexander Guskov, Ilya Averbukh, and Yuri Butsayev.
- 122 students received training at the SIBUR Chess School with 20 coaches giving 24 chess sessions.
- The Nizhnekamsk TIMERMAN Ski Marathon gathered around 950 participants and collected over 800 bottles for recycling during the marathon.
- 6 performances in three cities by the Moscow Art Theater's School and Studio attracted over 2,700 spectators. The performances featured audio descriptions allowing 30 visually impaired spectators to enjoy the events.
- 17 leaders of socio-cultural projects from SIBUR's cities of presence participated in the SIBUR Rails' project school in Tver.

For more information about these projects, visit the Formula for Good Deeds' website.

The volunteering program

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SIBUR's corporate volunteering program unites over 9,600 caring employees of the Company. The volunteering movement's geography spans more than 30 cities of presence and international offices, serving as a driving force behind many positive changes.

Participation in socially significant projects allows volunteers to acquire new skills, immerse themselves in the social issues at hand, and develop their communication and other soft skills. This is also an excellent school of project management, from turning an idea into a project to selecting and motivating one's own team of like-minded people.

In 2023, SIBUR developed a Corporate Volunteering Policy, a stand-alone document dedicated to SIBUR's approaches to managing and implementing the Company's volunteering program, outlining volunteers' rights and restrictions, and assessing the effectiveness of volunteering projects.

Results of the Formula for Good Deeds' Volunteering program's implementation in 2023



Urban improvement

26 cleanup events
and volunteering trips organized

126 tree
and shrub saplings were planted

Infrastructure and public spaces were landscaped and renovated



Social protection

>50 workshops
and events were conducted for children (with over 1,200 participants) and adults with disabilities and health limitations

Improvement activities took place in
16 areas:

- benches made of plastic and an art installation made of birdhouses were installed in Blagoveshchensk,
- ramps and lifts were installed in the Zarya swimming pool in Dzerzhinsk,
- a carpentry workshop for people with disabilities was established in Noyabrsk,
- a charity clothing drop-off point for those in need was set up in Kogalym, and more.



Environmental protection

>50 eco-lessons
on separate waste collection were conducted

2.5 tons
of recyclable materials were collected for further processing



Employee-designed projects

35 volunteering trips
to shelters for homeless animals were organized

10.6 tons of pet food
were collected

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Projects' efficiency assessment

GRI 413-1, 413-2

SIBUR has developed and continuously improves its methodology for evaluating the effectiveness of its social investments. In 2023, an annual assessment of the Formula for Good Deeds program was conducted. As part of the evaluation, an analysis was carried out to assess the projects' contribution to the achievement of the UN Sustainable Development Goals and the Russian Federation's national development goals, as well as goals of national projects.

According to the results of the 2023 evaluation, 92% of the projects from 2022 are aligned with Russia's national development goals, while 191 projects from the program either partially or fully correspond to the objectives of 6 national projects.

The following indices are used to evaluate

Grant projects	• Application completeness • Project sustainability • Communication effectiveness • Project effectiveness
Interregional projects	• Application completeness • Social effectiveness • Communication effectiveness • Project effectiveness
Volunteering projects	• Application completeness • Volunteers' participation rate • Communication effectiveness • Project effectiveness

The assessment made it possible to evaluate the scope and the nature of the support that SIBUR provides to those representing the social welfare sectors, including non-profit organizations, governmental and municipal institutions, partner companies, and volunteers. On top of that, the analysis helped measure additional funding raised by the winners of the Formula for Good Deeds program's competitions and contests.

Contribution to the implementation of Russia's national projects

The projects of the Formula for Good Deeds program contribute to achieving the target indicators of Russia's national projects.

Contribution to the national Demography project

- Over 46,200 participants, beneficiaries, and volunteers contribute to the Demography national project;
- 539 events, including 98 workshops; 95 consultations, over 80 sports competitions in basketball, streetball, football, volleyball, boxing, swimming, skiing, snowboarding, triathlon, orienteering, rock climbing, hockey; 2 rafting trips; 16 races, relays, and marathons; 11 sports festivals; TerraSiberia cycling race;
- RUB 5.3 million raised for targeted treatment of children;
- 2 sports grounds equipped;
- a comprehensive set of measures for effectively meeting the GTO (Ready for Labor and Defense fitness program) standards developed;
- 240 hours of practical physical training sessions conducted.

Contribution to the national Culture project

- Over 61,000 participants, volunteers, and individuals engaged in projects contributing to the Culture national project;
- 1,020 events were held, including: 302 workshops, 17 festivals, 2 conferences, 10 lectures, 1 flash mob, 17 exhibitions, 4 competitions, 8 concerts, 12 film screenings, 25 performances, 158 group tours;
- 96 intensive film shooting sessions and 90 hours of filming;
- 46 episodes of Children's Book Television were produced;
- 2 street art objects were created;
- 5 short films were produced;
- 5 advanced professional development programs for teachers, culture professionals, museum and theater workers in the Yugra Autonomous District, Nizhny Novgorod, and Tyumen regions were held;
- educational space of the Yamalskiye Samotsvety (Yamal Gems) museum was set up.



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Contribution to the national Education project

- Over 28,000 participants engaged in educational, awareness programs and career guidance events, including: 10,000 students, over 13,000 schoolchildren, 696 teachers, and more than 40 individuals from rehabilitation centers and other social institutions;
- more than 376 educational institutions gained access to internship and on-the-job shadowing opportunities provided by industry companies;
- over 900 awareness, educational, and career guidance events of various formats (lectures, workshops, intensive courses, conferences, holiday camps, etc.) were held, including 40 events aimed at advanced training and CPD for teachers;
- 3 full-scale lines for recycling polymers into filament for 3D printers were equipped and 2 recycling workshops within educational institutions were established;
- over 700 hours' worth of training sessions were held, including preparation for the Unified State Exam (USE) in Chemistry, Physics, and Mathematics, theoretical and practical modules of robotics, chemistry, and other subjects;
- 4 developmental books produced for children with disabilities and 6 children's developmental games;
- 200 educational and methodological sets of materials on performing project-based research activities were developed and published for teachers and students of general education institutions.

Contribution to the national Housing and urban environment project

- Over 13,000 individuals engaged in activities aimed at area development and at forging communities of proactive residents;
- 39 events focused on land development and forging communities of proactive residents were held, including 2 urban forums and 4 sessions featuring public discussions, 2 contests of scale models involving more than 60 participants, a festival of social graffiti, 2 beautification initiatives, 16 volunteer trips, and 6 community clean-up events;
- 6 urban facilities were established, including coworking spaces, parklets, art installations, and a media center;
- 2 applications for the All-Russian contest of the best urban environment development projects were put together;
- 11 scale models/sketches of urban spaces were developed;
- 5 facades were decorated with murals and 11 more street art installations were created;
- 1 outdoor stage, 396 benches, and 477 bins were installed, including those designed to be used for waste separation.

Contribution to the national Environment project

- Over 23,000 participants and project volunteers contributing to the national project;
- 296 events were held, including: 26 clean-up days, 33 campaigns, 3 eco-rafting trips; 9 territory cleaning competitions, 3 contests, 54 eco-lessons, 34 workshops, 2 conferences, 4 exhibitions, 4 eco-quizzes, 2 ornithological surveys conducted on the grounds of ZapSibNeftekhim;
- 11,000 kg of paper waste were collected;
- 73,434 saplings planted, 18.5 hectares of forested land restored, and 1,500 seedlings were grown;
- over 7 tons of waste were collected, including 3 tons of plastics;
- approximately 20 kg of receipts and 30 kg of clothing recycled;
- 180 containers for separate collection of batteries, paper waste, and personal protective equipment installed;
- 8 sites and 5 water bodies were cleaned up;
- 2 recycling workshops and 3 polymer processing lines at colleges were established;
- 1 outdoor stage, 403 benches, and 477 trash bins from recycled plastics were produced;
- genetic passports for 41 samples of European red pine trees issued.

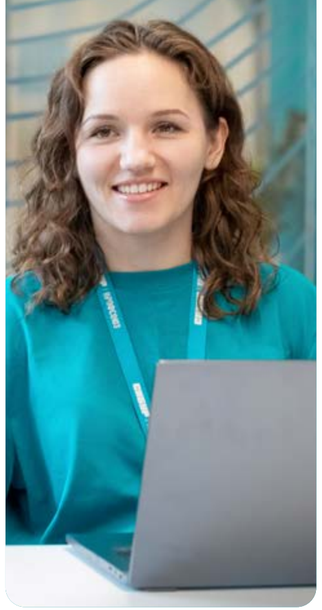
Contribution to the national Small and Medium-size Entrepreneurship project

- A three-day-long Leadership Code forum for entrepreneurs was held in the Amur Region;
- 20 events took place as part of the entrepreneurs' forum;
- 250 local entrepreneurs participated in the forum;
- as part of the ProGorod educational program for entrepreneurs in Svobodny, 44 individuals received training, and projects developed by them were evaluated by the program's experts. 10 projects received financial support from the Company totaling RUB 1.9 rubles;
- the support program for entrepreneurs in Tobolsk continued being implemented with RUB 10.6 million allocated in 2023.

Solutions for the future: contribution to the development of local communities

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SIBUR supports educational and career projects that provide new opportunities to schoolchildren, students, university graduates, and teachers.



Educational and developmental initiatives for schoolchildren, students, and university graduates

Program	Description	2023 Results
PROGRAMS FOR SCHOOLCHILDREN		
STEAM FEST science festival	A festival of science for schoolchildren, featuring popular science shows, interactive sessions in physics, chemistry, mathematics, programming, and ecology, masterclasses, experimental quests, and training sessions aimed at developing soft skills	4,500 schoolchildren from 3 cities participated in the festival
Science Sessions holiday camp	Day camp for schoolchildren with a program aimed at popularizing natural science subjects and motivating learning, as well as developing and enhancing teachers' competencies	390 children and 30 assistants, who are local teachers or students trained within the project, participated in 3 Science Sessions focusing on the Engineering Workshop and Nanotechnology programs
SIBURCAMP	Children's Sports camp for SIBUR's Football School, Basketball School, and Chess School	132 young athletes from 16 cities across Russia joined the camp They spent their session alongside seasoned coaches and star mentors, exploring the Nizhny Novgorod region through tours and by participating in collaborative activities and workshops
PROGRAMS FOR STUDENTS AND UNIVERSITY GRADUATES		
CASE-IN International Engineering Championship	The competition among SIBUR's enterprises' teams is designed to solve technical cases while aiming to identify leaders among selected students and pass on the experience and knowledge of SIBUR's employees to future specialists	>10,500 participants, including graduates and students, took part in the CASE-IN engineering championship
PROGRAMS FOR TEACHERS		
STEAM School intensive courses for teachers	Program aimed at enhancing the professional competencies of teachers of physics, mathematics, computer science, and chemistry, introducing them to contemporary methodologies, approaches, and out-of-the-box solutions in education	430 teachers participated in intensive educational courses featuring renowned Russian education practitioners and experts in innovative educational practices In 2023, the project was held in Kazan Nizhnekamsk Svobodny

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Implementation of the Real Tobolsk program in 2023

The Real Tobolsk, an urban environment development program, has been implemented through a trilateral partnership between the company, the government of the Tyumen region, and Tobolsk's city administration since 2021

The program's 2023 achievements are as follows:



A specialized gymnastics center has opened. This sport has been actively developing in the city since the 1950s and remains one of the most popular today with around 600 children practicing gymnastics at the Youth Sports School No. 1. The new gymnastics center is equipped with everything necessary for training and for holding competitions.



The building of the Quantronium children's technopark has been thoroughly overhauled. This is where around 1,400 children are engaged in creative scientific and technical pursuits. Now they can continue mastering innovative technologies in a modern and comfortable environment.



A major overhaul of one of the largest schools in the city has been completed affecting Building 1 of School 16 in the 10th Neighborhood. In addition to renovating the building itself, landscaping of the school's grounds has been carried out, turning it into a modern recreational area for the entire neighborhood.

The development of the master plan for the city's tourist infrastructure has been completed. This is a strategic document defining what and how needs to be developed in the city to increase tourist traffic and develop the city's tourism industry. Additionally, the document has formulated a new tourist slogan for the city: Tobolsk, the Key to Siberia.

2024 and medium-term plans

Focus area	Activities
Development of inclusive programs	• Projects upscaling aimed to promote inclusion and expand inclusive communities in the cities of presence.
Expansion of projects' coverage	• Building a portfolio of long-term projects under the Formula for Good Deeds program for three cities: Svobodny, Tobolsk, and Nizhnekamsk. • Promoting the development of corporate volunteering at enterprises located in the Khanty-Mansi Autonomous District.
Improvement of the volunteering program's structure	• Assistance in implementing the Company's reforestation and climate-action project through tree planting by volunteers and city landscaping. • Growing the volunteering movement, implementation of new tools for accounting for employees' volunteering activities.

In 2023, work to **restore the first group of cultural heritage sites** got underway as part of the Real Tobolsk program. This included the Water Tower and several buildings on the grounds of the Zavalny Cemetery. In 2024, work will commence at the Alexander's Chapel and at the Nevodchikov's House.



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Sustainable product portfolio

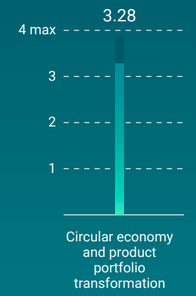
GRI 3-3, 417-1

Contribution to the UN SDGs

Material topics

Circular economy and product portfolio transformation

Impact Materiality Survey Results



2023 results

Leadership

In 2023, Vivilen and its brand and partnership projects promotion campaign received several awards at key contests and ceremonies:

- **First place** – Green Award, Industry's Companies' Initiatives category
- **Gold** – NPBK 2023, Best Marketing Campaign / Social Responsibility / Industry category
- **Gold** – Digital Communications Awards 2023, Digital Projects and Strategies category
- **Silver** – Effie Awards Russia 2023, Brand Experience category
- **Silver** – Silver Mercury 2023, Best Meaningful Strategy category
- **Silver** – Silver Mercury 2023, Best Integrated Marketing Campaign category
- **Bronze** – Perspectum Awards 2023, Best Social Responsibility Campaign for Commercial Purpose category
- **Shortlist** – MIX Russia 2023, Best Use of Tools category

Responsibility

- **RUB 117 mln** Investments in R&D on polymer recycling and engaging renewable feedstock sources, which is more than twice as much as last year
- SIBUR's enterprises recycled **21,400 tons** of plastic waste as part of their own projects

New solutions

- **78 grades** with a production potential of 600,000 tons per year are being developed at PolyLab's centers
- **400** Safety Data Sheets (SDSs) in 15 languages
- **60 grades** of recycled compounds based on recycled feedstock and the company's own waste have been developed, and 3 grades have already been put into production
- The new **Vivilen rPS granule** was launched into production as part of a tripartite partnership between SIBUR, the Coffeemania restaurant chain, and Eburet Studio, a recycled plastic furniture manufacturer

Ensuring high product quality and long-term sustainability of its product portfolio are among the Company's top priorities. SIBUR plans to address these priorities by:

- implementing a portfolio of initiatives to promote high-tech and green solutions in domestic and international markets, including promotion of traditional material's substitution, expansion of consumption potential, and creation of new application niches;
- launching regional R&D centers and a network of partnerships to create a value proposition in terms of products and industries in SIBUR's regions of presence;
- engaging in the development and expansion of the polymer waste collection and recycling market.

The expected cumulative effect of implementing measures in these areas will allow SIBUR to increase the volume of products it supplies by more than 600 thousand tons per year.

Aggregated new grades product portfolio with over 600 thousand tons potential includes 78 projects until 2027



Base polymers

36 grades

368,000 tons



Plastics and organic synthesis products

25 grades

138,000 tons



Synthetic rubbers

17 grades

112,000 tons

Management approach

GRI 3-3

The company's business model is based on the principles of circular economy (CE) at each stage of product value creation. The key document regulating approaches and activities in this area is the Circular Economy and Climate Impact Reduction Policy. The targets are defined in the Sustainable Product Portfolio section of the 2025 Sustainable Development Strategy.

SIBUR annually improves production processes and quality control mechanisms striving to ensure stable demand for its products, their value and consumer safety. In 2023, a clause dedicated to the company's Sustainable Development Strategy's goals under the purview of relevant directorates or functions was added to the business and functional contracts of such directorates and functions. Functional KPIs are linked to the achievement of the performance indicators specified in the Strategy.

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Achievements

2025 Sustainable Development Strategy goals	2023 Goal	2023 Results
Manufacturing		
Achieve at least a 40% share of production of PET containing recycled granules in the total PET production volume	32%	The share of PET output with recycled granules is 32.5%, which is 0.5 p.p. above the target. **The 2023 target was met.**
Produce at least 250,000 tons per annum of low-carbon products and products containing recycled or bio-circular raw materials	109,000 tons	111,200 tons of low-carbon products, as well as products containing recycled or biological materials produced, exceeding the target by 2%. **The 2023 target was met.**
Product		
Assess 100% of the current product portfolio and introduce assessments for all new products	Development of 3 EPD	6 Environmental Product Declarations (EPDs) developed. **The 2023 target was met.**
Ensure that current and new products meet the customers' most stringent product safety and recyclability requirements	Developing projects with clients to create and promote recyclable packaging	• A Vivilen-based film formulation was developed in collaboration with Danaflex. • Doypack packaging was tested and approved by an end-customer. • Testing revealed that laminates made from PE and PP films may be suitable for recycling. **The 2023 target was met.**
Client		
Facilitate re-use and recyclability of end products manufactured with the use of SIBUR's products, and implement joint projects aimed at incorporating circular economy principles	• Developing solutions for mechanical recycling and promotion of the VIVILEN brand. Homologation of new Vivilen solutions • Development of mechanical and chemical recycling • Development of the R&D group focusing on recycling	• A range of secondary compounds has been developed: 60 grades that are based on recycled feedstock and the company's own waste. 3 new grades have been implemented. • Compounders have been identified (200 investigated, 13 selected as potential partners) for the annual production of 120,000 tons of recycled compounds. • A working group on CE projects has been set up at PolyLab Moscow. **The 2023 target was met.**

For more information about assessment of suppliers and supply chains see Responsible supply chain.

The Vivilen brand: a contribution to circular economy development

To advance the principles of circular economy and to facilitate continuous involvement of polymer waste in circulation, the Company has been working along the entire value chain. **A total of 21,400 tons of polymer waste got recycled in 2023 as part of the company's own projects.**

The POLIEF plant in Blagoveshchensk (Republic of Bashkortostan) makes innovative Vivilen polymer granules. The technical characteristics of Vivilen rPET granules closely match those of the virgin polymer.

Further growth in demand for the technology is expected, driven in part by the reform of the extended producer responsibility mechanism. According to the mechanism, responsibility for the disposal of packaging is transferred from manufacturers of goods to manufacturers of packaging. This means that packaging manufacturers will bear the costs of its disposal or would be required to pay an environmental fee. In addition, an updated GOST 32686-2022 has come into force, providing for the use of recycled PET (rPET) in the production of food packaging.

Bottles made from Vivilen are recyclable. The Vivilen production technology that assumes that the granules can contain **up to 30% of recycled PET** allows for an unlimited number of PET bottle recycling cycles.



The recycling cycle



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Developing a circular economy and involving polymer waste in recycling are important elements of SIBUR's ESG strategy. We invest in both R&D and in launching new facilities that allow us to return plastic waste to the production cycle thereby reducing the carbon footprint of our products. SIBUR's innovative Vivilen rPET is one quarter made of recycled materials: it is a ready-made environmentally friendly solution for manufacturers of goods and packaging that meets all regulatory requirements and is not inferior to virgin polymers as far as its properties are concerned.

Alexander Petrov,
Management Board member, SIBUR executive director

On March 1, 2023, SIBUR signed a Memorandum of Cooperation in the field of sustainable development with the leader of the Russian beer market AB InBev Efes. The agreement provides for the implementation of joint environmental projects contributing to the development of a circular economy. One of the key projects within the framework of the agreement will involve production of AB InBev Efes products using rPET packaging made from Vivilen granules.

AB InBev Efes will become the first company in the industry to use eco-friendly packaging made from Vivilen in its production processes. According to experts, making products packaged in such materials will allow to involve from 1,500 to 2,000 tons of plastic waste in recycling and reuse every year. The signing of the Memorandum was preceded by successful industrial tests of the innovative packaging, including its sanitary and epidemiological examination, as well as laboratory research and tests on the manufacturer's bottling lines.

Brands using Vivilen

VisitTyumen	Fizzberry, a producer of Visit Tyumen water
G-Drive	G-Drive, a chain of gas stations owned by Gazpromneft, and FC Zenith
Красный Ключ	Pyaterochka retail chain and Krasny Klyuch drinking water producer
ГК «Трейд Комфорт»	Trade Comfort group of companies, hotel equipment
Родник Прикамья	Lenta retail chain, Bumatika, and Rodnik Prikamiya

Info campaigns organized by SIBUR together with its partners with regard to manufacturing and use of Vivilen allow us to reach a large target audience, promote the principles of circular economy and responsible consumption of plastics, and contribute to the growth of our partners' performance indicators.

34%

growth of Krasny Klyuch water sales in 2023 vs previous period

25%

growth of demand for Rodniki Prikamiya in 2023 vs 2022

>100

hotels are using packed products from Trade Comfort Company

Tripartite Partnership in Circular Economy

Coffeemania chain has launched a project to recycle polystyrene dessert packaging and coffee cup lids. The raw materials that are collected right at the restaurants are then consolidated by Ubiplast company and converted by SIBUR into Vivilen rPS granules. Another partner in the project, Eburet Studio, uses these granules to 3D-print eco-friendly and high-tech furniture such as bag stands and chairs for Coffeemania restaurants.

We conducted an internal audit and eliminated packaging solutions that we found to be clearly harmful. In cases where we couldn't eliminate them, we sought more eco-friendly alternatives. The recycling of polystyrene products together with SIBUR is one such solution. We are currently implementing this practice in five of our restaurants and will expand it based on the experience gained, Irina Golovanova, Head of the Sustainable Development in Coffeemania project, noted.



Product portfolio expansion

In the reporting period, the company's R&D centers focused on the development of a range of grades of mechanically and chemically recycled products and on expanding partnerships with key industry players.

Results:

- **PolyLab Moscow:** implemented a joint Focus project with Danaflex to make doypack packaging for holding dishwasher tablets and bath salts; developed a roadmap for transitioning to mono-solutions in packaging; interacted with licensors on its thermolysis project and conducted tests on the thermolysis units.
- **PolyLab Voronezh:** initiated two projects to develop rubbers containing biological raw materials or recycled tire products. A pilot sample of rubber with biological raw materials was submitted to a customer. Development of an alkali-soluble adhesive that improves the quality and degree of recycled PET flakes' involvement has been completed. The project is at the implementation stage with the partner.
- **PolyLab Nizhnekamsk:** started work on the development of a line of styrene plastics with the use of recycled polymers. Pilot samples of pyrolysis oil have undergone testing, and the possibility of purchasing a license to produce this product is being investigated.
- **PolyLab Nizhny Novgorod:** started work to develop PVC recycling as part of the implementation of the Sustainable Development Strategy, including investigation of the possibility of producing a recycled PVC compound from roofing membranes that have served for 10 to 15 years. A joint projects with LogicRoof and a recycling project with DPO Plastik have been launched.
- **PolyLab Vsevolozhsk»:** developed ESG project packages for polyurethane foam (PUF) waste.

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Product quality and safety management

GRI 416-1

SIBUR continuously monitors applicable legal requirements of the markets of its presence, promptly responds to all changes, and informs consumers of its products about these changes by developing and updating safety data sheets (SDSs), declarations of conformity, and other documents. To export its products to foreign jurisdictions in the reporting period, the Company had to maintain more than 400 SDSs in 15 languages, while also providing emergency consulting services in emergency situations using the official languages of more than 90 countries.



In 2023, six environmental declarations (EPDs) were obtained for the following products: polyethylene (2 declarations), PET, rPET (Vivilen), acrylates (2 declarations). An assessment of the impact and resource consumption of the products at all stages of their life cycle was carried out.

SIBUR assessed compliance of its products with the requirements of more than 25 foreign regulations related to special areas of application, rules applicable to circulation of certain groups of substances, and industry restrictions, for example, applicable to materials and products that come in contact with food (food contact), RoHS, Pharmacopoeia, endocrine disruptors, GADSL, and others. **290 declarations** have been issued and updated.

As part of supporting its export sales, SIBUR has brought all its products supplied outside the EAEU countries to compliance with the requirements of applicable foreign laws:

- To export to the Turkish market, 129 substances were pre-registered under the requirements of the KKDIK regulation (Turkish REACH). The products are accompanied with Turkish safety data sheets (SDSs) verified by Turkish specialists certified according to KKDIK.
- To ensure supplies to the Indian market, 3 BIS (Bureau of Indian Standards) licenses were obtained in 2023 for ZapSibNeftekhim's products under the Foreign Manufacturers Certification Scheme (FMCS). The Company successfully passed the BIS on-site audit, the products passed all tests in accordance with applicable Indian Standards, and were labeled with the Standard Conformity Mark.
- For supplies to the PRC in 2023, more than 40 of the Company's products were assessed for compliance with applicable legal requirements and provided with the necessary set of documents and licenses. The products are provided with labeling and SDSs compliant with the requirements of China and are registered with the NRCC (National Registration Center for Chemicals) for the purpose of enabling prompt response to emergencies.
- To ensure exports to South Korea, the Company maintains registration and pre-registration of 17 substances in the K-REACH system. The products are supplied with Korean safety data sheets (SDSs) notified to KOSHA (Korea Occupational Safety and Health Agency).
- For supplies to the EU and UK, SIBUR registered one new product in 2023 under the EU REACH regulation in the EU and, thus, as of the end of the year, maintained 104 EU REACH registrations, as well as one registration and 99 notifications in the UK REACH system.

Suppliers of raw materials and consumers of finished products are also involved in the process of confirming compliance of products with the above-listed regulatory requirements of SIBUR's markets. To ensure its products meet all requirements, SIBUR carries out work along the supply chain in order to identify chemical substances used in production and included in its products. The program seeks to identify product components in terms of how they impact human health and the environment, and to identify those substances that have to be replaced to meet legislative restrictions of certain countries and consumers' requirements.

Employee training

In 2023, experts of the Production Efficiency function conducted annual training for SIBUR employees from across various regions of presence with a focus on legislative requirements of various jurisdictions and on assessment of the Company's products' compliance. **More than 220 employees** involved in the process of assessing compliance of the company's finished products took part in the training which consisted of a series of webinars on the topics of SDS, REACH-like regulations, food contact, and other types of regulations.



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Client support

Where it comes to developing the Company's product portfolio, the key issues the Company focused its efforts on in dealing with customers during the reporting period included the following:

- development of product formulations, consulting, testing;
- development of the regulatory framework to expand applicability of polymer solutions in pipeline production and to protect the market;
- launching projects in the agricultural sector and projects related to the production of consumer goods.

The PolyLab centers play an important role in communication. For example, experts from **PolyLab Moscow** processed 176 queries, including requests for technical consultations, laboratory support, improvement of client product quality, certification tests, and development of clients' product portfolios. A funnel of initiatives was built for the Agriculture and Consumer Goods sectors, aimed at both developing a new range of product grades and applying polymer solutions in these sectors (total potential estimated at of 137,000 tons per year). A number of measures was implemented to develop the regulatory framework for polymer pipelines, and a set of GOST standards was introduced expanding opportunities for making use of advanced product solutions and establishing requirements for polyethylene brands with increased crack resistance.

PolyLab Nizhnekamsk developed and homologated formulations of specialty products for the oil and gas industry. It launched Development of a New High-Transparency General Purpose Polystyrene Grade project for home appliance manufacturers, with a market potential of 4,800 tons per year. Additionally, two methods for assessing the quality of products produced by Nizhnekamskneftekhim were developed to assist customers.

Experts from **PolyLab Perm** conducted two webinars for clients, as well as analyzed and selected a brand of expandable polystyrene for Mir Upakovki company instead of the imported product they had been using.

PolyLab Nizhny Novgorod implemented 12 joint projects with clients including projects for substituting imported finished products in furniture manufacturing and in medicine, projects to support the launch of new lines for processing polyvinyl chloride (PlastFactor, AlPlast, ChebPlast), a project to develop a Russian manufacturer of calcium-zinc stabilizers, a product of constrained supplies due to sanctions, and others.

The Nizhny Novgorod center also focused on the development of the regulatory framework to protect the polyvinyl chloride market (GOST R_1.5.241-1.075.23 for casing pipes: introduction of requirements for the material that would ensure use of SIBUR products) and to expand the applicability of SIBUR's polymer solutions (GOST 5960 for cable plastic compounds: increasing the share of non-phthalate plasticizers in the cable segment, agreement, terms of reference for testing, monitoring, etc.) in accordance with the roadmap.

PolyLab Vsevolozhsk conducted 9 offline training seminars for key customers and performed over 200 field tests.



Information and awareness projects

In 2023, the information campaign to promote the Vivilen brand's visibility was continued. In addition, special communication projects were developed, and projects of external organizations were supported within the framework of the Formula for Good Deeds social investment program.

The House of Polymers at the VDNH exhibition center hosted a week dedicated to circular economy. Out in the regions, the Total Cycle Museum opened in Tver in collaboration with Ecotechnologies company. In addition, an Eco-center opened in Perm, and three Eco-homes were set up in Tyumen. These projects were included in the list of best separate waste collection practices maintained by the Russian Environmental Operator (REO).



Sports Eco-House in Tobolsk

In 2023, SIBUR opened another site in the Tyumen region as part of Eco-house, an environmental education project, which is implemented jointly with TEO, a regional operator for solid municipal waste management, and with the regional government.

For SIBUR, this is a significant project in promoting circular economy. The project's goal is to develop environmental awareness among the region's residents and foster eco-friendly habits, stimulate curiosity, and promote careful handling of valuable materials within waste. SIBUR's Eco-houses operate on three platforms. The first is a recyclables collection point which not only serves as a place where waste such as plastics, paper, glass is accepted for recycling, but also where guidance is provided on how to sort waste at home, understand product labels, and identify useful recyclable materials. The second platform of the Eco-house is a lecture hall where lectures, workshops, and various events dedicated to environmental topics are held. The third location is a processing workshop where guests can create commemorative eco-souvenirs using recycled materials.

In Tobolsk, the Eco-house is located inside the new Gymnastics Center's building. The Eco-house's staff assist visitors in understanding the recyclables labeling system and share tips on how to easily start sorting waste at home without major changes to their daily routines. The recyclables collection point in Sportivny Eco-house accepts PET bottles, packaging, canisters, and bottles made of HDPE, stretch film made of LDPE, HDPE and LDPE bags, paper and cardboard, magazines, books, notebooks, glass bottles, aluminum and tin cans. All recyclable materials are sent for recycling.

Since the project's launch in 2022, six Eco-houses have already been opened (five in the Tyumen region and one in Tobolsk). The Company plans to further replicate the Eco-house project including by involving other market participants who have shown interest in the project. SIBUR's Eco-house project is included in the list of best practices of the ESG Alliance.

Results of the Eco-house project in 2023 include:

604 recycling workshops were conducted

192 tabletop eco-games

993 overview lectures

581 events of other formats including viewing ecology-themed videos, eco-quizzes, eco-lessons, and guided tours.

- The Eco-houses were visited by **33,104 people**.
- **21,621.6 kilograms of recyclables** were accepted at collection points.
- The Eco-houses were mentioned **215 times** in the media with the reach of **10.5 million people**.

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First digital ECOCHELLA festival

ECOCHELLA is SIBUR's digital festival for the eco-conscious people, first held at the end of 2022. Throughout the week that the festival lasted, renowned experts, big companies, and emerging projects that follow the principles of sustainable development shared their ideas and solutions for a more environmentally friendly lifestyle in an up-to-date setting. They were joined by such popular channels and creative authors as Retrograde Mercury, Antigloss, and Nauchpok.

From December 12 to 19, the festival was held on various social media platforms of the Company and of the festival's participants. Each day was dedicated to a specific habit typical of an eco-conscious person: mindful consumption, caring for nature, eco-friendly leisure, and others. The lineup of the festival's speakers included Konstantin Vernigorov, the CEO of SIBUR PolyLab research center, Ksenia Gasparian, the development director of the Zapovednoe Posolstvo Fund, author of the All-Russian Wild Lesson, football players Ruslan Pimenov and Evgeny Aldonin, eco-bloggers, and representatives of partner companies. The project was supported by the international telecommunications company Tele2, Litres e-book library, Pyaterochka retail chain, and others.

In total, **over 20 projects** and companies took part in the festival. The total number of viewers exceeded **18 million people**. **Over 1.2 million people** watched the live broadcast with prize giveaways on the first day of the ECOCHELLA festival

The festival received high praise from the professional community and won four prestigious awards: PROBA, Red Apple, Eco Best, and MIX.



Socially significant projects supported under the Formula for Good Deeds program

Innovative collection of recyclable materials and fabrication of ramps for building an inclusive environment:

the project was implemented in Nizhnekamsk, where phandomats for collecting plastics were installed at 4 educational institutions. They were used by **over 3,900 people** including schoolchildren, their parents and teachers who helped to collect **over 4,000 pieces of plastic packaging**. Participants were involved in a motivational program implemented with such partners as the Hello Yellow English language school and the Tykva anti-café. As a result of the project, a ramp made from recycled materials was installed at School No. 18 in Nizhnekamsk to be used by students with disabilities.

The Recycling Workshop:

two new workshops were established in Nyagan and Voronezh, along with awareness events that were held for people of all ages. The project's organizers also held an All-Russian I'm Making a Clean City competition that received **2,234 applications from 63 Russian regions**.



SIBUR contributes to the achievement of national waste management goals in collaboration with professional market participants and government authorities. The Company participates in regulatory development activities aimed at developing a circular economy and a waste management industry. In particular, in 2023, as part of the Extended Producer Responsibility reform, a number of SIBUR's proposals were taken into account to protect the business community's interests.

The Company proposed to develop and get approval of relevant government agencies for a draft law On Approving Lists of Types of Products (Goods), Works and Services to Be Manufactured or Rendered with the Mandatory Use of a Certain Share of Recyclable Materials, a suggestion that was duly considered. The draft law suggested the share of 8% for PET preforms and 5% for bags and sacks made of PE.

The Company is also a party to the process seeking to set up a national certification system for sustainable polymers based on the international ISCC Plus certification system. This system will facilitate promotion of innovative products obtained through chemical recycling of polymer waste and raw materials from renewable sources in the Russian market.

2024 and medium-term plans

Key goals

- Creating a dedicated division to develop green solutions with a focus on five key areas: regulating, sourcing, expanding into priority markets, selling, and marketing.
- Scaling up production of green products and getting them involved in circulation.

Product lines	Recycled polymers	Sustainable solutions
Sustainable product	• rPET • rPE • rPP • rPS	Products with offset carbon footprint
2024	≥250,000 tons	

Energy efficiency and low-carbon development

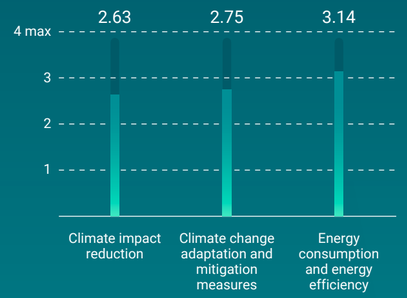
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Contribution to the UN SDGs and national projects

Material topics

- Climate impact reduction
- Climate change adaptation and mitigation measures
- Energy consumption and energy efficiency

Impact materiality survey results



2023 results

Leadership

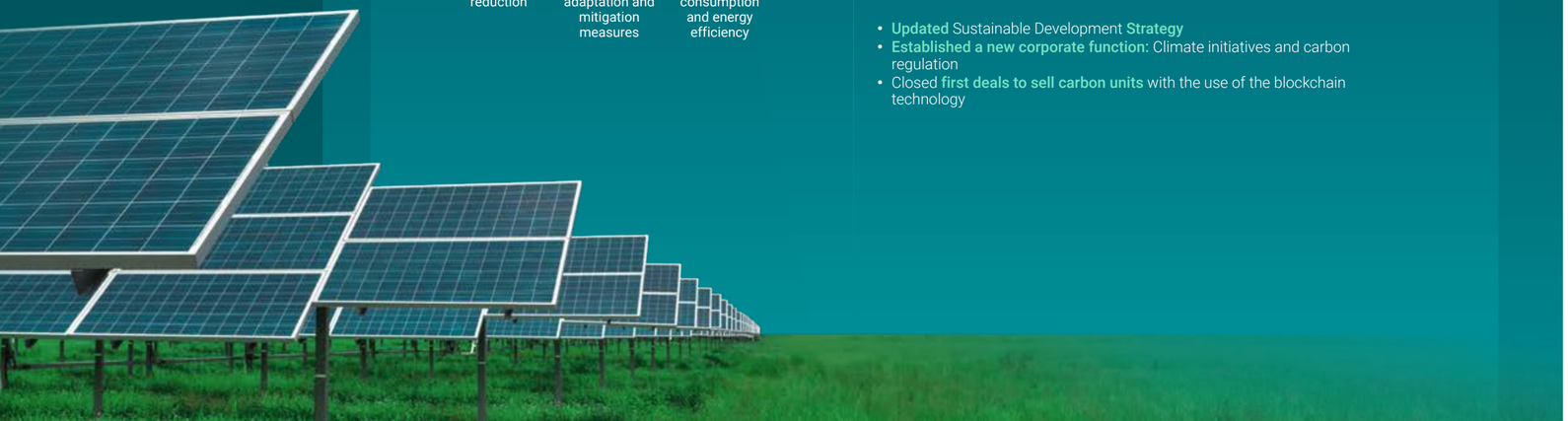
- **Carbon transactions** to sell **14,500 tons of CO_2eq.** worth of carbon units were closed
- SIBUR submitted for registration with the Qatar-based Global Carbon Council's (GCC) greenhouse gas program its first **climate project involving construction of a solar power plant** at POLIEF
- **9.3 mln tons of CO_2eq.** is the volume of GHG **emissions reductions** (carbon units) announced as the expected cumulative effect of SIBUR's climate projects over a 10-year horizon
- **2** solar power plant owned and operated by SIBUR

Responsiblities

- Greenhouse gas emissions (Scope 1) reduced by **25%** compared to 2022
- More than **2 mln trees** planted
- Acquired **276,000 GJ** of "green" electric energy
- Economic effect from energy efficiency improvement measures amounted to amounted to **RUB 2 bln**
- Carried out **718 activities** to improve energy efficiency
- Reduced specific GHG emissions versus the 2023 target value **by 21%** in Gas refining and Infrastructure
- Reduced specific GHG emissions compared with the 2022 value **by 8%** in Petrochemistry
- Emissions reduced **by 308,600 tons of CO_2eq.** as a result of implementing energy efficiency improvement measures

New solutions

- **Updated** Sustainable Development **Strategy**
- **Established a new corporate function:** Climate initiatives and carbon regulation
- Closed **first deals to sell carbon units** with the use of the blockchain technology



Management approach

GRI 3-3



Decarbonization is a whole separate stream of activity that the company has been focusing on since 2019. The climate agenda has been actively evolving year after year which is manifested by new expectations and requirements of our stakeholders. In that sense, 2023 was about developing a circular economy, implementing climate-action projects, and developing Russia's carbon units market. We intend to make one of our facilities carbon neutral by the end of 2024.

Maxim Remchukov,
Head of the Sustainable Development

The year under review was important for the climate agenda both in Russia and globally.

Starting from June 1, 2023, Russia introduced a register of greenhouse gas emissions, which will enable automatic collection of carbon reporting from industrial enterprises emitting more than 150,000 tons of CO_2eq. per year. Carbon reporting is an important step towards Russia's carbon neutrality by 2060.

In 2023, the first transactions to sell carbon units on the National Mercantile Exchange using the blockchain platform took place in Russia. SIBUR emerged as the first seller.

The 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28) held in the UAE in December 2023 took stock of progress with the implementation of the Paris Agreement and set new global climate adaptation targets along with addressing the issue of implementing a financial mechanism to help compensate developing countries for their climate losses. COP28's final communique urged to accelerate the development of net-zero-emission energy systems. Participating countries were called upon to contribute to tripling global renewable energy capacity and doubling the global rate of energy efficiency improvements by 2030.

In the run-up to COP28, Russia, as a signatory to the Paris Agreement, updated its Climate Doctrine by stating its intention to achieve carbon neutrality by 2060. The Climate Doctrine is a set of principles and objectives focused on implementing a consistent national policy on tackling climate change and its consequences. The document underscores that climate change poses a threat to national security that needs to be met by implementing measures that can provide the desired environmental and economic effects.

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As Russia's largest integrated petrochemical company and one of the world's top players in petrochemicals, SIBUR has responded to the emerging global trend by expanding its portfolio of climate projects while also bolstering its corporate climate change management function and stepping into the international carbon market.

Key low-carbon development policy documents

Circular Economy and Climate Impact Reduction Policy	Contains the Company's core principles, strategic goals and objectives in the area of climate impact reduction, and sets out approaches to attaining these goals and objectives.
PJSC SIBUR Holding's 2025 Sustainable Development Strategy	Sets the Company's GHG reduction targets. Provides a framework for setting targets in functional contracts and enterprise-level master plans.
Enterprise-level Master Plans (EMPs): medium-term strategy	Documents areas of focus, including: improved operational performance, sustainable development with a focus on environment performance, digitalization and implementation of a new operational model, revamped sales with a strong emphasis on addressing customers' needs, launching new projects, and initiating development of the Company's own unique solutions, introducing changes to human resource management to provide additional opportunities for personnel development and growth.

2025 Sustainable Development Strategy's climate impact reduction goals

Reduce specific greenhouse gas (GHG) emissions[1]

by 5%

in Gas Refining and Infrastructure, per ton of output

by 15%

in Petrochemistry

Reduce climate impact by ensuring that

at least 2 projects

are included in its CO_2 capture, utilization, and storage portfolio, and that are either under implementation or are getting readied to be implemented

at least 5 mln trees

have been planted in the regions where the Company has a presence

5-fold[2]

increase in the volume of consumed green energy

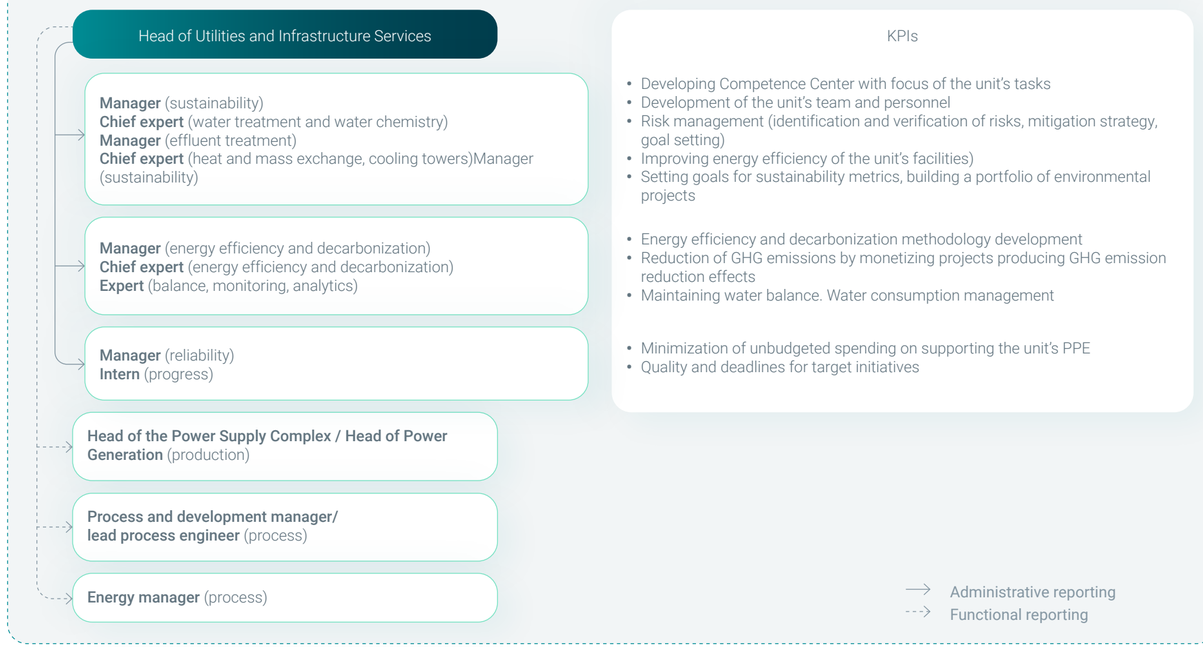
Ensure carbon neutrality of

at least 1 enterprise

Low-carbon development management structure



Structure of Utilities and Infrastructure Services



1 Compared to 2018.
2 Compared to 2020.

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Description of roles and responsibilities in low-carbon development management

Division in charge	Tasks
PJSC SIBUR Holding's Board of Directors	• Setting SIBUR's strategic priorities. • Approval of long-term business plans and investment programs with due account given to the Company's significant risks, including climate risks. • Approval of 2025 Sustainable Development Strategy's goals and quarterly progress reviews.
Sustainable Development Committee of PJSC SIBUR Holding's Board of Directors	• Strategic management of sustainable management including management of climate matters. • Identification of potential risks and restrictions arising out of the global climate agenda including opportunities and promising solutions for carbon footprint management. • Making decisions on matters related to decarbonization, climate targets, and status of measures under implementation. • Review of information concerning compliance with the principles of the UN Global Compact on Sustainable Development (UN Global Compact), progress with the implementation of measures related to the attainment of the UN Sustainable Development Goals.
Audit Committee of PJSC SIBUR Holding's Board of Directors	• Approval of the Company's corporate risk matrix that incorporates sustainable development and climate change risks. • Audit of the Company's risk management measures, including climate risk management measures.
SIBUR LLC's Environment, Sustainable Development and Social Investment Committee	• Management of current risks and identification of new risks in the area of sustainable development (including climate risks). • Adoption of operational decision and approval of pertinent regulations, goals and plans. • Review of progress with the implementation of the 2025 Strategic Development Strategy.

Division in charge	Tasks
Decarbonization Task Force	• Development of decarbonization measures in the following areas: certification and own generation of renewable energy sources (RES), use of natural solutions, carbon units capture, use and storage, electrification of processes, hydrogen production.
Utilities and infrastructure units	• Management of the Company's carbon footprint. • Improving manufacturing efficiency and energy intensity.
Sustainable Development function	• Assessment of climate risks and opportunities. Development of recommendations to the Management Board and the Board of Directors on managing the above. • Climate change goals setting and benchmarking. • Evaluation of investment projects' impact on the achievement of set goals. • Development of a decarbonization roadmap.
Climate Initiatives and Carbon Regulation function	• Building a climate projects portfolio. • Implementation of environmental and climate project. • Sale of carbon units.
OHSE function	• Calculation of emissions of ozone-depleting substances and GHG from waste disposal facilities.
Production Efficiency function	• Annual calculation of the Company's GHG emissions. • Monitoring of current levels of GHG emissions and forecasting future GHG emissions.
Energy and Resource function	• Achievement of targets set to increase the share of green power in the Company's energy mix. • Review of green fuel procurement matters.
Strategic Innovation function	• Management of R&D activities associated with promising projects and technologies related to decarbonization, CO_2 utilization and use of alternative feedstock materials.
Business Development function	• Managing the development of SIBUR's portfolio of business expansion projects, including low-carbo products and "green" feedstocks.
SIBUR enterprises	• Implementation of measures aimed to achieve GHG emission reduction targets.

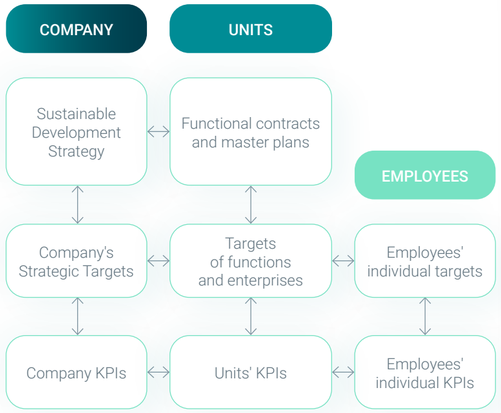
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A system of KPIs for SIBUR's employees

Achievement of the Sustainable Development Strategy's targets is factored into setting key performance indicators for the Company as a whole, for the relevant Company divisions or units in charge, and for individual employees. Those successfully meeting their targets become entitled to financial and/or non-financial rewards.

KPIs are set as follows:

An employee's final KPI = Company KPI × Unit KPI × Individual KPI



Climate change risks

GRI 201-2

Low-carbon development risks have a material bearing on all economic actors, including, above all, the corporate sector. In the long term, the consequences of these risks materializing can result in higher operating and capital costs, higher borrowing costs, and falling revenues.

National Action Plan for the second stage of adaptation to climate change for the period up to 2025

In May 2023, the Government of the Russian Federation adopted the country's next national action plan for adapting to climate change, a follow-on to the first National Plan that had been in effect between 2019 and 2022. The Plan's current version features 17 measures spread across the federal, the regional and the sectoral subsets. The regional subset assumes that regional authorities will have an obligation to keep their regional adaptation plans up to date by addressing specific circumstances of a given region.

SIBUR has been respecting its regions' priorities in mitigating climate risks and pursuing projects that support the achievement of national-level and regional-level plans' targets.

The National Plan's activities that are carried out with the Company's involvement

National Plan measures	SIBUR's contribution
Federal Subset	
Development of national climate change adaptation standards and other relevant instruments of the national standardization system	Participation in the efforts of sectoral and experts' organizations (National ESG Alliance, etc.), submission of experts' commentaries and opinions on draft regulatory documents and standards.
Development and implementation of higher professional education curricula, professional retraining and continuing professional development curricula addressing climate risks and climate change adaptation across different sectors of the economy	March 2023 saw Tyumen State University, CE&D, the largest academic consortium specializing in low-carbon development, and SIBUR, with the participation of SIBUR's Chinese partners, launch Russia's first professional retraining program focusing on the development and implementation of environmental and climate projects and on operations on carbon markets.
Advancement of Russia's approaches to climate change adaptation on multilateral international platforms	SIBUR's representatives have been regular contributors at key international fora and platforms dedicated to the climate agenda. Over the reporting period, the Company took part in the Women's G20 Climate Summit (Indonesia, January), the Neva International Environmental Congress (Russia, May), the Russia-Africa Economic and Humanitarian Forum (Russia, July), the Conference of the Parties to the UN Framework Convention on Climate Change (COP28, UAE, December), and others.
Assessment of potential losses caused by climate (including climate change) risks that could be incurred by the economy's industry or the regions of the Russian Federation	The Company carries out annual assessments of potential financial consequences of climate risks.
Monitoring and evaluation of the effectiveness and impact of climate change adaptation measures	On an annual basis, the Company assesses the effectiveness and impact of climate change adaptation measures and discloses information publicly, including in its annual integrated reports.
Raising public awareness of climate change adaptation measures that are being carried out across industries and constituent entities of the Russian Federation	SIBUR has been implementing environmental and climate education projects on a regular basis. The Company's employees give lectures at universities (11 lectures given in 2023), speak at fora and conferences (42 external events attended in 2023), and host events for its partners.
Sectoral Subset	
Updating federal-level sectoral climate change adaptation plans	The Company has been interacting with relevant government agencies to the extent this in the latters' ambit to ensure that the industry's unique context and best practices are taken into account when formulating and implementing sectoral-level climate adaptation plans.
Regional Subset	
Updating sectoral-level climate change adaptation plans	The Company has been interacting with regional authorities to the extent this in the latters' ambit to ensure that the industry's unique context and best practices are taken into account when formulating and implementing regional-level climate adaptation plans.

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SIBUR's approach to managing climate change risks

SIBUR has put in place a company-wide risk management system that helps identify and categorize risks on a scale ranging from material ones (those with high impact and high probability of occurring) to those that are less material. SIBUR uses TCFD's recommendations when assessing climate change-related financial and strategic impacts.

The framework for climate change risk management includes

PJSC SIBUR-Holding's Board of Directors

Sets SIBUR's strategic priorities and approves its long-term business plans and investment program with due consideration given to the material risks the Company is facing, including climate risks. Approves the goals and target indicators of the Sustainable Development Strategy, including climate impact reduction targets.

Committees under PJSC SIBUR-Holding's Board of Directors

Sustainable Development Committee:

reviews risks and opportunities including those arising from climate change (including the results of TFCD assessments). At least once a year, members of the Committee discuss possible ways of responding to such challenges and opportunities, including revision of GHG emission reduction targets set out in the Sustainable Development Strategy.

Audit Committee:

approves the corporate risk matrix that includes climate risks, reviews measures to manage all risks the Company faces.

SIBUR LLC's Management Board

The Group's collective executive body responsible for day-to-day management of the Company's operations. One of its principal objectives is to improve the effectiveness of internal control and risk management systems.

Committees under SIBUR LLC's Management Board

Environment, Sustainable Development and Social Investment Committee:

consists of members of the Management Board, reviews current and emerging sustainability risks, approves and evaluates sustainability policies, targets, and plans (climate-related, environmental, or social).

Climate risk management has been embedded in the company's interdisciplinary risk management process that is comprised of the following steps: identifying risks, assessing the risks' impact, formulating solutions for managing each specific risk, and monitoring the overall process. The process makes it possible to track the probability of a risk occurring, its financial implications, the response strategy, response measures and their expected outcomes. The database is reviewed semi-annually with the status of the most material risks being communicated to the Audit Committee. The Internal Audit Department defines as significant those of the risks that may affect the way the Company meets its strategic objectives in both the near and medium terms.

SIBUR assesses its climate risks against three climate change scenarios, the company's geography, current regulatory trends, and the shift to a low-carbon economy. The scenarios that climate risk assessments are informed by are based on research undertaken by the Organization for Economic Cooperation and Development (OECD) and the International Energy Agency (IEA), TCFD's recommendations and sufficiency assessments that are based on Nationally Determined Contributions (NDCs).

WORST-CASE SCENARIO (RCP 8.5)	• Economic activities will continue at current emission levels. • Full implementation of Nationally Determined Contributions.	Temperature most likely to rise above 4°C
INTERMEDIATE SCENARIO (RCP 4.5)	• Stringent climate change mitigation measures will be taken to reduce emissions to one half of their current levels by 2080. • Regulatory changes are sufficient to achieve targeted climate change mitigation, but with delayed implementation of some of the measures in the near term.	Temperature most likely to rise above 2°C
MILD SCENARIO (RCP 2.6)	• Aggressive measures will be taken to halve emissions by 2050. • Regulatory changes are sufficient to achieve targeted climate change mitigation.	Temperature most likely to stay below 2°C

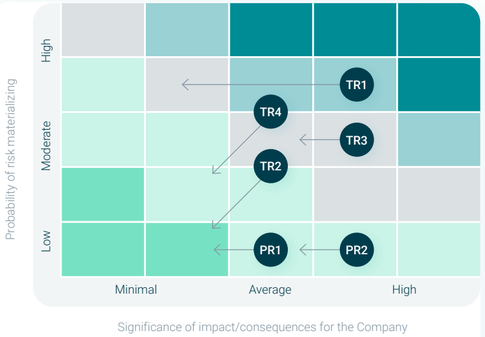
In making plans for its investment projects and R&D activities, SIBUR takes due account of their potential climate risks and impact on the company's overall GHG emission levels. In taking decisions regarding the implementation of potential projects, assessment of a particular project's sensitivity is undertaken, including the carbon pricing situation on proposed distribution markets.

As far as management and disclosure of low-carbon development risks and opportunities, SIBUR has been fully compliant with applicable international standards (ISO 14090, ISO 14091) and recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Climate change risks

The Company recognizes both physical risks associated with the impact exerted on its assets by the natural environment and transition risks relating to the transition to a low-carbon economy (risks of regulatory changes, as well as market, reputation, and technology-related risks).

A heat map of climate risks showing a plotted "change" vector resulting from the implementation of risk mitigation measures



Types of risk:

TR – transition (transaction) risks
PR – physical risks

Risk numbering:

TR1 – regulatory risk
TR2 – technological risk
TR3 – market risk
TR4 – reputation risk
PR1 – physical acute risks
PR2 – physical chronic risks

Level of risk:

- insignificant
- low
- moderate
- above average
- extreme
- anticipated change in the risk's plotted position as a result of mitigation measures undertaken

Severity of impact on/consequences for the Company

TR1 TR2 TR3 TR4 PR1 PR2

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Description of risks and associated mitigation measures:

Risk type	Risk	Description	Risk mitigation measures	Effects achieved
Legislative risks	Emerging regulation	Risk that measures will be taken to stimulate transition to low-carbon processes in manufacturing or in the feedstock supply chain (e.g., through introduction of a carbon tax).	The Company continuously monitors regulatory changes and takes them into account in conducting its operations. The Company has developed a master plan through 2025 with targets for reducing GHG emissions and other relevant measures (including technology improvements). The Company also follows its 2025 Sustainable Development Strategy (updated in 2023 by setting more ambitious targets), which includes a section on "climate impact reduction" with defined targets.	• **308,600 tons of CO_2eq.** of emissions reduced as a result of energy efficiency improvements. • **9.3 million tons of CO_2eq.** of emissions (carbon units) is the declared cumulative effect of SIBUR's climate projects over a 10-year timeframe.
Technological risks	The need to introduce less carbon-intensive technologies and improve energy efficiency	Possible early decommissioning or modernization of existing production facilities and processes to mitigate the effects of climate change.	As part of its R&D and innovation efforts, SIBUR develops products and projects with the potential for reducing GHG emissions. SIBUR monitors the physical state of its assets, retrofits outdated equipment, develops, and implements adaptation measures in new construction projects, as well as implements measures to improve energy efficiency and reduce GHG emissions. The Company has implemented and validated technological climate projects at five of its enterprises, registered carbon units with the Russian registry and closed the first exchange-based transactions for their sale.	• **718 energy efficiency measures** with greenhouse to reduce greenhouse gas emissions were implemented with an economic effect of over RUB 2 bln. • **2 solar power plants** installed at SIBUR's facilities. • **4 climate projects** developed for 2023 (2 projects have been verified, and 2 more have been validated).
Market risks	Changes in customers' and suppliers' behavior	Changes in the behavior of buyers of the Company's products towards reducing one's climate impact, coupled with higher costs for key suppliers.	The Company improves its product evaluation methodologies and seeks solutions for recyclable plastics and packaging that would meet the needs of its customers. The Company introduces carbon-efficient solutions for such sectors as insulation materials or packaging that retains the properties of food products for a longer period of time, thereby extending their shelf life and reducing waste and associated emissions. It contributes to the development of circular economy by recycling polymer waste and making low-carbon products possible Furthermore, suppliers are being evaluated against SIBUR's notional development criteria.	• In 2023, SIBUR recycled **21,400 tons** of polymer waste as part of its own projects. • **111,200 tons** of low-carbon products, as well as products containing recycled or biological materials were manufactured. • The share of PET containing recycled pellets amounted to **32.5%** of total output. • **30%** of key suppliers were assessed for compliance with SIBUR's sustainability requirements.
Reputational risks	Stigmatization of the industry and its products	Negative perception of the Company's level of climate responsibility by stakeholders resulting in lower attractiveness for investors and decreased demand for its products.	The Company discloses its climate impact indicators and measures taken to reduce GHG emissions in its annual reports, which are made publicly available, and has also prepared and made publicly available a training course on sustainable development available to all stakeholders. SIBUR's key climate initiatives also include: • accounting for Scope 1,2,3 GHG emissions; • a dashboard with GHG emission indicators, both gross and by segments and products; • energy efficiency measures with CO_2 effects; • contribution to development of circular economy; • calculation of carbon footprint of products (environmental declarations); • development of climate projects; • engaging with suppliers on the sustainability agenda.	• SIBUR's Integrated Reporting Reports and results • A training course on sustainable development (including climate agenda) • Online course • **6 EPDs** (Environmental Protection Declarations) developed
Physical risks	Natural disasters and extreme weather events precipitated by climate change	SIBUR's production sites and engineering centers could be affected by severe flooding caused by changes in rainfall patterns precipitated by climate change.	Overall, the Company assesses the likelihood of this risk occurring as low. Acute physical risks are sometimes treated as a part of the process of monitoring industrial OHS management systems and are always addressed when designing and building new facilities. As such, these risks were analyzed at the planning stage of building the Amur GCC facility.	

SIBUR's 2023 spending on measures to mitigate climate risk and reduce its impact on the environment exceeded RUB 13.3 bln. This included implementation of sustainable development projects, R&D efforts associated with the development of products made of recycled polymers, measures to protect the environment and minimize environmental impact, energy saving and energy efficiency improvement measures, implementation of the Green Formula Program including wetlands research projects, as well as projects carried out as part of the Formula for Good Deeds social investment program.

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Low-carbon development opportunities

GRI 201-2

SIBUR has been studying and analyzing opportunities arising out of climate change and has been using them to bolster its leadership on the Russian and on the global markets.

Key opportunities and measures adopted in the reporting period included:

Opportunities	Measures	Outcomes
Strengthening the company's reputation as a responsible supplier	• Building the largest climate projects portfolio among all Russian businesses. • Evaluation of key suppliers against sustainability criteria. • Implementation of the Green Formula reforestation and climate-action program with the target of planting 5 million saplings. • Achievement of the 2025 Sustainable Development Strategy goals. • Performing identification of product components according to health and environment impact criteria (based on REACH regulations, safety data sheets (SDS), etc.). • Entering into and implementing cooperation agreements with a broad range of stakeholders and partners.	• Minimization of reputational and supply-chain risks. • Adopting a proactive approach to mitigating regulatory risks with regard to both current and emerging regulations. • Opening up additional opportunities in the information realm.
Growing demand for low-carbon products	• Ramping up production of PET pellets under the Vivilen brand. • Expanding the customer base for Vivilen packaging by engaging with Russian companies. • Involvement of recycled polyolefins in the production process. • Measuring the Company's products' carbon footprint (6 environmental product declarations have been developed).	• Minimization of regulatory and technological risks. • Increasing supply chain's resilience and responsibility. • Contribution to achieving the goals of the Russian Federation's 2050 Strategy for Socio-Economic Development with low GHG emission levels.
Advancing technologies for harnessing renewable energy sources	• Commissioning and operating two solar power plants. • Using energy storage systems to optimize power consumption. • Exploring options for building wind farms.	• Contributing to improved energy efficiency and sustainable use of resources. • Contributing to mitigating technological risks.

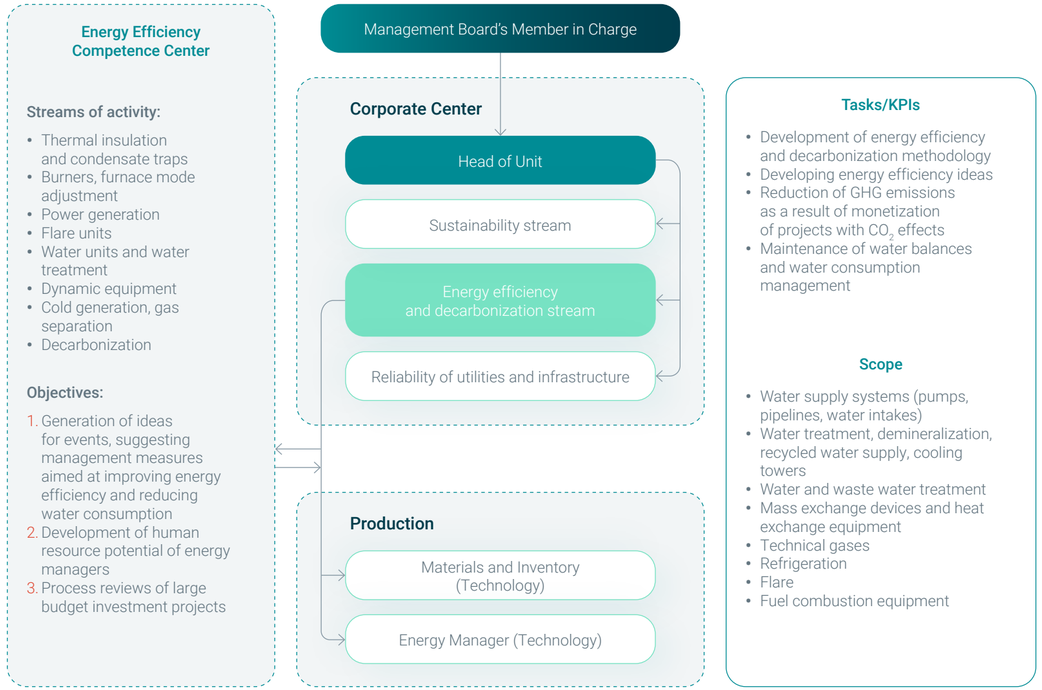
Energy consumption and energy efficiency

Energy resources management

SIBUR's performance management system, including its energy efficiency management practices, is based on the requirements of the ISO 50001 standard. The Company has put in place an integrated management system policy for evnironmental protection, occupational health and safety, quality and energy efficiency with a focus is on promoting sustainable use of energy resources and improving energy efficiency performance its facilities.

SIBUR calculates its enterprises' potential for improving energy efficiency by benchmarking their performance against the best energy consumption values achieved globally for specific types of products or processed feedstock materials.

In 2023, the Company founded a Competence Center for Energy Efficiency and set its key medium-term goals.



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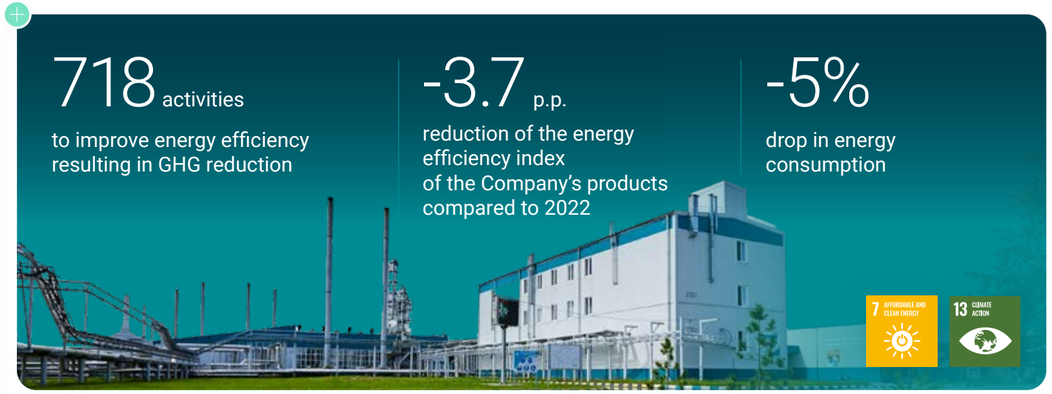
Distribution of responsibilities in addressing energy consumption and energy efficiency issues

Division in charge	Tasks
Management Board	• Control over the execution of tasks and achievement of goals related to energy consumption and energy efficiency.
SIBUR's power supply companies	• Supplying electric power to SIBUR enterprises. • Optimization of electric power costs.
Energy Efficiency Competence Center	• Developing projects seeking to improve energy efficiency and reduce water consumption. • Promoting professional development of energy managers. • Technology review of large-scale investment projects.
Corporate Center	• Setting energy consumption targets. • Analyzing the best of available global practices in order to set energy consumption targets. • Identifying of areas of improvement for ensuring compliance with the best available practices.
Energy and Resource function (to the extent this is related to energy resources management)	• Contracting for all types of energy resources. • Searching for optimal alternative energy sources. • Evaluating effectiveness of energy-related investment projects. • Replicating best practices across enterprises. • Supplying electricity to all SIBUR enterprises and optimizing electricity costs when buying it on the wholesale and retail markets either through SIBUR-owned energy supply companies or directly on the wholesale market, as well as optimizing spending on other energy resources (thermal energy, fuel, water/effluents, and industrial gases).
Production and Technology Development function	• Internal energy resources management. • Ensuring attainment energy efficiency goals by the Company's enterprises and its Corporate Center.
Utilities and infrastructure units (to the extent this is related to energy resources management)	• Setting energy consumption rationing targets. • Ensuring planning objectiveness and precision.
SIBUR's infrastructure (to the extent this is related to energy resource management)	• Setting energy consumption rationing targets. • Implementation of projects aimed at using renewable energy sources. • Ensuring that the Company's production process is aligned with its climate foci.
Energy accounting departments at enterprises	• Administration and accounting of contracts for energy resources. • Justification and preparation of paperwork in support of energy tariffs. • Involvement in setting energy consumption rationing targets, balance consolidation and closing.

1 The Company does not consume and / or sell steam and energy for cooling.
2 In the reporting year, 0.0199 mln GJ, or 5,529,000 MWh of energy from renewable sources was generated by the Company. The entire volume of generated energy was certified, thus confirming its status of "green" energy.
3 In 2023, 0.276 million GJ or 75,000 MWh of renewable energy was procured, of which 31,000 MWh was validated with issued green energy certificates.

Energy efficiency performance

GRI 3-3, GRI 302-3, GRI 302-4, RT-CH-130a.1



GRI 302-1, RT-CH-130a.1

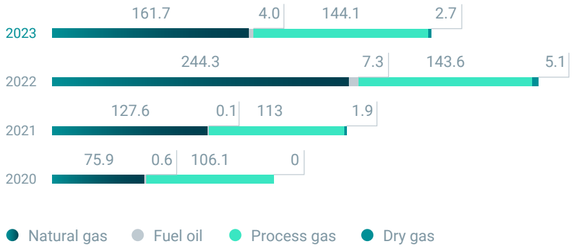
Key energy indicators[1], million GJ

Indicator	2020	2021	2022	2023
Electric power generation	10.3	20.07	52.33	34.30
including from renewable energy sources (RES)	0	0.0016	0.0192	0.0199[2]
Electric power purchased (external procurement)	39.7	45.29	54.60	49.52
including from RES	0.0054	0.0108	0.1411	0.2760[3]
Electric power sold to external consumers	16.4	25.81	52.34	28.68
including from RES	0	0	0.0825	0.2760
Electric power consumption (purchase + generation – sales)	33.6	39.56	54.58	55.14
Thermal power generation	96.1	128.58	185.03	140.3
Thermal power purchased (external procurement)	11.2	11.98	11.37	54.04
Thermal power sold to external consumers	3.8	8.22	17.66	11.67
Thermal power consumption (purchase + generation – sales)	103.5	132.35	178.75	182.67
Fuel purchased (external procurement)	76.5	129.56	256.74	168.38
Process gas production	106.1	113.01	143.61	144.06
Consumption of energy from RES	0.0057	0.0124	0.0778	0.0199
Certificates of RES attributes	–	–	–	0.1116
TOTAL energy consumption (fuel consumption + procurement of thermal and electric power – sales of thermal and electric power)	213.3	265.83	396.35	375.66

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Consumption of fuel from non-renewable sources,[1] million GJ

GRI 302-1



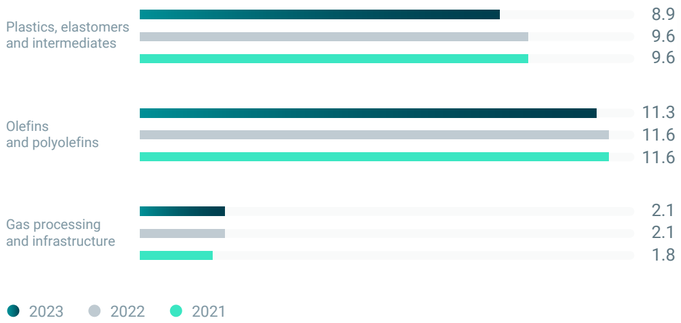
Energy intensity index[2]

The energy intensity index[3] of SIBUR's products has been steadily decreasing over the last three years. It ramped down to 149.2% in 2023, which is 3.7 p.p. lower than in 2022.

GRI 302-3

Period	Target value, GJ	Target, %	Achieved value, GJ	Achieved value, %	Achievement
2020	169,939,917	145.9	161,808,653	151.3	Underachieved by 3.7%
2021	181,603,715	153.3	181,522,370	157.1	Underachieved by 2.5%
2022	249,153,203	150.7	235,727,757	152.9	Underachieved by 1.5%
2023	280,052,731	145.6	273,785,732	149.2	Underachieved by 2.5%

Energy intensity per ton of products by business areas, GJ/t[4]



1 Values for 2021 include 2021 Q4 data for enterprises operating in the Republic of Tatarstan.
2 The types of energy sources included in the calculation of the energy intensity index: electric power, steam, natural gas, methane-rich gas, exhaust gas.
3 The energy intensity index shows the ratio between the actual consumption of energy resources (an organization's internal energy costs) required to produce a product and the energy consumption level of a chosen benchmark production facility.
4 Figures for 2022 have been adjusted due to more precise calculations.
5 Data for all measures is aggregated in the SOVA information system and is then uploaded for further calculations. This calculation used a conversion factor to convert financial data into volume data, and factored in CO_2 emissions.

Energy efficiency innovations

Over the reporting period, the Company implemented 718 measures to improve energy efficiency with the economic effect of more than RUB 2 billion resulting in a reduction of emissions by more than 300,000 tons of CO_2eq.[5] Another effect of 2023 energy efficiency improvement measures included achieved heat, power, and fuel savings.

Key energy efficiency improvements implemented in 2023

Enterprise	Improvements introduced	Effect
Sibur-Neftekhim»	Retrofitting the ethylene oxide and glycols production line with a capacity increase to 1,067 tons per day of ethylene oxide equivalent	Reduced steam consumption by 190,000 Gcal per year
SiburTyumenGas	Replacement of K-380 feed compressors' flow paths	Reduced electricity consumption by 31,000 MWh per year
Kazanorgsintez	Introduction of centralized nitrogen consumption control	Reduced electricity consumption by 19,000 MWh per year
Kazanorgsintez	Completion of Phase 2 of isopropyl benzene production line's retrofit	Reduced steam consumption by 91,000 Gcal per year
ZapSibNeftekhim	Eliminating the need for keeping furnaces on hot standby for pyrolysis	Reduced GHG emissions by 17,000 tons of CO_2eq.
SiburTyumenGas	Improving energy efficiency of compressors	Reduced electricity consumption by 15,000 MWh per year
ZapSibNeftekhim	Eliminating the need for using the fast-response pressure-reducing and desuperheating station (FRPRDS) for power, heat, and steam generation. Interfacing with the ECONS system.	Reduced natural gas consumption by 10.7 mln m³ per year

Economic effect from energy efficiency and energy saving measures, RUB mln

2019	2020	2021	2022	2023
825.00	822.00	891.00	2,450.00	2,009.00

GRI 305-5

Reduction of GHG emissions as a result of SIBUR's measures to improve energy efficiency, thou. t of CO_2eq.

2019	2020	2021	2022	2023
140.29	200.00	233.00	272.00	308.60

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Green energy

Starting from 2019, SIBUR has been actively involved in transitioning to renewable energy sources. The Company currently owns and operates two solar power plants. The first of the two, commissioned in 2019, was built at the Company's corporate SIBUR-Yug health resort. SIBUR's second solar power plant was put into service in 2022 at its POLIEF facility in Bashkortostan.

In 2023, POLIEF became SIBUR's first production facility to have registered with the Green Energy Register and to have gone through all the phases of procuring and redeeming renewable energy certificates as it bought 31,000 mega-watt hours' worth of green electric power in the form of 31,000 renewable energy certificates.

2024 and medium-term plans

Focus area	Energy efficiency improvement and decarbonization	Green energy
Activities	• Implementation of management measures to improve energy efficiency by RUB 1.3 billion. • Development of the Energy Efficiency Competence Center. • Ramping up the use of renewable energy sources (RES). • Implementation of CO_2 capture, utilization, and storage projects. • Ensuring carbon neutrality of at least one enterprise.	Implementation of a project to build a solar power plant at Sibur PolyLab.

1 9,269,193 t of CO_2eq. (carbon units).
2 Including volumes verified as of January 10, 2024.

Greenhouse gas emissions

Achievements

-25%
year-on-year reduction in GHG (Scope 1) emissions against 2022

>2 mln saplings
planted in 2023 under the Green Formula program

5
SIBUR's projects included in the Russian register of carbon units over 2023-2024 (up to the date of this report's release)

9.3 mln tons of CO_2eq.[1]
in GHG emissions (carbon units) reduction will be the cumulative effect of SIBUR's climate projects over a period of 10 years[2]

3,121 tons of CO_2eq.
worth of emission reductions sold by SIBUR by using the blockchain technology

2,735 tons of CO_2eq.
worth of emission reductions sold by SIBUR on the National Mercantile Exchange



SIBUR has offset the carbon footprint of several major events in Russia

In September 2023, the Roscongress Foundation and SIBUR signed an agreement to transfer certified GHG emission reductions to the Eastern Economic Forum to fully offset the event's carbon footprint. This way, thanks to the SIBUR's climate projects, the EEF will be able to establish itself as Russia's largest internationally verified carbon-neutral economic forum.

In December 2023, SIBUR offset the carbon footprint of the 2nd International ESG Forum "SO. ZNANIYE" in Nizhny Novgorod with the carbon units resulting from the implementation of Company's climate projects.

EASTERN ECONOMIC FORUM

SO. ZNANIE

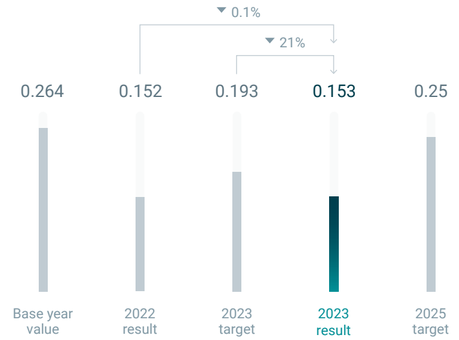
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GRI 305-4

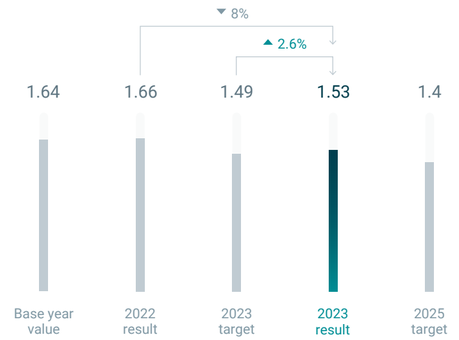
Implementation of the 2025 Sustainable Development Strategy for Climate Impact Reduction

1. Reduce specific GHG emissions:

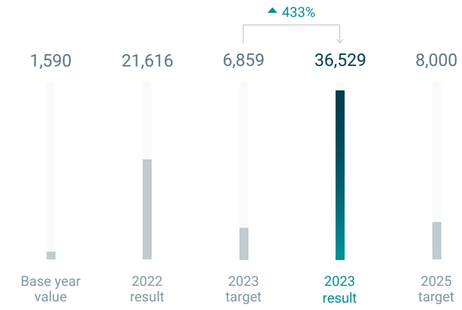
By 5% in Gas Refining and Infrastructure, per ton of output, compared to 2018



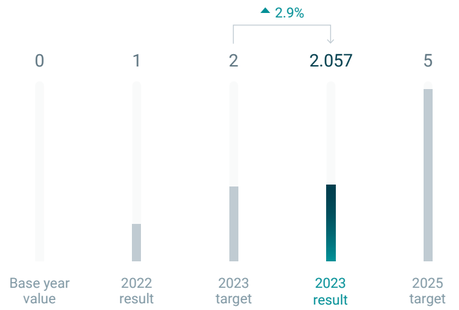
By 15% in Petrochemistry, per ton of output, compared to 2018



2. Increase "green" electricity volume 5-fold compared to the 2020 level (MWh)



3. Plant at least 5 million trees



4. The company's portfolio includes at least 2 CO_2 capture, utilization, storage projects that are under implementation or are being readied for implementation

The target's achievement is to be accounted for in the 2024 report

5. Achieve carbon neutrality of at least one enterprise, including through the implementation of a set of measures aimed at improving processes' energy efficiency and increasing the share of RES in the energy mix, by employing CO_2 capture, utilization, and storage technologies, and by carrying out sequestration projects

The target's achievement is to be accounted for in the 2024 report

Scope 1, 2 and 3 greenhouse gas emissions

In the reporting period, PJSC SIBUR Holding's direct GHG emissions (Scope 1) dropped by 25% compared to 2022 amounting to 14.731 million tons of CO_2eq. Indirect GHG emissions from energy (Scope 2) totaled 7.77 million tons of CO_2eq., representing a 3.6% increase compared to 2022. Other indirect emissions (Scope 3) dropped by 21% to 46.5 million tons CO_2eq. The principal drivers of scope 3 changes include: goods and services purchased (-36%), upstream transportation and distribution (-14%), and end-of-life treatment of sold products (-19%).

The change in GHG emission figures is the result of RusVinyl's becoming one of the Company's assets and the retirement of TGC-16 assets, as well as the effect of measures taken by the Company to reduce its GHG emissions. Another factor that affected the YOY change in Scope 3 GHG emissions relative to 2022 was the depreciation of the ruble (this is relevant for most of the categories calculated using the spend-based method).

Greenhouse gas emissions, mln tons of CO_2eq.[1, 2, 3, 4, 5]

GRI 305-1, 305-2, RT-CH-110a.1

Indicator	2020	2021	2021	2023
Direct GHG emissions (Scope 1)	10.60	11.29	19.66	14.731
CO_2	10.38	11.09	19.62	14.673
CH_4	0.21	0.20	0.03	0.05
N_2O	0.01	0.006	0.014	0.006
HFCs	0.002	0.002	0.004	0.002
Indirect GHG emissions from energy (Scope 2)	4.38	4.31	7.5	7.77
CO_2	14.98	15.6	27.16	22.501

1 The estimates are based on the Global warming potential (GWP) values according to the IPCC Fourth Assessment Report.
2 Gases used in calculating the indicators: CO_2, CH_4, N_2O, hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), SF6 and NF3 are not counted as they are not emitted by the Company.
3 GHG emissions are consolidated on the basis of quantification of direct and energy indirect GHG emissions as per the guidelines of IPCC and the Ministry of Natural Resources of the Russian Federation.
4 CO_2 emissions from biomass combustion or decomposition are not relevant to the Company's operations.
5 GHG emission volumes are calculated in in keeping with the Greenhouse Gas Inventory Guidance (EPA), ISO 14064-1, Petroleum Industry Guidelines for reporting GHG emissions (IPIECA), Protocol for the quantification of greenhouse gas emissions from waste management activities (EpE).

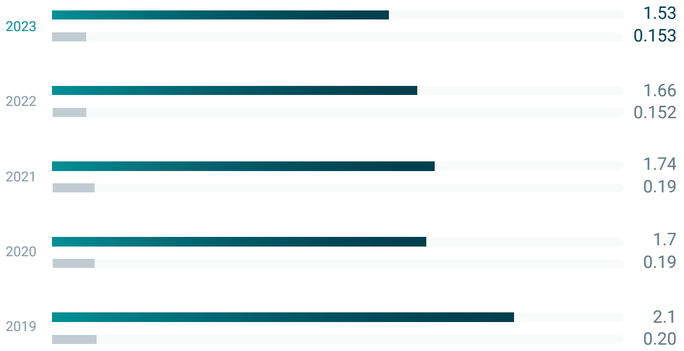
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Other indirect emissions (Scope 3), mln tons of CO_2eq.[1]

GRI 305-3, 305-4

Categories[2,3]	2021	2021	2023
1. Purchased goods and services	24.059	35.109	22.377
2. Capital goods (CAPEX)	0.540	1.146	0.886
3. Fuel- and energy-related activities not included in Scope 1 and Scope 2[4]	2.014	1.638	3.633
4. Upstream transportation and distribution	3.561	4.752	4.065
5. Waste generated during operations	–	–	**0.390**
6. Business travel[5]	0.006	0.014	0.022
7. Employee commuting	–	0.018	0.021
8. Upstream leased assets	0.240	0.213	0.178
9. Downstream transportation and distribution	0.736	1.068	0.783
11. Use of sold products[6]	11.475	9.371	10.274
12. End-of-life treatment of sold products[7]	3.351	3.861	3.144
13. Rented assets for finished products	–	–	**0.002**
15. Investments	1.765	1.762	0.722
TOTAL	47.747	58.952	46.497

Specific GHG emissions by segments



Prevented GHG emissions into the atmosphere (resulting from associated petroleum gas processing), million tons of CO_2eq.

2020	2021	2022	2023
74.00	71.52	71.33	71.90

Sibur-Khimprom's climate project recognized as the best at Five Stars. Leader of the Chemical Industry, the Russian Union of Chemists' All-Russian Sectoral Contest.



The company's innovative process for delivering the catalyst directly to the facility's reactors, developed at Sibur-Khimprom's DOTP production site, helps slow down the rate of synthesis and reduce the amount of natural gas needed for the process. Over a three-year period, this will help cut GHG emissions down by **15,000 tons of CO_2eq.**

The contest's Organizing Committee recommended that the DOTP process upgrade be nominated to receive the Award of the All-Russian Society of Inventors and Efficiency Innovators for its contribution to protecting the environment and for the outstanding competences demonstrated by SIBUR's engineers.

The Five Stars. Leader of the Chemical Industry Contest featured 26 companies with 19 of them vying for the contest's principal awards. Competing projects were rated based on their combined score in such categories as occupational health and safety, sustainable development, environmental and social responsibility as compared with the best global practices.

2024 and medium-term plans

Focus area	Reducing GHG emissions	Achieving Sustainable Development Strategy goals
Activities	• Develop and implement new GHG emission reduction projects. • Develop cooperation with carbon measurement sites. • Plant at least 2 million trees as part of the Green Formula project. • Fulfill the agreement with the Nizhny Novgorod Region.	Ensure achievement of all 2024 Climate Impact Mitigation targets.

1 The calculation was made pursuant to GHG Protocol's recommendations.
2 Category 10 is not disclosed subject to recommendations of WBCSD chemicals (Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain), due to the sale's portfolio's diversification Category 14 is not relevant for SIBUR.
3 Categories 1, 2, 4, 7, 8, 9, 13, 15 were calculated using the spend-based method.
4 The dramatic increase in Category 3 emissions is due to a change in the calculation methodology used. In the previous reporting period Category 3 was calculated based on averaged data while in 2023 the calculation was made for the regions of SIBUR's presence.
5 Category 6 represents a comprehensive assessment carried out based on directly uploaded third party data and distances travelled.
6 The scope of Category 11 was determined based on how much of the product was used as fuel.
7 Category 12 takes into account base resins as well as rubber. In future, this category will be expanded to include other products.

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SIBUR’s contribution to the development of the carbon units market in Russia

RT-CH-110a.2

In 2023, SIBUR cemented further its standing as one of Russia's leaders in low-carbon transformation. The Company completed and validated technology-based climate projects at five of its facilities, registered carbon units with the Russian registry of carbon units and sold them on a mercantile exchange for the first time in the nation’s history.

As of the beginning of 2024 SIBUR’s climate project accounted for nearly a third of all projects registered with the Russian carbon units registry, a testament to the Company’s systemic approach to decarbonization and its appreciation of the promise the carbon market holds.

SIBUR became the first Russian company to complete a transaction for selling GHG emission reductions by means of using tokens and the blockchain technology. The transaction involving acquisition of carbon tokens that serve as the digital equivalent of emission reduction units, was executed via a public distributed registry hosted on the Green Digital Platform.

Partnership with Nizhny Novgorod Region

The Government of Nizhny Novgorod Region and SIBUR signed an agreement to cooperate on implementing climate projects. The agreement involves experience sharing and exchange of best practices in advancing the climate agenda, as well as implementation of awareness-raising and educational projects seeking to foster environmental culture and raise awareness of the region’s residents. Under the arrangement, priority will be assigned to projects that aim to lower GHG emissions and increase their uptake that would include applying nature-driven solutions. Notably, SIBUR is studying the feasibility of implementing a project for rewetting drained peatlands in the Nizhny Novgorod region, to which end it is drawing up a plan to carry out a set of related R&D activities. This project is set to become SIBUR’s first climate project with a focus on wetlands.

Climate projects validated in 2023



ZapSibNeftekhim’s project

3,121 tons of CO_2eq.

SIBUR secured international verification of a climate project completed at ZapSibNeftekhim, Russia’s largest petrochemical facility which earned it certified emission reductions totally nearly **3 mln tons of CO_2eq.** over the period between 2017 and 2022. Verico SCE, Europe’s leading validation and verification body confirmed that SIBUR’s project meets ISO 14064-2:2019.

Under the project, ZapSibNeftekhim’s by-products are to be converted into heat and power at a CHP plant. Feedstock residues that cannot be brought back into the core production cycle are fed to the CHP plant’s power boilers rather than flared, thus significantly reducing GHG emissions. To make the project possible, pipelines and a gas mixing unit for making the fuel mixture had had to be installed at ZapSibNeftekhim.



SIBUR-Khimprom’s project

2,735 tons of CO_2eq.

3,037 carbon units have been issued via the national carbon registry and credited to SIBUR’s account following verification, by Innopolis University, of a climate project being implemented at SIBUR-Khimprom. These were the first carbon units issued by SIBUR through the Russian carbon registry.

SIBUR-Khimprom’s climate project will help reduce GHG emissions generated by the company’s dioctyl terephthalate (DOTP) production facility thanks to reengineering the way the catalyst is fed into the process. It is expected that over the project’s timeline through 2026 GHG emission reductions will amount to about 15,000 tons of CO_2eq. The volume of recorded GHG emission reductions observed over a six-month-long monitoring period surpassed the estimated results by reaching **3,037 tons of CO_2eq.**

Carbon unit sales closed in 2023



Blockchain transaction

8,623 tons of CO_2eq.

SIBUR completed its first transaction to sell GHG emission reductions with the use of the blockchain technology and tokens in the amount of **3,121 tons of CO_2eq.**

The transaction involving acquisition of carbon tokens serving as the digital equivalent of GHG reduction units was carried out via a public distributed ledger on the Green digital platform making SIBUR Russia’s first manufacturing company to execute a transaction to sell CO_2 reductions on a blockchain platform. The emission reductions were purchased by QIWI Group.

SIBUR has transferred certified GHG emission reduction units to the Eastern Economic Forum (EEF) to fully offset the latter’s carbon footprint. As a result, thanks to SIBUR’s climate projects, the EEF will establish itself as Russia’s largest carbon-neutral economic forum with internationally confirmed verification. The transfer of emission reduction units from SIBUR’s climate-action project was registered on the Green Digital Platform that uses the blockchain technology. The audit company TÜV AUSTRIA Standards & Compliance certified the completed calculations and confirmed the offsetting of the EEF’s carbon footprint in accordance with the international ISO standard 14021:2016/Amd 1:2021.



First exchange-based transactions in Russia

Following public auction trading at the National Mercantile Exchange, SIBUR successfully closed Russia’s first high-volume exchange-based sales of carbon units for a total of **2,735 tons of CO_2eq.** The carbon units were acquired by GPB Komplekt, a Gazprombank subsidiary, and Carbon Zero.

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Climate projects validated in 2023

Largest portfolio of mission reduction projects in Russia

SIBUR has registered with the Russian Carbon Registry three new climate projects that are being implemented at its facilities in Nizhnekamsk, Tomsk and Dzerzhinsk.[1] This makes SIBUR the holder of the largest portfolio of GHG emission reduction projects among all Russian businesses. It is expected that the combined effect from reducing GHG emissions as a result of the projects' implementation through 2032 will exceed **6 mln tons of CO_2eq.**[2]

These climate projects have been certified by such validating organizations as Innopolis University and the CIS Member States' Coordination and Information Centre for Regulatory Convergence to be compliant with the requirements of GOST R ISO 14064-3-2021.

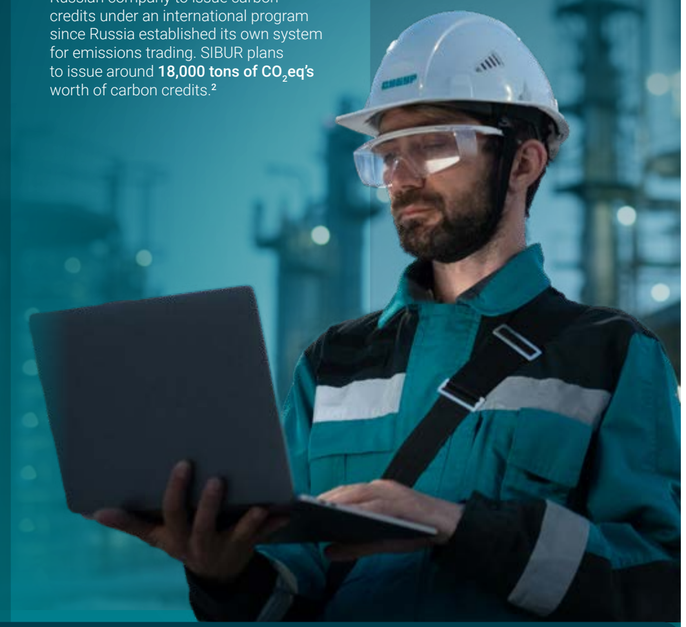
The climate project at Sibur-Neftekhim aims to reduce GHG emissions by improving energy efficiency in the production of ethylene oxide and glycols.

The climate project at Nizhnekamskneftekhim involves utilizing the facility's by-products at its own combined cycle gas turbine (CCGT) plant to generate electricity.

As part of Tomskneftekhim's climate project, overheated steam generated by the facility's monomer production plant is fed to a turbine generator prior to its being used in the manufacturing process making it possible to produce polyethylene by using self-generated power thus eliminating the need to rely on grid power derived from combustion of fossil fuels.

International issue

SIBUR has applied to the Global Carbon Council (GCC), a Qatar-based carbon offsetting program, to register a project to build a solar power plant at its POLIEF facility. By getting the project registered with the GCC, SIBUR will become the first Russian company to issue carbon credits under an international program since Russia established its own system for emissions trading. SIBUR plans to issue around **18,000 tons of CO_2eq's** worth of carbon credits.[2]



Carbon measurement sites

Starting from 2022, SIBUR has been implementing its Green Formula reforestation and climate-action program with the objective of reducing the Company's climate impact. The program is one of the priorities set out in SIBUR's Sustainable Development Strategy and it makes an important contribution to achieving reforestation objectives of the National Environment Project. In addition to setting a target number of trees to be planted, the program's objectives include support for R&D activities including those involving the use of digital technologies, as well as engaging employees and residents of the regions where the Company has a presence in environmental volunteering.

One of the important foci of the Green Formula program is providing support to carbon measurement sites. Under the program, the Company has been working with researchers at the **Voronezh Carbon Measurement Site** to study carbon dioxide absorption capacity of various tree species. The more than 700 measurements taken at the site over the course of the project have made it possible to identify the most promising species suitable for implementing climate projects. The smart greenhouse and research laboratories at Voronezh State Forestry University (VGLTU) have been used to test various forest tree species selection methods and strategies for reproducing the most promising plant species. A dedicated 2,000-hectare plot at the carbon measurement site has been used for planting trees to be used in support of SIBUR's climate project. 2023 saw 1.35 million tree saplings getting planted there, including such unique and fast-growing species as fluff-free cottonwood poplars and birches of a Voronezh variety, English and red oak, and the Pallas pine from Crimea. All these species have shown to have a high CO_2 absorption potential.

An international educational program for training climate project professionals has been jointly developed and is being run together with SIBUR at the Tyumen Carbon Measurement Site.

1 The projects' registration occurred after the end of the reporting period on January 10, 2024.
2 Target issue size.

Climate-change education and awareness-raising projects

In 2023, SIBUR entered in a partnership with the Ecomolodezhka.rf volunteer platform as its first industrial partner and assumed the role of a supervisor of climate initiatives. This track of activities is open to students, junior staff, teachers, postgraduate students, and researchers - all those who are interested in climate change issues and would like to participate in the search for effective solutions in this field. The track's goal is to provide a benchmark analysis of climate initiatives of the largest companies in Russia and worldwide, develop a climate change adaptation plan, and search for new ideas and solutions in the climate domain.

SIBUR, Tyumen State University, and CE&D, the largest academic consortium specializing in low-carbon development, with the participation of SIBUR's Chinese partners, launched Russia's first professional retraining program focusing on the development and implementation of environmental and climate projects and on operations on carbon markets. This program is being implemented with information support provided by the Russian Federation Ministry of Science and Higher Education.

SIBUR's contribution to the development of circular economy

Adoption of circular economy (CE) principles has been shown to have a direct bearing on mitigating man's impact on the climate. Notably, a 2021 report by the Ellen MacArthur Foundation (EMF) points out that about 45% of GHG emissions are attributable to industries producing cars, clothing, food and other goods. Advances in circular economy contribute to emissions reduction by changing the way we produce and use various goods. Waste recycling, preservation of reusable materials, and farmland remediation could potentially slash emissions by 9.3 billion tons of CO_2eq. by 2050, which is the equivalent of reducing all forms of emissions from all modes of transport to a zero today.



Kept's Review of Global Trends and Solutions for Circular Economy Transition points out that the circular economy realm extends to manufacturing, agricultural production, and waste management. According to the Review's analysis, global transition to a circular economy could have an impact of reducing GHG emissions by more than 37%.

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Circular economy development results[1]

2025 Sustainable Development Strategy goals

- Encourage recycling of at least **100,000 tons** of polymer waste per year under the Company's own projects and projects implemented with its partners.
- Contribute to the achievement of national waste recycling goals in the field of waste utilization by acting together with professional market actors and government agencies.

2023 target

- **15,500 tons**
- Develop proposals within the framework of reforming the legislation on EPR, based on the Company's position.
- Assume leadership in developing a mass-balance-based certification system for sustainable polymers.
- Take part in the implementation of the Russian Environmental Operator's project to supply flakes to POLIEF to produce rPET[1].

2023 result

- 21,400 tons of waste involved in recycling, exceeding the target by 38%.
  The 2023 target was successfully met.
- Several proposals seeking to protect interests of businesses were taken into account when passing legislation and approving regulatory instruments as part of the EPR reform.
- A package of documents for the certification system for sustainable polymers has been developed, with governing bodies having being elected. A draft GOST R standard titled Supply chain management systems for sustainable plastics and plastics products production. Requirements has been developed and included in the National Standardization Program.
- A construction permit was obtained for building the Russian Environmental Operator's production facility at a selected location on the grounds of the EcoTechnoPark in Miass.

  2023 objectives have been met.

SIBUR considers circular economy to be an important element of low-carbon transition and is committed to incorporating this concept into its own business model across all stages of its products' lifecycle.

01

Manufacturing products from by-products of oil and gas extraction:
SIBUR's business model incorporates processing of by-products of oil and gas extraction. Previously, such feedstock materials were flared at the fields contributing to increased CO_2 emissions. By processing associated petroleum gas, SIBUR's enterprises have been able to produce innovative materials while cutting down on their GHG emissions. SIBUR's petrochemical products have excellent recycling potential, enabling the Company to incorporate the principles of circular economy into its operations.

By processing APG, SIBUR was able to reduce GHG emissions by 71.9 mln tons of CO_2eq. in 2023.

For more details see the About SIBUR section on p. 24 and the Strategic overview section on p. 28.

02

Products manufactured with the use of recycled raw materials:
The Company continues to develop its sustainable product portfolio by involving considerable quantities of recycled materials in its manufacturing operations. The Company's experts note the important contribution that new eco-friendly products can make to advance further development of the petrochemical industry.

SIBUR was able to involve 21,400 tons of polymer waste in recycling as part of its own projects.

As a result of recycling polymer waste in 2023, the Company reduced GHG emissions by 54.68 mln tons of CO_2eq.

For more details see the Sustainable product portfolio section on p. 91.

03

Regulatory development:
SIBUR has been involved in the development of the Extended Producer Responsibility (EPR) mechanism in a drive to make circular economy projects attractive to investors and profitable.

04

Customer relations:
The Company has been contributing to the growing demand for "green" products and solutions on the part of its customers. It has been monitoring its products getting recycled, promoting them on the market and making them more attractive to end users.

111,200 tons of low-carbon products, as well as products containing recycled or biological materials have been produced.

Examples of SIBUR's joint projects with its customers and the results thereof are provided on the website of the Vivilen brand.

1 In addition to the goals and results shown in the Sustainable product portfolio section on p. 91.

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05

Research and innovation:
SIBUR's R&D activities are centered on designing and introducing new products in keeping with the circular economy principles. SIBUR's investments and efforts of its R&D facilities are aimed at creating and deploying technologies for chemical processing of polymer waste, developing, and bringing to market new polymers, low-carbon technologies and processes that make it possible to use the CO_2 molecule for one's manufacturing needs.

RUB 117.7 mln has been invested in R&D focusing on polymer recycling and circular feedstocks.

For more details see the Innovation and R&D section on p. 38.

06

Environmental education:
SIBUR has been committed to advancing the principles of responsible waste management through its own and partnership-based projects. The Company has been promoting sustainable development initiatives and transition to a circular economy among its suppliers, counterparts, and the general public in the communities where it has a presence, by implementing its own initiatives and projects in cooperation with its partners.

Examples are provided in the Environmental protection section on p. 90.

Inauguration of Russia's first competence center for environmental protection, sustainable development, and circular economy with a focus on industrial tourism hosted by POLIEF

2023 saw POLIEF inaugurate a unique center for industrial tourism with a focus on circular economy offering companies from across Russia the opportunity to acquire the experience needed for developing industrial tourism.

07

Plastics recycling:
Plastics have a huge recyclability potential. In order to exploit it, SIBUR has been advocating greater involvement of polymers in recycling and the need to nurture a strong waste management culture among the general public, community groups and SIBUR's partners.

SIBUR has estimated that as little as 10% of all polymers are currently being recycled. It is feasible to expect that a target of over 60% could be achievable by 2030. The following measures need to be taken now to assure that such quantities can be recycled:

- **Boosting waste sorting capacity** while increasing extractability and recyclability of plastics and other recyclables.
- **Making provisions for subsequent product recycling during early phases of product development** (such as the industrial design phase) while implementing solutions that would make recycling feasible in principle or make it easier to accomplish. To illustrate, this could involve the use of single-layer recyclable solutions that are easy to sort and recycle.
- **Advancing chemical recycling technologies** that would enable processing of mixed and contaminated polymer waste. SIBUR has been involved in R&D efforts in this area and is contemplating an investment decision expected to be made in the near future.
- **Awareness-raising measures targeting both consumers and manufacturers** who will be required to alter their production and process chains in considerable ways and implement tighter quality controls.

32.5% is the share of PET output containing recycled pellets in the total PET production volume.

SIBUR has put in place an internal Investment Regulation that addresses issues related to investing in climate projects. The Company has also developed an internal mechanism to encourage projects that contribute to reducing GHG emissions. A portfolio of low-return projects is sustained by means of being able to monetize climate projects' results in keeping with an established process.

The Regulation consists of a four-step process including:
1. prioritization of ideas;
2. development of detailed project documentation;
3. preparation for and conducting an audit;
4. carrying out a transaction involving sale of carbon units.



Information about the Company's circular economy innovations is also included in the Innovation and R&D section, while the Vivilen product is additionally featured in the Sustainable Product Portfolio section.

Environmental protection

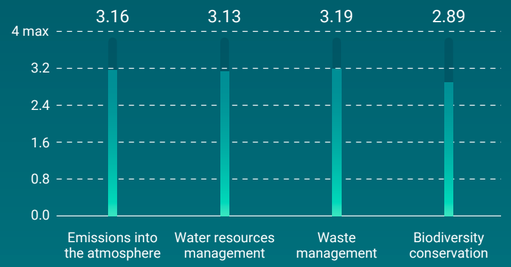
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Contribution to the UN SDGs and national projects

Material topics

- Emissions into the atmosphere
- Water management
- Water resources management
- Biodiversity conservation

Impact Materiality Survey Results



2023 results

Leadership

- SIBUR is the winner of the 5th All-Russian Contest of Best Regional Conservation Practices Reliable Partner – Ecology in the Oil and Gas Industry's Best Green Project category
- Kazanorgsintez became the recipient of the Vladimir Vernadsky National Eco-Award in the Education as a Path to Sustainable Development category
- The tour of SiburTyumenGas was incorporated into the Open Industry 2.0 guide to the development of industrial tourism
- SIBUR was chosen as the winner of the rating of responsible businesses – Ecology. Personnel. Government – in the Effective Implementation of Modern Technologies category for introducing new types of rubbers with improved strength, durability, and eco-friendliness
- Amur GCC's eco-trail:
  - winner of the 21st Vladimir Vernadsky National Environmental Award in the Sustainable Cities category
  - took the second prize in the Komsomolskaya Pravda media group's National Environmental Award in the Eco-Initiative category

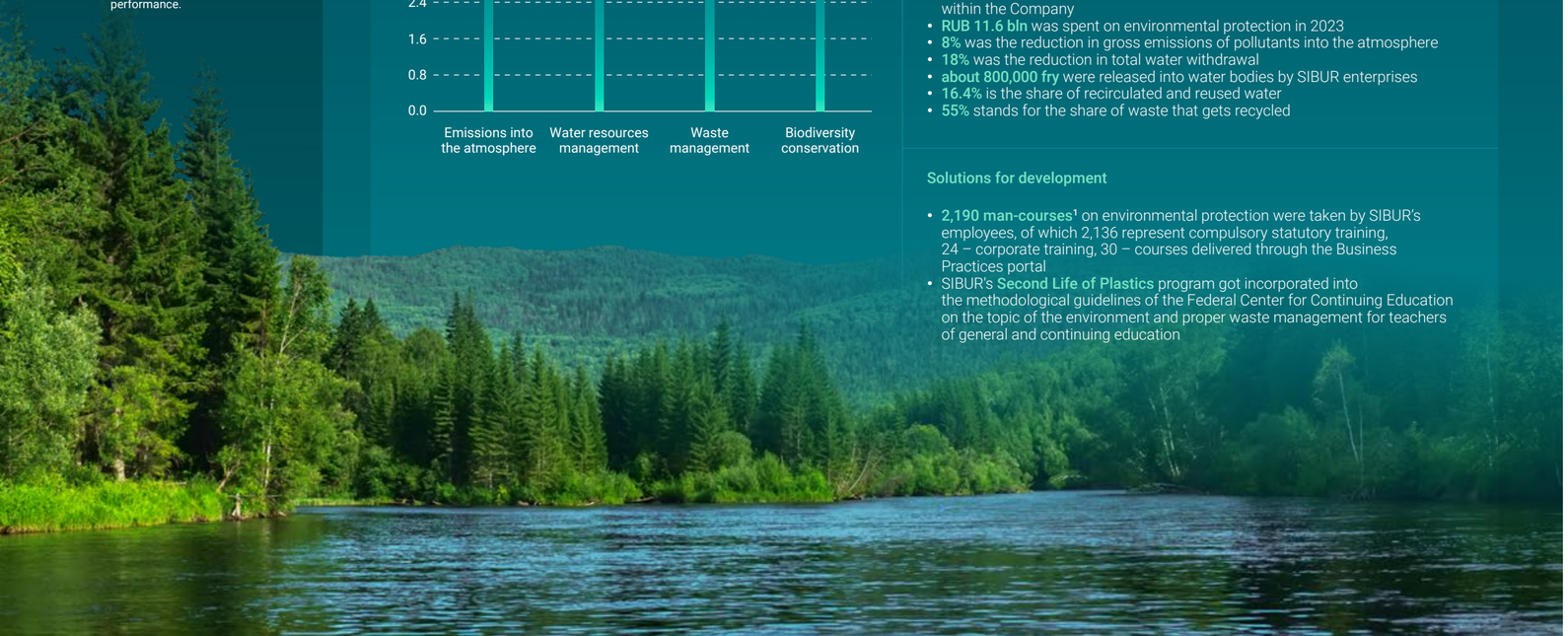
Responsibilities

- The Environment focus area has been established as a separate function within the Company
- **RUB 11.6 bln** was spent on environmental protection in 2023
- **8%** was the reduction in gross emissions of pollutants into the atmosphere
- **18%** was the reduction in total water withdrawal
- **about 800,000 fry** were released into water bodies by SIBUR enterprises
- **16.4%** is the share of recirculated and reused water
- **55%** stands for the share of waste that gets recycled

Solutions for development

- **2,190 man-courses**[1] on environmental protection were taken by SIBUR's employees, of which 2,136 represent compulsory statutory training, 24 – corporate training, 30 – courses delivered through the Business Practices portal
- SIBUR's **Second Life of Plastics** program got incorporated into the methodological guidelines of the Federal Center for Continuing Education on the topic of the environment and proper waste management for teachers of general and continuing education

1 A man-course is a unit of measurement indicative of a distance-learning system's performance.



Management approach

SIBUR has been acting responsibly in managing its impact on the environment. A relevant section has been made a part of the Company's 2025 Sustainable Development Strategy.



SIBUR's environmental protection activities are focused on continued improvement, risk mitigation, sustainable use of resources, application of best practices and technologies, compliance with applicable legal requirements and international standards, as well as management of key environmental aspects.

GRI 3-3



In order to make its production facilities more environmentally friendly, SIBUR has been following a comprehensive approach that includes both systemic upgrades and the use of the best available technologies, as well as cutting-edge digital tools to boost the efficiency of its daily processes.

Alexey Zarichny,
Head of the Environment Function

GRI 3-3

Key environmental protection documents

SIBUR's Integrated Management System (IMS) Policy	Sets IMS's strategic goals in the fields of occupational health and safety, environmental protection, and quality.
PJSC SIBUR Holding's 2025 Sustainable Development Strategy	Lays down the Company's objectives, including environmental protection goals. Provides the framework for setting targets in functional contracts and enterprise-level master plans.
Circular Economy and Climate Impact Reduction Policy	Contains the Company's core principles, strategic goals, and objectives in the area of climate impact reduction, and sets out approaches to attaining these goals and objectives.
Policy for Organizing Corporate Activities in the Context of the Sustainable Development Agenda	Details the mechanism for SIBUR's interactions with its counterparts when collaborating in preparing and running corporate activities aiming at further enhancing responsibility for sustainable development and continued enhancement of best practices in arranging corporate environmental impact mitigation activities.

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In addition, the Company has implemented business plans and enterprise-level master plans (EMPs). EMPs are used to set specific environmental targets for reducing emission of pollutants, water consumption, effluents discharge, and waste landfilling.

2025 Sustainable Development Strategy's environmental objectives

Reduce water consumption by

3 mln m³

Reduce waste landfilling by at least

5,000 t

Minimize the risk of plastic particles getting into the environment by implementing measures under the Clean Sweep Initiative

Operation Clean Sweep®

Reduce emission of pollutants into the atmosphere by at least

1,200 t

Reduce emission of pollutants into water bodies by at least

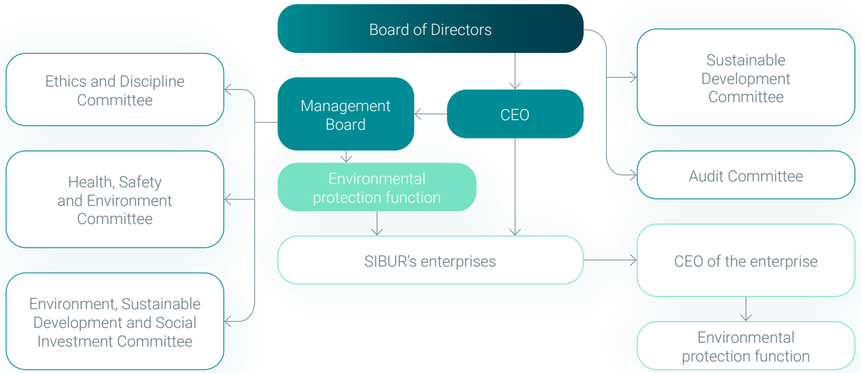
300 t

Environmental protection management structure

GRI 3-3

SIBUR has put in place an efficient organizational structure for effective environmental management. In 2023, the Environment area was established as a separate function within the Company's environmental management structure to sharpen the focus on increasing environmental friendliness of SIBUR's products and operations along with raising the level of environmental culture and awareness within the Company.

SIBUR's environmental management structure



Environmental management system

SIBUR's Environmental Management System (EMS) is part of the company's Integrated Management System (IMS) spanning all levels: from the Board of Directors and Management Board down to its manufacturing assets. It is ISO 14001 certified and is externally audited on a regular basis. ISO 14001 requirements apply to all SIBUR enterprises.

Following IMS's recertification audit conducted in 2023, all of the Company's enterprises covered by the IMS received a Certificate of Conformity to the requirements of ISO 14001:2015 international standard for another three-year period. Environmental management systems of Nizhnekamskneftekhim, Kazanorgsintez and RusVinyl also received confirmation of their compliance with ISO 14001:2015 requirements.

Risk management

As part of its environmental management policy, SIBUR has established a procedure for identifying and assessing environmental impacts and risks, including identification of significant environmental aspects. The Company performs regular assessment of potential environmental risks it may face and makes plans to minimize and prevent them. Identification of environmental aspects involves identifying all elements of the company's operations, products, and services that either have been producing or may potentially have an impact on the environment, given the products' lifecycles.

Lists of significant environmental aspects warranting special attention with regard to managing such risks are approved by enterprise-level OHSE Committees. Environmental aspects and projected impacts from any planned activities including construction, refurbishment, major overhaul efforts, etc. are identified and assessed at the time of developing design and cost estimate documentation, carrying out an environmental impact assessment and undergoing governmental review of design and cost estimate documents as required by Russian Federation law. The most significant environmental risks are included in the Company's risk matrix.

Environmental risk management is integrated into the company's interdisciplinary risk management process that includes the following steps: identifying risks, assessing the risks' impact, formulating solutions to manage each specific risk, and monitoring the process. The process tracks risk's likelihood, financial impact, response strategy, response actions and their outcomes. The database is reviewed twice a year and the status of the most significant risks is reported to the Audit Committee. The Internal Audit Department defines as material those risks that could affect the manner in which the Company will be achieving its strategic objectives in both the short and medium term.

The Company takes measures to manage its environmental protection (EP) risks along several streams.

01

SIBUR has been consistently reducing its own environmental impact. As an example, the Company managed to increase its waste utilization rate from 29% in 2018 to 55% in 2023. SIBUR's spending on environmental protection activities in the reporting year totaled RUB 11.6 bln. SIBUR reduces its carbon footprint by upgrading its equipment, improving energy efficiency of its processes, by introducing circular resource utilization technologies, and by actively using green energy.

For more information see the → Energy consumption and energy efficiency section on p. 97.

02

By investing in R&D and implementing its investment projects , SIBUR is contributing to creating manufacturing facilities in Russia that are able to produce plastics from recycled raw materials for a wide range of economic applications, while offering its partners "green" solutions for participating in the circular economy.

For more information see the → Innovation and R&D section on p. 38.
For more information see the → Sustainable product portfolio section on p. 91.

03

It is unrealistic to promote responsible consumption patterns and a green economy without the involvement of society and the public's proactive attitude. Russia has experienced a growing trend towards personal environmental responsibility, especially among the members of the younger generation. SIBUR supports educational, volunteering, and environmental projects as part of this trend. The Company participates in the installation of phandomats, in setting up eco-houses and eco-technoparks, and encourages its employees to engage in environmental volunteering. The achieved results show that such measures contribute to the development of culture focused on environmental protection and sustainable use of resources.

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Compliance with environmental legislation

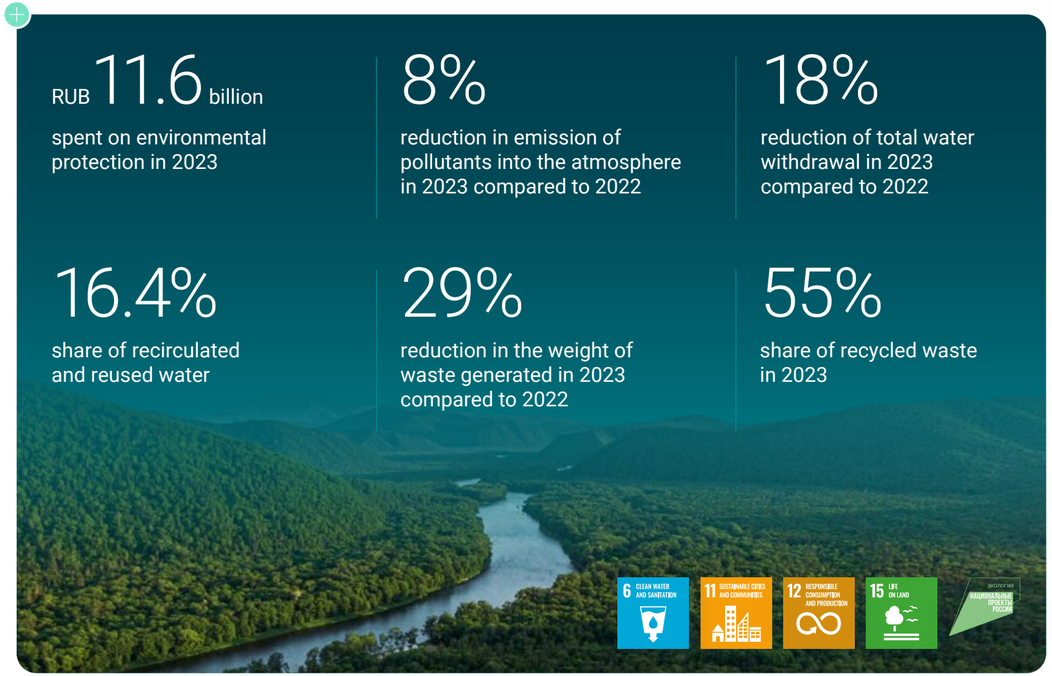
GRI 2-27

Compliance with regulatory requirements in the field of environmental protection is one of SIBUR's top environmental priorities. The Company has been assessing its environmental impact and regulatory compliance indicators of all of its enterprises on a regular basis as part of its Operational Environmental Monitoring activities.

In 2023, the Company was subject to 7 audits by the Federal Service for Natural Resources Supervision (Rosprirodnadzor), Federal Service for the Oversight of Consumer Protection and Welfare (Rospotrebnadzor) and by the Environmental Prosecutor's Office. These audits produced 5 findings of violations resulting in penalties totaling RUB 280,000. The Company is taking steps to rectify the findings and implementing prescribed corrective actions in keeping with the established deadlines.

No material cases of failure to comply with applicable laws and regulations have been identified,[1] leading to no non-financial sanctions (such as suspension of operations, revocation of licenses, suspension of permits) being imposed on the Company.

Achievements



Achievement of the Sustainable Development Strategy's goals

Until the end of 2022, the Company had been disclosing its environmental performance indicators in accordance with the targets set in the first version of the Strategy adopted in 2019. The Strategy was updated in 2023, with the bulk of the changes made to the Environmental Protection section due to early achievement of the targets set previously.[2]

Updated environmental protection goals under the Sustainable Development Strategy

Prior to the update	After the update
Reduce specific water consumption by at least 5% compared to 2018	Reduce water consumption by 3 mln m³
Reduce specific pollutants emissions by at least 5% compared to 2018	Reduce specific pollutants emissions by at least 1,200 t
Reduce specific volume of pollutants in effluents by 40% compared to 2018	Reduce specific volume of pollutants in effluents by 300 t
Recycle at least 50% of generated waste	Reduce waste landfilling by at least 5,000 t
Minimize release of plastic particles into the environment as part of the Operation Clean Sweep Initiative	No change: Minimize release of plastic particles into the environment as part of the Operation Clean Sweep Initiative

1 The Company defines material cases of breach of regulatory requirements as those resulting in causing harm to the environment or incurring a fine in the amount exceeding RUB 500 mln.
2 Performance indicators showing the targets set in the previous version of the Strategy are presented in the company's reports for previous periods, as well as in the ESG data book.

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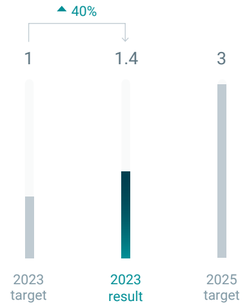
In the reporting period, the Company exceeded its plan for achieving updated targets, thus delivering a more substantial reduction in its environmental impact.

2025 Sustainable Development Strategy goals

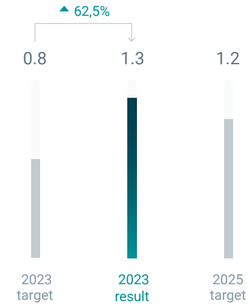
- Reduce water consumption by 3 mln m³
- Reduce emission of pollutants into the atmosphere by at least 1,200 t
- Reduce discharges of polluting effluents into water bodies by at least 300 t
- Reduce waste landfilling by at least 5,000 t
- Minimize release of plastic particles from production into the environment as part of the Operation Clean Sweep initiative

2023 results

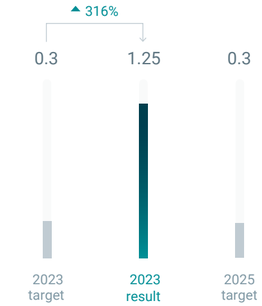
The 2023 target was met.



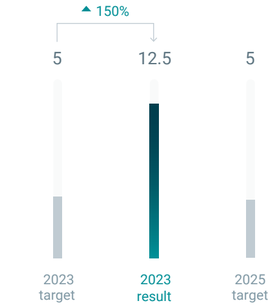
The 2023 target was met.



The 2023 target was met.



The 2023 target was met.



SIBUR has prevented a total of **23,300 tons** of plastic micro-particulates from being released into the environment, of which:
- **72.54%** have been sold
- **27.44%** have been recycled
- **0.02%** have been disposed of in accordance with applicable regulatory requirements

In addition to pursuing its Sustainable Development Strategy, the Company sets annual targets in several critical areas of activity associated with continued improvement of the company's environmental impact management processes, with obtaining permits, approvals, and other types of paperwork, as well as with the implementation of environmental education projects.

2023 target	2023 results
Strengthen environmental management processes: establish Environment as a separate function within environmental management's organizational structure	• In 2023, the focus area of Environment was established as a stand-alone function in order to put a stronger focus on strengthening sustainability of operations and products, as well as on improving environmental culture and visibility.
Expand biodiversity projects' reach: implement the Living Symbols of the Taiga project across communities in Khanty-Mansi Autonomous Okrug (KhMAO) and Yamal-Nenets Autonomous Okrug (YaNAO)	• The environmental project Living Symbols of the Taiga kicked off in 2023 with a children's drawing contest titled The Vanishing World of the Taiga organized for art school students in 6 of the cities in KhMAO and YaNAO where the Company has operations. • The Company put together an environmental education program and the first family-oriented conservation-themed eco-school for schoolchildren representing 3 cities. • Pyt-Yakh, Noyabrsk and Nizhnevartovsk hosted tours dedicated to red-listed animals that are indigenous to the KhMAO-Yugra area. • Samotlor health resort hosted the classes of the first Living Symbols of the Taiga eco-school dedicated to the species of the taiga fauna in KhMAO and YaNAO.
Successfully pass compliance reviews: successfully pass ZapSibNeftekhim's 2023 review by Glavgosexpertiza and pass a state environmental compliance review	Positive opinions were obtained for the following documents that had been submitted for review: • Design documentation package titled Construction of a new propylene production facility for manufacturing propylene by propane dehydrogenation and for producing propylene derivatives (the DHP-2 plant): process units, flare facilities, and the logistics center". • Design documentation package titled Retrofit of the water treatment plant at the power, steam, and heat generation facility. • Design documentation package titled Comprehensive wastewater treatment facilities. Refurbishment of the pre-treatment unit.

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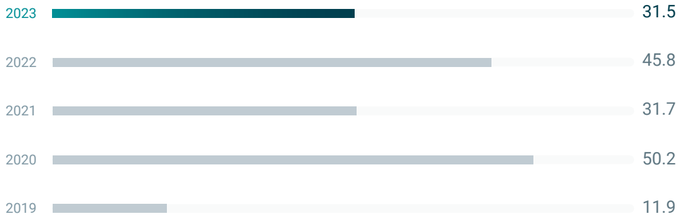
Environmental protection expenses

Environmental protection (EP) costs amounted to RUB 11.6 bln in the reporting year, exceeding the previous year's spending by nearly 30%. This increase was due to a number of reasons, including an annual increase in tariffs, commissioning of new conservation facilities, increased waste generation caused by overhaul operations, and others.

Spending on envrionmental protection, RUB bln



Payments for adverse environmental impact, RUB mln



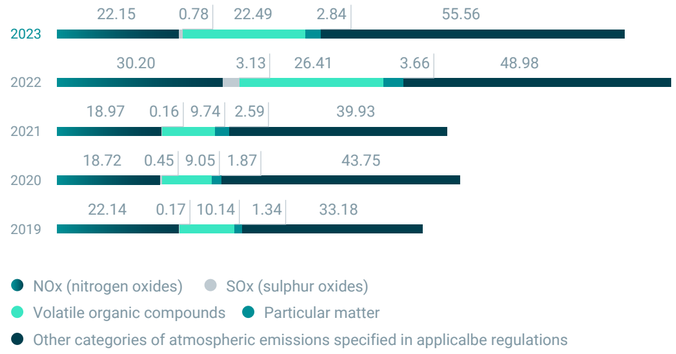
Emission of pollutants

GRI 305-7, SASB RT-CH-120a.1

SIBUR has been continuously monitoring air quality and deploying leading-edge technologies to monitor and reduce emissions of pollutants. The pollutants generated by the Company are primarily the result of fossil fuel combustion, power, steam and heat generation operations, and gas flaring at its flare facilities.

The change in GHG emission figures is the result of RusVinyl's becoming one of the Company's assets and the retirement of TGC-16 assets, as well as the effect of measures taken by the Company to reduce its GHG emissions. As a result, the total volume of pollutants emissions ran up to 103.82 tons, including nitrogen and sulphur oxides, volatile organic compounds (VOC), particulate matter and other emission categories (which include carbon monoxide, VOC-free hydrocarbons, and other gaseous and liquid substances), which constitutes a nearly 8% YOY reduction. The Company does not separately compile data on its emissions of persistent organic pollutants (POPs).

Pollutants emissions by types of compounds, thousand tons



Specific emissions of air pollutants decreased by about 3% to **2.64** kg/t of output

	2022	2023
Specific emissions of pollutants into the atmosphere, kg/t of output[1]	2.71	2.64

Emission management measures implemented at the Company's enterprises in 2023

Emissions reduction	• Improving reliability of pyrolysis furnaces at SIBUR-Kstovo. • Retrofitting the isopropylbenzene plant at Kazanorgsintez. • Reducing flare emissions by means of incorporating dehydrogenation plants into the fuel chain, as well as by modifying the process of SKD-H (BR-butadiene rubber), SKI (IR-isoprene rubber) and SKD-L (BR-L) rubber production to using steam instead of hot water at Nizhnekamskneftekhim. • Reducing flare emissions by introducing dynamic rationing and implementing the ECONS system at SiburTyumenGas facilities. • Replacing a catalyst at the catalytic off-gas oxidation unit at Polief.
Reducing emissions' impact on atmospheric air	• Improving off-gas scrubbing performance of the CATOX unit at Polief. • Replacing flare tips at SiburTyumenGas.
Emission control	• Setting up a permanent monitoring station for real-time air quality control at Kazanorgsintez's boundary with a residential area.

1 Specific indicators for 2022 and 2023 are shown for the entire company. The approach to using output data to calculate specific environmental and climate change indicators has also been standardized. The updated 2022 specific indicator value is provided to ensure data comparability.

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SiburTyumenGas's flare retrofit program

2023 saw SiburTyumenGas JSC initiate a program to modernize its flares in an effort to reduce their atmospheric emissions four-fold by 2025. Upgraded flares will be fitted with soot-free flare tips with forced delivery of air to the combustion zone ensuring complete gas combustion resulting in smoke-free operation of the flare. This is the type of equipment that will be installed at the plant in Nizhnevartovsk, at the Variogan and Kholmogorsk compressor stations and at other facilities affiliated with SiburTyumenGas. The following targets are expected to be achieved by the program's completion:

- **77%** reduction in pollutants emissions;
- **15%** reduction in GHG emissions.

SIBUR-Kstovo wins the Investment Leader Award in the Best ESG-Oriented Investment Project category

Construction of the Nizhny Novgorod region's first enclosed flare system was recognized as the best ESG project. The investment in the project exceeded RUB 1.5 billion. By having installed this system, emissions into the atmosphere got reduced by 76% while completely eliminating emissions of soot and benzopyrene. This also helped reduce carbon monoxide emissions and nitrogen oxide emissions by 77% and 70%, respectively. An enclosed flare is designed to dispose of up to 290 tons of hydrocarbon residue per hour safely and smoke-free.

Fourteen organizations from Samara, Perm, Yekaterinburg, Nizhny Novgorod and other Russian cities contributed to designing and constructing SIBUR-Kstovo's enclosed-type flare system. They fulfilled an EP contract for engineering, manufacturing, and delivering the system's core equipment, developed conceptual and detailed design documentation, shipped materials and auxiliary equipment, and completed the system's construction and installation.

The enclosed flare was put in place under a cooperation agreement between SIBUR and Rosprirodnadzor that seeks to make petrochemical production facilities more eco-friendly. Over the past two years, SIBUR-Kstovo successfully completed a number of initiatives to enhance the company's environmental infrastructure including installation of new smokeless fire tips on elevated flares, construction of local treatment facilities, and putting in place protective pontoons in tanks holding liquid hydrocarbons.



Control and monitoring

As required by Russia's environmental laws, SIBUR performs regular accounting, control, and monitoring activities with respect to emissions of pollutants at all of its enterprises.

Most of the company's enterprises have already been operating without exceeding mandatory maximum allowable concentrations (MACs) of pollutants within the perimeters of their sanitary protection zones (SPZs) for many years, while carrying out environmental monitoring on a regular basis and informing stakeholders of the monitoring's results.



Our mobile laboratory has been monitoring air quality in Blagoveshchensk and the surrounding area on a daily basis since 2015. Since January, our environmental experts have taken 1,412 air quality samples. All of the tests confirmed that none of the air quality limits had been exceeded. We regularly display our sampling data on an outdoor display panel in Blagoveshchensk. Local residents have been instructed to contact the Central Dispatch Station should they smell a foreign odor in the air. Over the last year, the number of such calls has been essentially brought down to a zero.

Pavel Romanenko,
General Director of Polief, Republic of Bashkortostan

The Company's Industrial Environmental Control (IEC) system did not record any cases of emissions exceeding acceptable emission standards in 2023.

Use of ozone-depleting substances

GRI 305-6

The Company's enterprises operate refrigeration equipment that makes use of the following ozone-depleting substances, or ODSs:

- Tetrachloromethane
- Chlorodifluoromethane (HCFC-22)
- 1,1-Dichloro-1-fluorethane (HCFC-141b)
- 1,1,1,2-Tetrafluoroethane (HFC-23)
- Pentafluoroethane (HFC-125)

As part of their oversight of the use of such substances, SIBUR enterprises produce annual reports detailing quantities of ODS produced, consumed, stored, reclaimed, recovered, recycled, and destroyed.

SIBUR came out as the winner of the 5th All-Russian Contest of Best Regional Conservation Practices "Reliable Partner – Ecology".

Kazanorgsintez received the contest's award in the Best Green Project in the Oil and Gas Industry category for retrofitting its isopropylbenzene synthesis plant allowing the Company to reduce its atmospheric impact by **20%** and cut energy consumption down by **68%**.

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Water consumption and discharge of effluents

GRI 3-3, 303-1, 303-2, 303-3, SASB RT-CH-140a.1, SASB RT-CH-140a.3

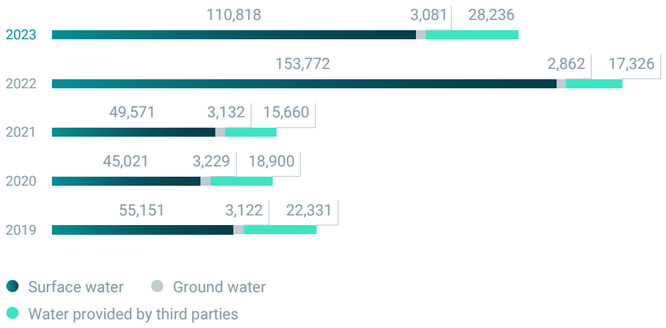
The Company's technological and manufacturing processes necessitate consumption of considerable volumes of water resources. SIBUR needs water to cool equipment, to produce rubber and polymers, and to generate steam. The Company has come up with a water management strategy intended to reduce water consumption and improve water use efficiency.

SIBUR enterprises whose operations affect nearby water bodies perform regular monitoring of said water bodies and associated water protection zones. Water consumption and wastewater disposal are tracked by means of flow gauges and calibrated water meters, whereas the volume and quality of effluents delivered to the Company's e networks by its counterparties are subject to monitoring pursuant to the terms of respective contracts. The Company does not draw water nor does it dispose of wastewater in areas where water resources are in short supply.

The list of SIBUR's water withdrawal sites includes subsoil areas located in the Voronezh, Nizhny Novgorod and Tyumen Regions, Perm Krai, Perm Krai, KhMAO-Yugra, and YaNAO. The areas where the Company operates are not categorized as areas characterized by an acute shortage of water resources.

As a result of selling the TGC-16 asset and measures implemented by the company, total amount of water withdrawn in the reporting period amounted to 142.1 million m³, which is 18% less than in 2022. Water withdrawal from surface water bodies amounted to 78% of the total water drawdown, with an additional 2% of water drawn from underground wells, while the remaining 20% were supplied by third parties (including public utilities).

Total water withdrawal for the company's needs, thousand m³

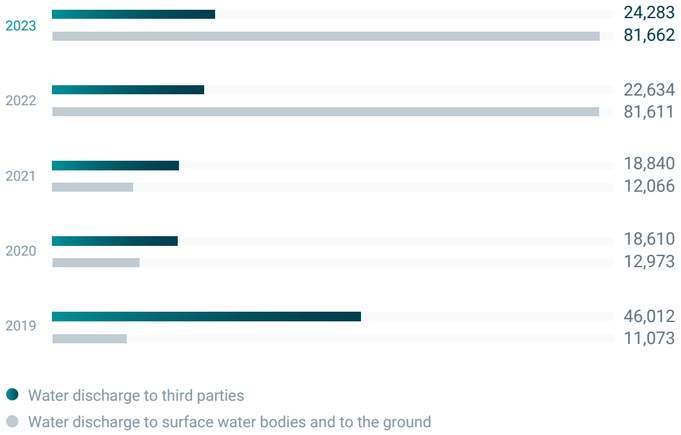


GRI 303-2, 303-4

The volume of wastewater discharged in the reporting year totaled 106 million m³. The slight increase in the volume of wastewater discharge in 2023 compared to 2022 was primarily driven by the commissioning of new production facilities and growing output, by extra water use during shutdown maintenance, as well as by a large volume of rainfall. In addition, SIBUR operates a recirculating water supply system as the Company aims to reduce its intake of fresh water and reinject treated water back into its production cycle.

The company's effluents are discharged to several surface water bodies including the Belaya, the Volga, the Irtysh, the Kama, the Strelochny Log, the Sukhaya, the Tungucha, the Voronezh and Kuybyshevskoye Reservoir, as well as to adjacent sewage networks, centralized wastewater disposal systems, municipal effluent treatment facilities and other water disposal networks. Compliance with effluent quality standards is monitored by accredited in-house and third-party laboratories.

Breakdown of total water discharge by destination, thousand m³



Specific discharges of wastewater pollutants[1] decreased by more than 70% to **0.35** kg/t of output

	2022	2023
Specific discharges of wastewater pollutants, kg/t of output[2]	1.23	0.35

SASB RT-CH-140a.2

SIBUR investigates and conducts reviews of root causes of each incident where a breach of wastewater discharge requirements is reported, and takes measures to minimize the incident's adverse effects. In 2023, minor exceedances of prescribed chemical oxygen demand (COD) and biochemical oxygen demand (BOD) levels were recorded at Nizhnekamskneftekhim and Kazanorgsintez.

As regards effluents discharged into the Tungucha River by Nizhnekamskneftekhim, the enterprise developed a multi-stage action plan to gradually meet the standards set for levels of pollutants in discharged wastewater. The plan involves diversion of effluents for treatment at biological treatment facilities, as well as construction of local wastewater treatment facilities. With regard to its discharges into the Strelochny Log River, the enterprise developed a statement of work to carry out feasibility analysis and complete an engineering design for returning treated water from the Strelochny Log buffer pond to Water Lift III and onward to the closed-loop water system.

To remedy its infractions, Kazanorgsintez took steps to promote more intensive activity of the activated sludge biocenosis which is involved in the process of biological wastewater treatment. After these steps had been carried out, subsequent tests did not detect any non-compliance issues with the treated effluent.

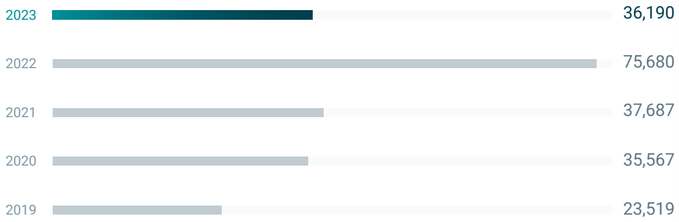
1 The calculation of this indicator accounts for the discharges of pollutants in wastewater into natural water bodies and to the surface.
2 Specific indicators for 2022 and 2023 are shown for the entire company. The approach to using output data to calculate specific environmental and climate change indicators has also been standardized. The updated 2022 specific indicator value is provided to ensure data comparability.

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GRI 303-5

As a result of selling TGC-16 and implementing a set of measures to reduce water consumption, total water consumption in 2023 ran up to a total of 36,190,000 m³, which is more than half the value of the previous reporting period.

Total water consumption, thousand m³



Specific water consumption fell almost twofold and stood at **0.92** m³ / t of output

	2022	2023
Specific water consumption, m³ / t of output[1]	1.83	0.92

GRI 303-2

Water management measures implemented in 2023 at the Company's enterprises

Water supply systems' configuration optimization	At Kazanorgsintez: • Installation of the steam line from the generation steam unit to new pyrolysis furnaces • Reduced consumption of make-up water needed to operate recirculated water supply systems at higher values of the evaporation coefficient • Diverting partially desalinated water from being discharged into the industrial effluent and stormwater catchment basin to feed it into the recirculating cycle of the recirculated water supply system • Diverting demineralized effluent from the reactors' cooling circuit to the water recirculation unit At other enterprises: • Measures aimed at minimizing rates of consumption of catalysts and acetic acid, reducing wastewater and pollutants generation at Polief • Discontinuation of the practice of discharging effluents into water bodies by redirecting wastewater to the RN infrastructure at SiburTyumenGas
Reduction of the content of pollutants in industrial effluents; modernization or retrofitting of local treatment facilities	• Reduction of wastewater volume as a result of partial replacement of ion-exchange resins in filters, prevention of dramatic spikes in circulating water consumption at ZapSibNeftekhim • Measures to discontinue discharging condensate from the steam supply unit to the chemically polluted sewage system; installation of an additional filtering element on the pipeline feeding ethylene oxide to the polycarbonate production plant at Kazanorgsintez • Reduction of volume of wastewater to be treated due to the reduction of volume of blowdown water at Nizhnekamskneftekhim

Modernization of treatment facilities at ZapSibNeftekhim

ZapSibNeftekhim, a SIBUR Group company, set about revamping its wastewater treatment facilities in November 2023. Glavgosekspertiza has returned a positive opinion on the project following its review of the changes that had been made to the project's documentation. The second review was carried out in the format of experts' follow-up.

The effort to retrofit production facilities at SIBUR Holding's petrochemical enterprises is being carried out as part of an agreement with the Ministry of Energy of the Russian Federation. ZapSibNeftekhim is in the process of retrofitting its facilities for treating salt-bearing effluents based on the recirculated water supply technology.

The retrofit is designed to increase treatment plants' productivity and improve the quality of treated water that is fed to the water demineralization unit at ZapSibNeftekhim's pyrolysis plant.

The enterprise is retrofitting its sewage pumping station for salt-bearing effluents and the wash water treatment unit located at the facility for treating salt-bearing effluents. The project also includes construction of a source water reservoir, ultrafiltrate accumulation and storage tanks; as well as retrofits of the unit for pre-treatment of salt-bearing effluents and the shop rack of process pipelines of the hexene-1 park.



1 Specific indicators for 2022 and 2023 are shown for the entire company. The approach to using output data to calculate specific environmental and climate change indicators has also been standardized. The updated 2022 specific indicator value is provided to ensure data comparability.

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Waste management

GRI 306-1, 306-2; 3-3

The bulk of SIBUR's waste consists of hazard Classes IV and V waste. In addition to solid municipal waste and wastewater sludge, the Company's enterprises produce the following types of waste:

- Oil sludge (produced in the process of cleaning equipment, tanks, oil traps and as a result of residue polymerization inside tanks);
- Excess sludge (produced in the process of wastewater treatment at biological treatment facilities);
- Ion exchange resins, anthracite (generated during nitrogen and oxygen production, water treatment, or as a result of drying off-gas in adsorbers during PTA production);
- Spent zeolite (produced as a result of gas dehydration from water and removal of specific compounds).

Waste menagement methods

Waste landfilling performed in strict compliance with applicable regulatory requirement

Waste reuse and recylcing

Waste neutralization

In the reporting year, SIBUR continued to implement measures set out in its Production and Consumption Waste Management Strategy in key designated areas of waste management.

Waste management activities carried out at the Company's enterprises in 2023

Increasing the percentage of recovered waste while reducing the amount of waste to be sent for landfilling	• Transfer of newly deposited excess sludge from biological treatment facilities for processing at POLIEF. At Nizhnekamskneftekhim: • Reduction of catalyst slurry accumulation while investigating the possibility of reducing waste landfilling by implementing waste neutralization measures (to reduce the volume of waste and to downgrade its hazard class). • Reduction of catalyst slurry accumulation at the enterprise by while Reduction of catalyst sludge generation at the plant by processing the slurry to a paste-like state with its subsequent disposal at a landfill. • Completing repairs of two of the three sections of sludge collectors. • Reduction of the amount of landfilled waste (spent aluminum oxide catalyst with chromium content of under 27%) generated as the result of isobutylene-1 production by recycling it.
Improving separate collection by phasing out landfilling of waste containing valuable components	• Conversion of polymer waste from equipment stripping at Nizhnekamskneftekhim into products (Grade B polymer waste products). • Sale of coal and ion-exchange resins, metal, and plastic packaging as illiquid materials at SIBUR-Kstovo.

Separate waste collection

The Company participates in the Green Office initiative. Under this initiative, special containers for separate collection of plastic, cardboard and paper waste have been installed at all SIBUR's production sites and in its offices. Having collected waste in this manner, the Company then sends it on to its partners for recycling. In addition, the Company separately collects mercury lamp bulbs and batteries, and has set up phandomats and plastic bottle collection stations. Special attention is being paid to improving energy efficiency in offices and at production facilities, where energy-saving technologies and equipment, water-saving systems, green space and biophilic design are in use: at Sibur Yug, POLIEF, solar panels are in use:

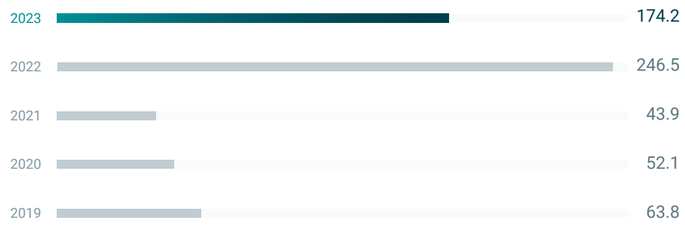
- Sibur-Yug health resort, POLIEF – solar panels.
- LED lighting fixtures with automatic motion sensors are installed in all offices to reduce energy consumption.
- Thermal systems are equipped with control devices for regulating supply of the heating medium, while the water supply system is equipped with automatic shutdown controllers.
- The Tomsk office has won several regional Green Office competitions over the years.

SASB RT-CH-150a.1

The Company meets all applicable regulatory requirements and adheres to its own corporate guidelines and procedures for managing and handling waste of all hazard classes. As a result of the waste management efforts taken by the Company in 2023, and because of the sale of the TGC-16 asset, the amount of waste generated by the Company totaled just 174,200 tons, which is 29% less than in the preceding period.

GRI 306-3

Total weight of generated waste, thousand tons

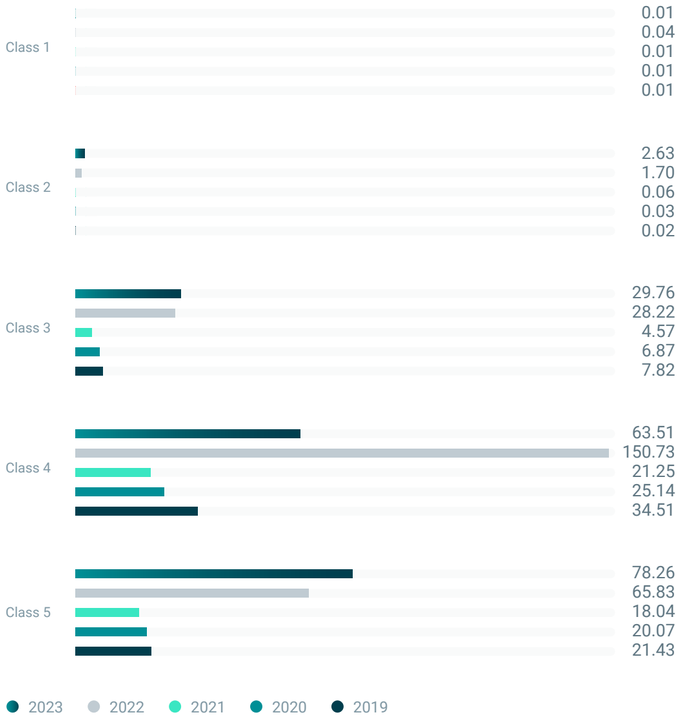


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Specific waste generation dropped by 26% to **4.44** kg/t of output

	2022	2023
Specific waste generation, kg/t of output[1]	5.95	4.44

Waste generated by hazard class, thousand tons



1 Specific indicators for 2022 and 2023 are shown for the entire company. The approach to using output data to calculate specific environmental and climate change indicators has also been standardized. The updated 2022 specific indicator value is provided to ensure data comparability.

2 SIBUR does not incinerate waste to generate power and does not classify waste incineration with no power generation as a separate waste management category.

GRI 306-4

Main ways of recycling waste generated by the Company

Searching for consumers to reuse the generated waste

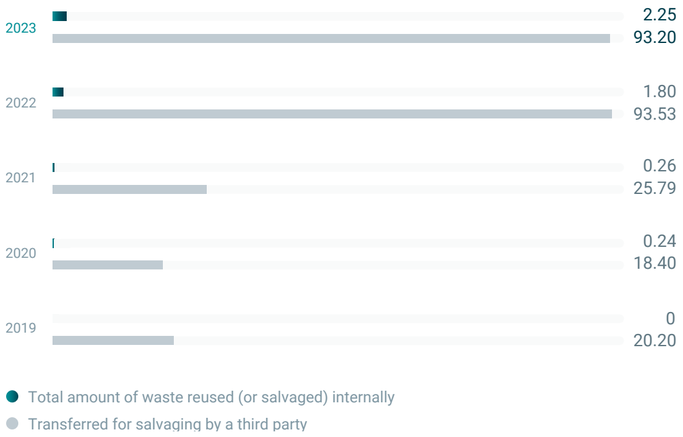
Waste salvaging (recovery)

Waste recycling

In 2023, the volume of recycled and salvaged waste grew to 95,500 tons, which is 55% of the total mass of all waste generated across the company. As there is no statutory requirement to do so, SIBUR does not gather waste salvaging statistics with a breakdown by the following types of operations:

- reuse of waste for its intended purpose (waste recycling);
- return of waste to the production cycle after proper conditioning (waste regeneration);
- other waste salvaging operations.

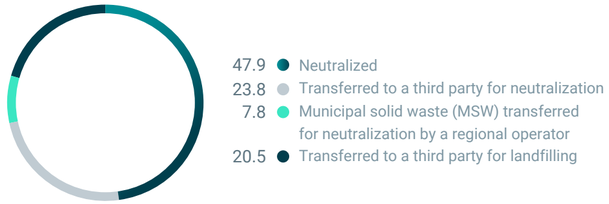
Waste reuse and salvaging, thousand tons



GRI 306-5

SIBUR continues to reduce the volume of waste that gets disposed of at landfills while ramping up its waste neutralization efforts. The share of neutralized waste in the overall volume of all waste generated by the Company in 2023 stood at 21% (36,000 tons). The share of SIBUR's waste that was disposed of at its own facilities and transferred for disposal totaled 9.5%.

Management of waste sent for neutralization and disposal, by handling method[2],%



PJSC Nizhnekamskneftekhim was chosen as the winner in the "ESG. Decommissioning and liquidation" category –

one of the most important categories of the Russian Demolition Awards contest sponsored by the International Demolition Forum of Russia: "ESG. Decommissioning and Dismantlement".

The award is a tribute to SIBUR's thorough approach to dismantling antiquated equipment and to its commitment to performing this job in the most environment-friendly way. To give just one example, the Company sent some of the construction waste and debris to recycling while disposing of the rest in an eco-friendly and responsible manner. The land plot that had thus been cleared will be used for building SIBUR's new state-of-the-art, technologically advanced and sustainable production facilities. As of today, the project is more than 60% complete.

RDF RUSSIAN DEMOLITION FORUM

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Operation Clean Sweep

SIBUR has been a participant of the Operation Clean Sweep initiative since 2018. OCS-related events and activities have been included in the enterprises' comprehensive environmental programs through 2025 as a separate cluster of measures. As part of its involvement in the Operation Clean Sweep initiative, SIBUR has implemented the following measures:

- Incorporating OCS requirements into the Integrated Management System Policy
- Inserting language containing a requirement for freight forwarders to adhere to the policy on preventing polymer particle losses into standard shipping contracts
- Inclusion of an OCS section as a separate chapter in relevant enterprises' comprehensive environmental programs through 2025 with a reference to measures to be implemented, associated sources of funding, and officials put in charge of implementing these measures
- Inclusion of the goal to minimize the release of plastic particles into the environment into the Company's 2025 Sustainable Development Strategy
- Development of an OCS training module as part of an online sustainability course for the Company's employees, clients, and partners

2023 results:

As part of its Operation Clean Sweep efforts in 2023, SIBUR prevented 23,300 tons of microplastic particles from leaking into the environment, of which 72.54% were sold, 27.44% were returned to the production process, and 1.02% were disposed of in accordance with regulatory requirements.

Biodiversity conservation

GRI 3-3

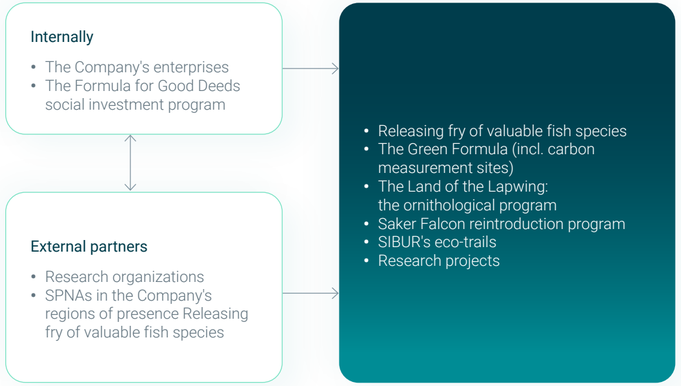
SIBUR regards conservation and maintenance of biodiversity in the regions where it operates as an important sustainability management objective. The Company has been involved in implementing a swath of projects focusing on reproduction of biological resources, including sapling planting and fry stocking, as well as on supporting social and environmental initiatives that contribute to the preservation of rare flora and fauna species.

Many biodiversity conservation projects are being supported by SIBUR within the framework of the environmental focus area of the Company's Formula for Good Deeds social investment program, that includes implementation of such projects as The Land of the Lapwing, Living Symbols of the Taiga, and the Green Formula.

Spending on reproduction of biological resources (sapling planting and fry stocking), RUB mln



Implementing biodiversity conservation projects



Biodiversity conservation projects implemented in 2023





Project	Project description
Studies of biodiversity in the Special Protected Nature Area Lebyazhye Forest Park	In 2023, SIBUR supported research at the Lebyazhye Forest Park Special Protected Nature Area (Republic of Tatarstan) spearheaded by the Russian Academy of Sciences' Institute of the Environment and Subsoil Use. The study was conducted by 25 researchers, including biologists, ecologists, geographers, historians, and others. They were able to identify 383 species of plants (including 17 species that are red-listed in the Republic of Tatarstan and 10 more included in the annex to the Red List), 210 species of birds (43 of which are red-listed), 37 species of mammals and five species of Chiroptera (almost all of them rare), 170 species of mushrooms (three of which are red-listed in Tatarstan), 41 species of mosses, and eight species of lichens. The plan for 2024 is to gradually improve the area and build an eco-trail through its grounds.
The Land of the Lapwing To learn more about the project.	The project has been under implementation since 2019 in five of the cities where SIBUR has a presence: Dzerzhinsk, Kstovo, Svobodny, Tobolsk, and Tomsk. The project's 2023 accomplishments included: • during earlier surveys, that served to confirm that the site's grounds provide a favorable environment for preserving bird species diversity; • 7 in-person competitive bird monitoring events in the format of bird watching by moving around on foot and by car (birder's rallies) with over 900 people taking part including the company's employees, their family members, and residents of the cities where SIBUR has a presence; • 9 organizations becoming winners in a grant contest to procure equipment and gear needed for undertaking independent research and project activities; • more than 900 bird feeders built by the participants of a thematic contest dedicated to the Day of Starting Winter Bird Feeding, established by the Russian Bird Conservation Union.

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Project	Project description
 **Living Symbols of the Taiga**	This project that has as its goal to conserve biodiversity of red-listed animal species by engaging a broad range of stakeholders has been running since 2023. During the reporting period, the project's geography expanded to include those cities in KhMAO and YaNAO where SIBUR has a presence. The project has achieved the following results: • a contest of children's drawings titled The Vanishing World of the Taiga was held drawing more than 130 students who attend art schools in six cities in KhMAO and YaNAO where the Company has a presence; • an environmental education program and the first family-centered environmental school were organized for schoolchildren from 3 cities with more than 200 children and parents taking part; • the cities of Pyt-Yakh, Noyabrsk and Nizhnevartovsk hosted tours dedicated to red-listed animals inhabiting the territory of KhMAO-Yugra, as well as a photo exhibition about the project attended by more than 1,500 people; • a round table dedicated to Supporting development of specially protected nature areas in the KhMAO and YaNAO brought together 25 experts representing specially protected nature areas from across the country. Since 2024, due to the expansion of the project's geography, it has been renamed into Living Symbols of the Forest. To learn more about the project.
 **SIBUR's eco-trails**	• A project to develop and maintain routes and eco-trails for conducting guided tours in the forested areas around Tobolsk (Tyumen Region) and Svobodny (Amur Region). Each city now features three hiking trails created in cooperation with the regional chapters of the Russian Academy of Sciences. • The audio guide for Tobolsk's eco-trail was recorded by Ilya Lagutenko, the front man of the Mumiy Troll band. In 2023, the audio guide for Svobodny's eco-trails was given the voice of Ivan Zatevakhin, the host of the Dialogues about Animals TV show.
 **Fry stocking**	In 2023, the Company continued its efforts to release fish fry into water bodies, including those representing valuable fish species. A total of about 779,000 fry got released: • 482,500 Siberian sturgeon fry released by the Project Office of SiburTyumenGas; • 200,000 sterlet fry released into the Kama River by employees of Nizhnekamskneftekhim; • 80,000 fry released into a water body by employees of Voronezhsintezkauchuk; • 6,800 Amur sturgeon fry released by Amur GCC; • 4,700 muksun fry released at Tomskneftekhim; • As part of the Territory of Tomorrow festival, employees of RusVinyl released 5,000 sterlet fry into the Volga River near the village of Velikiy Vrag in Kstovo District in an attempt to grow the population of this valuable fish. Employees of LLC RusVinyl released 5,000 fry to increase the population of this valuable fish species.
 **Reintroduction of the Saker Falcon into the wild**	SIBUR's Formula for Good Deeds social investment program provided a grant to support the initiative of the Republic of Tatarstan's Ministry of the Environment to reintroduce the saker falcon into the wild nature there. The initiative was implemented by the regional non-profit foundation A.I. Shchepovskikh Environmental Protection Assistance. The company's funds were used to purchase 10 nestlings of the red-listed species who were then helped adapt to life in the wild and later released into their natural environment. In November 2023, the project was listed among the winners of the 5th All-Russian Contest of Best Conservation Practices "Reliable Partner - Ecology" in the Best Biodiversity Conservation Project category.

GRI 304-1, 304-4

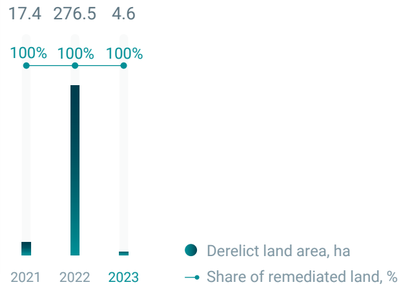
SIBUR's production facilities are not sited within or adjacent to specially protected nature areas (SPNAs) or areas of high biodiversity value. No animal or plant species included on the Red List of the International Union for Conservation of Nature (IUCN) or on the national list of protected species inhabit the grounds of the company's enterprises.

GRI 304-1, GRI 304-2

Vulnerable plant communities, including those representing wetland plants, can be found on the grounds of the Abalak Natural History Compound, a SPNA of regional significance located 20 to 30 km to the North-East of Tyumen region's ZapSibNeftekhim. The part of the SPNA that is located the closest to SIBUR's production site (circa 2.5 km from the boundary of the site's SPZ) is classified as a recreational area. That said, the enterprise's operations do not produce any adverse effects on biodiversity within the Abalak Compound with the level of environmental contamination produced by the site's production facilities not exceeding statutory MAC values.[1]

GRI 304-3

Derelict land area,[2] hectares (ha)



1 Maximum allowable concentration.
2 Consolidated data for SiburTyumenGas and Zapsibtransgas.

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2023 saw SIBUR conduct a survey of land plots not needed for its production activities in order to determine whether the land is in a suitable condition to be handed over to designated government agencies in keeping with applicable procedures. The share of land reclaimed in 2023 stood at 100%.[1]

In 2023, the Company continued to study the biodiversity status of nature areas that are adjacent to ZapSibNeftekhim's site. SIBUR has been working together with the Tobolsk Comprehensive Research Center of the Russian Academy of Sciences' Urals Branch to monitor the state of the environment in the area impacted by the West Siberian Complex for Advanced Processing of Hydrocarbons into Polyolefins with a capacity of 2 million tons p.a. together with its infrastructure facilities and utilities in the course of its operations, and to study biodiversity and taxonomic composition of the biota along the eco-trail. The results of the survey thus performed lead to the conclusion that the Complex's operations in 2021 through 2023 have produced no pronounced negative anthropogenic impact on the biota and soils of the forested areas adjacent to the Complex. The Company intends to continue its eco-monitoring efforts next year.

Environmental education and training

Environmental training

Sustainable use of natural resources and respect for the environment represent the cornerstone of SIBUR's environmental culture, with the Company's employees serving as its eco-culture ambassadors. SIBUR has been providing regular compulsory training to its employees in the area of sustainable development and environmental protection.

Key areas of environmental training for employees in 2023

Waste management:
More than 1,455 employees attended a course on Ensuring Environmental Safety when Handling Hazardous Waste of Hazard Classes 1 through 4.

Environmental safety:
- 55 employees attended a course on Responsibilities of Environmental Protection Services' and Environmental Control Systems' Managers and Personnel in Ensuring Environmental Safety.
- More than 582 people took a course on Responsibilties of Managers and Personnel of Utilities and Infrastrucutre Management Services in Ensuring Environmental Safety.
- 24 employees of Voronezhsintezkauchuk received training in Environmental Management Culture and System with another employee attending a course on Ensuring Environmental Safety and Reducing Carbon Footprint delivered by the Moscow Power Engineering Institute.

Supplemental training:
- 62 employees of Tomskneftekhim took part in the EcoDictant dictation test.
- One employee of RusVinyl attended a course entitled Auditor / Lead Auditor of Environmental Management Systems under ISO 14001:2015.

Environmental education

SIBUR is committed to supporting environmental education and fostering a culture of responsible attitude towards the environment not only among the company's own employees, but also throughout the communities where it has a presence.

One of 2023's landmark events in the field of environmental education was the **Ecosophy project** spearheaded by the Russia – Land of Opportunity platform. The project's finalists were assigned to work on a case study provided courtesy of SIBUR, as well as offered to suggest their own ideas for environmental projects. SIBUR invited the participants to solve a case with the aim of promoting separate waste collection and plastic recycling. During the projects' defense stage, the contest's finalists presented their ideas for boosting the volume of plastic waste collection in Russia, as well as for conducting awareness-raising campaigns and for analyzing the world's best practices. All finalists were provided access to SIBUR's educational course on sustainable development, and were given a tour of the research center at SIBUR-PolyLab. The most successful participants were invited to be interviewed right there on the Ecosophy platform, with two of the best candidates ending up getting offered internships at SIBUR's Nizhny Novgorod facility and at the company's corporate center in Moscow.

A prominent place in SIBUR's environmental education ecosystem is also reserved for the **Second Life of Plastics program**, a comprehensive assortment of educational formats (eco-classes, research projects, quests, marathons) offering instructors ready-to-use programs to be taught both during the school year and during summer vacations at summer environmental festivals and in summer camps. The program's thrust is to help foster a culture of separate waste collection and encourage environmental habits among students. Developed with the input of environmental experts and methodologists in 2019, it is being regularly updated while combining the most effective educational formats and contemporary approaches to communicating with school audiences. In 2023, SIBUR and the Federal Center for Children's Education and Recreation (FCCER) signed a cooperation agreement to work together in the field of environmental education aimed at schoolchildren. The parties agreed that SIBUR's The Second Life of Plastics program will be incorporated in the FCCER's methodological recommendations for general and supplementary education teachers dealing with the subject of environmental protection and proper waste management.

Key areas of environmental training for external audiences by the enterprises in 2023

Tomskneftikhim:
50 eco-classes taught at schools and at other sites in Tomsk featuring demonstrations of air quality monitoring measurements and promotion of separate waste collection and recycling of plastics under the The Second Life of Plastics program.

Kazanorgsintez
- More than 20 environmental classes for school students in Kazan (The Second Life of Plastics eco-lesson, presentation of the Mobile Environmental Laboratory).
- More than 30 excursions conducted as part of industrial tourism tours with an emphasis on sustainable manufacturing (involving schoolchildren, students, instructors, eco-activists, municipal communities, regulatory authorities, etc.).

Nizhnekamskneftekhim:
- Monthly eco-education lessons taught at Nizhnekamsk's schools.
- Launch of a recycling workshop at the Children's Eco-Biological Center. The worshop's master classes were attended by more than 2,000 schoolchildren who recycled 6,000 caps.

POLIEF:
18 eco-lessons taught in schools of Blagoveshchensk and Blagoveshchensk district attended by 600 students.

Sibur-Khimprom:
- Eco-contests for children and employees, crossword puzzles, tours for members of employees' families, for schoolchildren and for students as part of the Young Chemists' Club's activities (14 schools).
- Publicly held atmospheric air quality measurements at Perm's Esplanade and at the Mindovsky Park.
  Demonstration of eco-practices at the 2023 Perm Engineering and Industrial Forum.
- Participation in the winter climate school at PNRPU, attendance of meetings of Perm Krai's Chamber of Commerce and Industry, with presentations about the Company's practices.

SIBUR LLC:
- Gave 10 lectures (guest lectures at the Higher School of Economics, MGIMO, Higher School of Management at SPbSU, etc.).
- Presentations by the company's executives and specialists at external public events (SPIEF, Tatar Energy Forum, Environmental Forum in Ufa, National Oil and Gas Forum, etc.), a total of 42 external events.
- Held 13 in-house events for SIBUR employees.

1 Refers to total area of reclaimed land, the title to which has been relinquished (KhMAO, YaNAO, Tyumen region).

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SIBUR won the V.I. Vernadsky National Environmental Award for implementing its environmental education projects

КОНКУРС «НАЦИОНАЛЬНАЯ ЭКОЛОГИЧЕСКАЯ ПРЕМИЯ ИМЕНИ В.И. ВЕРНАДСКОГО»

Kazanorgsintez became the winner in the Education as a Route to Sustainable Development category for its series of environmental education projects and campaigns. In 2023, the Company launched a program of eco-lessons that became known as The Second Life of Plastics, co-created with the Resource Conservation Center. The class introduces schoolchildren to the significance of an environmentally conscious attitude, the importance of recycling and separate waste collection. The first lesson featured popular singer and blogger Milana Star as its guest star. The program had been used to form the basis for eco-lessons that the company's employees taught in Kazan's schools throughout the year.

Another initiative that was noted was the eco-show All of a Sudden on a Small Planet that got included in the permanent repertoire of the Youth Theater on Bulak.

SiburTyumenGas's tour was featured in the Open Industry 2.0 guide to the development of industrial tourism



At a ceremony held in Moscow to celebrate the finale of The Open Industry accelerator's contest for promoting industrial tourism, the tour of to the Vyngapur GPP conducted under the title of The Eco-Heart of Yamal was announced as the winner in the Industrial Personnel category for being the best tour of an industrial facility organized for the corporation's employees.

The team from SiburTyumen Gas presented their company's tourism offerings, developed a technical map of the industrial tour, and successfully defended its concept. The plant's visitors will be able to tour a state-of-the-art and technologically advanced gas processing facility, learn about the role of gas processing as a way of obtaining raw materials to create products that are beneficial to society, and become familiar with an environmentally friendly production model where associated petroleum gas is processed rather than flared.

2024 and medium-term plans

Focus area	Continued implementation of the Sustainable Development Strategy	Environmental monitoring	Biodiversity conservation	Environmental education
Activity	• Reduction of gross emissions of pollutants into the atmosphere. • Reduction of the volume of pollutants in wastewater. • Reduction of waste disposal by landfilling.	• Commissioning of a fixed monitoring station to analyze the ambient on the boundary between Kazanorgsintez and the adjacent residential area. • Replacement of a mobile environmental laboratory at Sibur-Khimprom.	• Co-funding of the Kerzhensky Nature Reserve's project to reintroduce the northern forest reindeer into the area. • Continued support of the saker falcon reintroduction project. • Organizing experts' conferences, round tables and workshops on biodiversity conservation and restoration.	• Performing voluntary environmental cleanups as part of Green Spring, Water of Russia, Clear Coast, and Green Bashkiria eco-campaigns. • Implementation of The Second Life of Plastics eco-education project in schools.

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Corporate governance system

GRI 3-3

Contribution to the UN SDGs

Material topics

- Corporate governance
- Risk management
- Compliance, business ethics and anti-corruption
- Regulatory compliance
- Respect for human rights

Impact Materiality Survey Results



2023 results

Leadership

2nd place in Legal Insight magazine's contest of Russian businesses' legal departments in establishing a unified corporate governance function

Responsibility

- ACRA assigned PJSC SIBUR Holding a **credit rating of AAA(RU)** with the "Stable" outlook
- Expert RA rating agency affirmed PJSC SIBUR Holding's **credit rating at AAA(RU)** with the "Stable" outlook

New Solutions

- Updating the Company's bylaws
- Continued improvement of the corporate governance system



Approach to corporate governance

SIBUR endeavors to continuously improve and enhance its corporate governance system to remain compliant with international and national standards, statutory requirements, regulators' recommendations, and best corporate governance practices.

With an advanced corporate governance system in place, SIBUR has been able to forge trust-based and fair relationships with its shareholders, investors, and other stakeholders. A corporate governance system that is founded on the principles of transparency, openness and trustworthiness directly contributes to improving the Company's efficiency and competitiveness.



SIBUR is strengthening and improving corporate governance as an important tool for sustaining the company's resilience and successful long-term growth, while striving to meet the most exacting business ethics and compliance requirements and expecting its partners to adhere to the same standards of business conduct.

Key corporate governance documents

- Charter of the Public Joint Stock Company SIBUR Holding
- Code of Corporate Conduct
- Regulations on the General Shareholders' Meeting of PJSC SIBUR Holding
- Regulations on the Board of Directors of PJSC SIBUR Holding
- Regulations on PJSC SIBUR Holding's Board of Director's Committees (new versions approved in 2023):
  - Audit Committee
  - HR and Remuneration Committee
  - Strategy and Investment Committee
  - Sustainable Development Committee
- PJSC SIBUR Holding's Internal Audit Regulations
- Regulations on the Audit Committee of PJSC SIBUR Holding
- Regulations on the Dividend Policy of PJSC SIBUR Holding
- Regulations Regarding the Information Policy of PJSC SIBUR Holding
- Insider Information Policy of PJSC SIBUR Holding (new version approved in 2023)
- Risk management and internal control policy of PJSC SIBUR Holding (new version approved in 2023)
- Regulations on provision of information and documents to the members of the Board of Directors of PJSC SIBUR Holding
- Regulations on preparation and provision of materials for Meetings of the Board of Directors and the Board of Directors' Committees of PJSC SIBUR Holding
- PJSC SIBUR Holding's 2025 Sustainable Development Strategy

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Governance structure

GRI 2-9

SIBUR's structure of governance bodies is multibranched. Managing organization SIBUR LLC represents the Group's corporate center. Besides being a part of the structure of PJSC SIBUR Holding, the parent company, each wholly-owned subsidiary features a corporate government structure of its own.

The structure and the composition of the Company's governance bodies and the level of competencies of their members are aligned with the Company's production and organizational needs and requirements. Members of the Board of Directors are elected by the General Meeting of Shareholders by cumulative voting for a term lasting until the next annual General Meeting of Shareholders. In 2023, members of PJSC SIBUR Holding's Board of Directors were twice re-elected to the Board.

Composition of the Board of Directors, pers.

	2019	2020	2021	2022	2023[2]
Total number of directors, including	**12**	**12**	**12**	**10**	**12**
independent directors	4	4	4	4	5
share of independent directors	33%	33%	33%	40%	42%
non-executive directors	5	5	7	6	6
executive directors	3	3	1	0	1
Gender diversity					
women	1	1	2	1	2
share of women	8%	8%	17%	10%	17%
men	11	11	10	9	10
Age diversity					
<30 years of age	0	0	0	0	0
30-50 years of age	4	2	1	5[1]	4
>50 years of age	8	10	11	5	8

12 persons
make up the Board of Directors

10 members
of the Board of Directors are males

2 members
of the Board of Directors are females

Additional information about the Company's corporate governance structure is available in the ESG data book on the Company's website.

Legal Insight

In 2023, SIBUR received an award from Legal Insight, a law magazine, for earning a **second place in The DEPARTMENT contest that measured performance of Russian businesses' legal departments** in establishing a unified corporate governance function.



1 This group includes directors aged 36 to 55, as this was the way the Company's records were kept in 2022.
2 This information is based on the Board of Directors' composition as of December 31, 2023.

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PJSC SIBUR Holding's and SIBUR LLC' corporate governance structure[1]

GRI 2-10, 2-12, 2-16, 2-18

General Meeting of Shareholders

- held six meetings (1 annual and 5 extraordinary);
- reviewed 12 issued including approval of the 2022 annual report and annual financial statements, approval of the auditor, election the Board of Directors and the Audit Committee, setting the number of the Board of Director's members.

Board of Directors

- The Board of Directors is made up of 12 directors (including 5 independent directors, 2 women);
- convened 22 meetings (3 in-person meetings, 19 in-absentia meetings);
- reviewed 55 matters, including:
  - matters related to strategic, investment and budget planning, financing, and control of investment activities;
  - matters related to the Company's corporate governance;
  - matters related to entering into transactions whose approval / coordination is required by the law on joint-stock companies and by the Company's Charter.

Audit Committee

- reviewed such issues as:
  - opinion on the credibility of data contained in PJSC SIBUR Holding's annual report and annual financial statements for 2022;
  - opinion on the reliability of data contained in the report on related-party transactions entered into by PJSC SIBUR Holding in 2022

External Independent Auditor

- JSC Tekhnologii Doveriya – Audit;
- the auditor's fee for auditing financial statements of SIBUR and its subsidiaries is RUB 76.74 million.

Audit Committee

- the committee is composed of 5 directors, including 4 independent directors;
- 11 meetings were held with 35 items reviewed, including:
  - quarterly Internal Audit reports;
  - approval of draft consolidated financial statements;
  - implementation of risk mitigation measures;
  - key 2024 risks.

Human Resources and Remuneration Committee

- the committee is composed of 4 directors, including 3 independent directors;
- 7 meetings were held with 10 issues reviewed, including:
  - factor analysis of the total staff headcount and improvement of labor productivity;
  - creating conditions for attracting, retaining, and developing human resources;
  - a united Company: the experience of the first year of integration;
  - The Polymer House at the VDNKh Exhibition Center: a long-term program for promoting chemistry and engineering professions.

Strategy and Investment Committee

- the committee is made up of 6 directors;
- 11 meetings were held with 16 issues discussed, including:
  - sales performance management, 2022 results;
  - report on the 2022 capital investment program's implementation;
  - 2024 capital investment program.

Sustainable Development Committee

- the committee consists of 5 directors;
- 5 meetings were held with 10 matters reviewed, including:
  - approval of PJSC SIBUR Holding's integrated report for 2022;
  - review of the results of the integrated report's audit;
  - status of the 2025 Sustainable Development Strategy's implementation;
  - status of the Green Formula program's implementation;
  - status of the compliance program's implementation.

Sole Executive Body (SIBUR LLC)

Internal Audit Function

General meeting of participants

Management Board

- Includes 16 members (including two female members);
- held 18 meetings;
- reviewed 31 matters, including:
  - preliminary approval of the establishment of new legal entities by PJSC SIBUR Holding;
  - review of preliminary results of the implementation of the annual business plan and the annual investment program of PJSC SIBUR Holding in H1 2023;
  - approval of candidates for election to the Boards of Directors of SIBUR Group's companies

CEO, Chairman of the Board

Management Board's Committees:

- Investment (as well as management boards of investment projects);
- Organizational Project Management (as well as management boards of organizational projects);
- Environment, Sustainable Development and Social Investment;
- Ethics and Discipline;
- Occupational Health and Safety, and Environmental Protection;
- Scientific and Technical (as well as management boards of R&D projects);
- Organizational Development;
- General Technical

Management bodies of PJSC SIBUR Holding

Management bodies of SIBUR LLC

1 As of December 31, 2023.

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Remuneration of governing bodies

GRI 2-19, 2-20, 2-21

The amount and the procedure for making remuneration and compensation payments to members of the Board of Directors are established by the Regulations "On Remuneration of Members of the Board of Directors of PJSC SIBUR Holding for the Performance of Their Duties and Reimbursement of Expenses Incurred in Connection with the Performance of Their Functions as Members of the Board of Directors of PJSC SIBUR Holding" (Appendix No. 1 to the Regulations on the Board of Directors).

Members of the Board of Directors have the right to participate in the Company's Incentive Program for executives or a management organization based on the acquisition of rights to acquire shares and/or other equity securities of the Company. In such a case, the number of shares assigned to the members of the Board of Directors is determined by the Board of Directors' Human Resources and Remuneration Committee.

Remuneration and compensation payments to members of the Board of Directors are made solely out of the company's profits. The Company independently assesses, withholds, and pays personal income tax and other taxes in accordance with the laws of the country where the respective member of the Board of Directors is a resident for tax purposes.

Remuneration of the Managing company is established subject to the terms of Contract on delegation of powers of the sole executive body of PJSC SIBUR Holding SKh.19100/ SR.7294 dated December 7, 2015.

Members of the Board of Directors of PJSC SIBUR Holding will be paid RUB 179.0 million in 2023 (RUB 169.0 million in 2022, and RUB 104.2 million in 2021). The amount of remuneration paid to members of the Board of Directors is made up of the following components:

- a fixed part of the Board of Director's Chairman's and members' remuneration;
- remuneration for participation in the Board of Directors' committees' meetings;
- reimbursement of documented expenses associated with travel to the venues of the Board of Directors' and the Board of Directors' Committees' meetings.

Key corporate governance foci in 2023 included the following:



No.	Key focus	Results
01	**Quarterly dividend payments**	In 2023, pursuant to the decision of the Board of Directors, dividends were paid out quarterly.
02	**Providing medium-term job security to the Board of Directors' members**	Following the decision of the Board of Directors dated August 7, 2023, the board's composition was again expanded to 12 members, of whom 5 are independent directors.
03	**Updating the approach to disclosing Company information in light of new realities**	A decision has been made regarding the scope of disclosure in public integrated annual reports.
04	**Transitioning to using the services of a single registrar in connection with the growth of the Group's assets**	On December 27, 2022, the Board of Directors approved the registrar NRC – R.O.S.T. JSC as the registrar of SIBUR Holding PJSC. Throughout 2023, the registrar was entrusted with the registers of SIBUR's enterprises, including Kazanorgsintez and Nizhnekamskneftekhim.
05	**Restructuring some of the Group's assets due to changing market conditions**	Transactions involving purchase and sale, reorganization, liquidation, and creation of assets received all necessary corporate legal support.
06	**Providing business support in terms of securing corporate approvals for key transactions and projects**	Throughout 2023, corporate approvals on all levels were granted for 5 transactions involving the sale (acquisition) of non-core assets, decisions on the focus of developing SIBUR Holding PJSC's assets in the Republic of Tatarstan, and on the status of implementation of the Amur GCC project.

Goals and results

2025 Sustainable Development Strategy's corporate governance goals:

Conduct a self-assessment of PJSC SIBUR Holding's Board of Directors' performance

Preparations for establishing the self-assessment methodology (including the format for performing the self-assessment and for presenting its results, the format and content of questionnaires) have been completed. The plan is to perform self-assessment of the Board of Directors' members' performance after completion of the self-assessment of the members of one of the Board of Directors' Committees that includes independent directors, with a view to introducing potential adjustments and improving the effectiveness of the methodology for performing self-assessment of the members of the Board of Directors.

2024 and medium-term plans

Focus area	**Further improvement of corporate governance**
Activities	• Update SIBUR Group's internal documents to reflect changes in legislation. • Conduct self-assessment of members of the Board of Directors' Committee(s). • Ensure that there are independent directors on the Board of Directors, create and support a talent pool to maintain the level of competence of independent directors at the appropriate level, including their professional skills.

Sustainable development management

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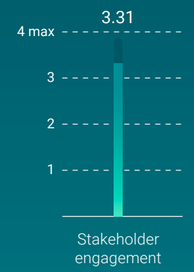
GRI 3-3

Contribution to the UN SDGs

Material topics

Stakeholder engagement

Impact Materiality Survey Results



2023 results

Leadership

- Winner of the 3rd Prize of the **Responsible Business Leaders Award**
- **Group 1** – advanced sustainable development practices. NRA-assigned ESG rating
- **ESG** Index Sustainable Development Vector, Group B, **ESG Index** Responsibility and Openness, Group B. RSPP Rating
- **ESG-II(b)** level in the Expert RA rating indicating a very high level of compliance with sustainability interests when making key decisions. The rating's outlook is Stable
- **First** category of the ESG ranking. Rating by NCR and RBC
- The Board of Directors updated SIBUR's Sustainable Development Strategy
- SIBUR's Head of Sustainable Development Maxim Remchukov elected as the new Chairman of the **Supervisory Board of the ESG Alliance**

Responsibility

- **84%** of SIBUR's employees completed training on sustainable development by the end of 2023
- The goals of the 2025 Sustainable Development Strategy were overachieved in 2023 to reach the performance level of 110% due to over-fulfilment of some of the indicators
- Established the **Climate Initiatives and Carbon Regulation** Function



Management approach

GRI 2-12, 2-13, 2-17, 2-28, 3-3

SIBUR's approach to sustainable development management is underpinned by the Company's values, best Russian and global practices, and the ambition to be a leader in key areas. This approach has been outlined in the Company's policies and bylaws.

External challenges and new risks have not been able to make the Company refocus its priorities. Most of the goals documented in the Strategy were accomplished ahead of schedule with the remainder of the targets expected to be met as scheduled.

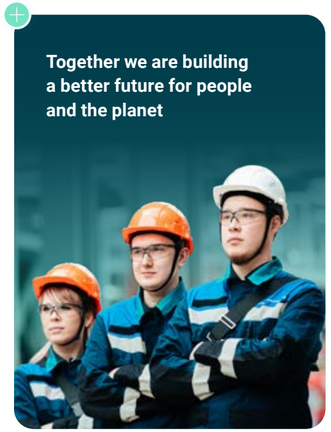
SIBUR has been actively engaging its employees in the fulfilment of the ESG agenda. 2023 saw 84% of the Company's employees undergo training on the topic of Sustainable Development by the year's end.

The present sustainable development management structure makes it possible to update the Company's goals in a timely manner and ensure information transparency. Matters related to sustainable development are discussed at meetings of the Company's top management bodies.

Since 2019, the Company's Management Board has had in place an Environment, Sustainable Development and Social Investment Committee, and since 2020, reporting to the Board of Directors, there has been a Sustainable Development Committee. The Committees' remit is to address matters related to environmental protection, sustainable development, and social investment, including review of the impact of these matters on the Company's business reputation, attractiveness to investors, its relations with the government, suppliers, customers, lending institutions, rating agencies, non-profit organizations, general public, and other stakeholders. In 2023, the Committees' meetings were convened 10 times to address various sustainable development matters.

110%

is the level of fulfillment of the plan to achieve the goals set by the Sustainable Development Strategy for 2023



Strengthening the Company's sustainable development management system



2019

- Environmental, Sustainable Development and Social Investment Committee of the Management Board established
- Sustainable Development function created
- 2025 Sustainable Development Strategy adopted



2020

- Sustainable Development Committee of the Board of Directors established
- Human Rights Policy adopted



2021

- Sustainable Development Committee of Amur GGP's Board of Directors established
- Circular Economy and Climate Impact Reduction Policy and Diversity and Inclusion Policy approved



2022

- Efficient Production function spun off a decarbonization stream of activities



2023

- Climate Initiatives and Carbon Management function established
- 2025 Sustainable Development Strategy updated

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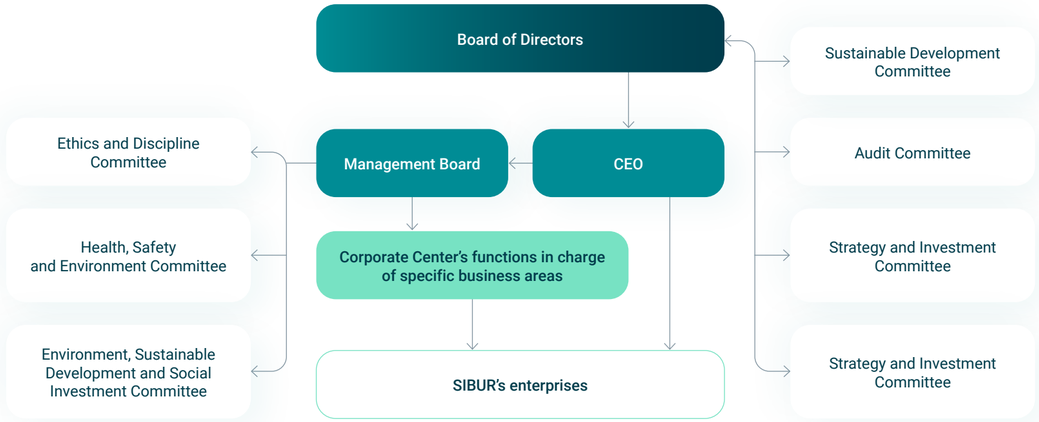
Key sustainable development documents

- 2025 Sustainable Development Strategy
- Counterparty Code of Business Ethics
- Human Rights Policy
- Compliance Policy
- Diversity and Inclusion Policy
- Social Investments Policy
- Circular Economy and Climate Impact Reduction Policy
- Code of Corporate Ethics

Sustainable development management structure

The Board of Directors' remit includes review of strategic topics of the Company's sustainable development, as well as approval of internal documents dealing with various aspects of sustainable development. Key decisions, approval of projects and programs are the responsibility of the Company's Management Board. Implementation of decisions is the responsibility of the relevant divisions that will then cascade those decisions down to the level of enterprises and specific personnel in charge.

Sustainable development management structure:



During the reporting period, the Board of Directors' Sustainability Committee discussed an update of the 2025 Sustainable Development Strategy, reviewed the progress of the Strategy's implementation (quarterly), and approved the Company's Integrated Annual Report for 2022. In addition to reviewing the status of the overall Strategy, separate discussions of matters related to the rollout of the Company's compliance program to its enterprises and the status of The Green Formula reforestation and climate-action program were held. The Audit Committee of SIBUR's Board of Directors considered general corporate risk matrix issues, including risks related to sustainable development and climate change risks, as well as reviewed the results of the audit of the Company's financial statements.

The remit of the Management Board's Committees includes development and implementation of programs in specific areas of activity, alignment of the projects under implementation with the Company's business strategy and its Sustainable Development Strategy, along with setting priorities for the current year and monitoring progress in the attainment of the adopted goals.

Climate Initiatives and Carbon Management function

In 2023, the Company set up an additional Climate Initiatives and Carbon Regulation functional unit to implement climate projects for low carbon development purposes. Thanks to contribution by staff of Production Efficiency, Sustainable Development, and Government Relations functions, the new unit:

- has become the driver of a number of initiatives to build and expand the Company's portfolio of climate projects;
- has been facilitating interactions with federal authorities with regard to updating and developing regulatory documents governing reforestation and climate-action projects initiated by private companies;
- initiated the process of signing agreements on cooperation in implementing climate projects with regions and municipalities in the areas where SIBUR's enterprises are located;
- has contributed to consolidating SIBUR's leadership role within the professional and experts' community.



Integrated management system

GRI 3-3

SIBUR has an integrated management system (IMS) that integrates the company's documents and initiatives in the areas of occupational health and safety, environmental protection, industrial safety and quality. SIBUR's IMS is ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety Management System) certified. The Company's Integrated Management System Policy defines goals and measures required to achieve them. The IMS has been implemented across all of the Company's enterprises and assets, reaching 100% of employees.

Updating the Sustainable Development Strategy

The Company's long-term goals had been set out in its Sustainable Development Strategy, which was approved in December 2019 and established goals for the Company's top priority areas of focus through 2025. The Strategy was updated in 2023 as a result of early delivery on a number of objectives and targets. It is expected that the progress with the Strategy's implementation will be reviewed at the end of 2024, so that the strategic goals could be re-adjusted again in 2025.

The goals outlined in the Strategy are broken down into individual tasks and are included in functional contracts, in PJSC SIBUR Holding's production contract, and in master plans of the Company's enterprises for the timeframe of up to 2025, with specific performance targets being set for each year. The Sustainable Development function at the Company's Corporate Center in Moscow has been put in charge of monitoring progress toward meeting these targets.

Progress with the Strategy's implementation is being monitored in constant coordination with the relevant units in charge. The Sustainable Development function consolidates data on the progress made in various areas and provides a status report to the members of the Board of Directors' Sustainable Development Committee for their approval at least once every six months.

Key performance indicators of relevant units and specific employees are tied to the achievement of the Strategy's goals. The level of achievement of expected results affects the bonus part of employees' remuneration.

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The updated Strategy and associated performance targets

Shown in green are the new targets formulated as a result of the Strategy's update.

	Focus area	2025 goals	2023 goals
E	**Environmental protection** For detailed disclosure, see p. 114	• Reduce water consumption by **3 million m³** • Reduce pollutant emissions into the atmosphere by at least **1,200 tons** • Reduce discharge of pollutants into water bodies by at least **300 tons** • Reduce waste landfilling by at least **5,000 tons**	• Reduce water consumption by **1 mln. m³** • Reduce pollutant emissions into the atmosphere by at least **800 tons** • Reduce discharge of pollutants into water bodies by at least **300 tons** • Reduce waste landfilling by at least **5,000 tons**
E	**Climate impact reduction** For detailed disclosure, see p. 98	• Increase the volume of "green" electricity **5-fold (MWh)** • Reduce specific emission rate in Gas Processing by **5% per ton** of output • Reduce specific emission rate in Petrochemistry by **15% per ton** of output • Plant at least **5 million trees** • CO_2 capture, utilization and storage projects under implementation or the stage of being prepared for implementation • Achieve carbon neutrality of at least one enterprise	• Increase the volume of "green" electricity to **6,859 MWh** • Reduce specific emission rate in Gas Processing to **0.5 per ton** of output • Reduce specific emission rate in Petrochemistry to **1.4 per ton** of output • Plant at least **2 million trees**
E	**Sustainable product portfolio** For detailed disclosure, see p. 92	• Ramp up investment in R&D projects focused on recycling of polymer waste and involving renewable raw materials in production **by 50%** • **100%** of key suppliers have successfully passed assessment for compliance with SIBUR's sustainable development requirements • Bring the share of PET products containing recycled pellets in the total PET output volume up to **at least 40%** • Conduct an assessment of **100%** of the existing product portfolio and introduce assessments for all new products • Facilitate recycling of at least **100,000 tons** of polymer waste per year as part of both the Company's stand-alone investment projects and projects implemented together with its partners • Bring output of low-carbon products, as well as products containing recycled or biological materials up to at least **250,000 tons** per year	• Ramp up investment in R&D projects focused on recycling of polymer waste and involving renewable raw materials in production up to **RUB 59 mln**. • **30%** of key suppliers have successfully passed assessment for compliance with SIBUR's sustainable development requirements • Bring the share of PET products containing recycled pellets in the total PET output volume up to **at least 32%** • Develop **3 EPDs** • Develop dashboards for measuring production chains' carbon intensity • Facilitate recycling of at least **15,500 tons** of polymer waste per year as part of both the Company's stand-alone investment projects and projects implemented together with its partners • Bring output of low-carbon products, as well as products containing recycled or biological materials up to at least **109,000 tons** per year
S	**Occupational health and safety** For detailed disclosure, see p. 67	• Achieve a **5%** annual LTIF reduction among employees and contractors • **0** employee and contractor fatalities	• Achieve LTIF target value of **0.23** • **0** employee and contractor fatalities
S	**HR management** For detailed disclosure, see p. 47-67	• Increase the level of staff engagement to **80%** • Increase **at least 2-fold** the share of women on the Management Board and in the Company's top management • Set up a **comprehensive diversity and inclusion program** • Reduce employee sickness absenteeism by **5%** annually	• Increase the level of staff engagement to **79%** • Increase **at least 2-fold** the share of women on the Management Board and in the Company's top management • Start an **Equal Opportunities Community**, consolidate leadership in addressing internal and national-level agenda issues • Reduce average employees' sickness absenteeism to **10.6 days** p.a.

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	Focus area	2025 goals	2023 goals
S	**Society and partnership** For detailed disclosure, see p. 47-67	• Deliver sustainable development training to **85%** of employees • Increase the share of corporate volunteers to **30%** • Contribute to the **achievement of national waste management goals** in cooperation with professional market players and government agencies • Grow the **social entrepreneurship support program** in the regions where the Company has a presence	• Deliver sustainable development training to **78%** of employees • Increase the share of corporate volunteers to **28%** • **Step up interactions** with professional market players and government agencies • **Grow the number** of entrepreneurs involved in the Company's projects and activities
G	**Compliance** For detailed disclosure, see p. 144-152	• Adopt the Counterparty **Code of Business Ethics**, and extend the Code's requirements to all of the Company's suppliers • **Expand the reach** of the compliance system • **Develop training resources** for all of SIBUR's compliance programs • **Bring** human rights infringements at SIBUR's enterprises **to a minimum** • **Bring** human rights infringements along the supply chain **to a minimum** • **Perform a self-assessment of the performance** of SIBUR Holding PJSC's Board of Directors	• **Update** the Counterparty **Code** of Business Ethics • Enter into contracts that include **contractual language requiring compliance with the Code**, including by counterparties • **Expand the Company's compliance system** to SIBUR-RT and RusVinyl • **Revise the** Compliance and business ethics **training course** for all SIBUR's employees • Ensure that at least **70%** of employees complete the training course • Set up compliance managers' **interview sessions** with enterprises' employees at the time of onboarding and later in the course of their performance of their duties; conduct meetings with counterparties

Achievements

10 issues
reviewed by the Board of Director's Sustainable Development Committee in 2023

84% SIBUR employees
completed sustainable development training

13 UN SDGs
that the Company helps achieve



SIBUR has identified 13 key goals out of the United Nations' 17 SDGs that the Company can contribute to achieving. Depending on the impact, six of the goals are regarded as focal and seven as indirect. SIBUR also makes its contribution to achieving the goals of Russia's National Projects (NPs)[1]:

- NP Environment: SIBUR has been reducing its own environmental footprint, contributing to the development of Russia's carbon market, promoting a circular economy and plastics recycling, participating in reforestation programs, implementing eco-education activities, and promoting respect for the environment in the areas where it operates, including with the help of the Company's eco-volunteers.
- NP Education: SIBUR has been consistently involved in implementing educational, awareness-raising and career guidance programs for schoolchildren, students, and junior staff, in developing its own personnel, contributing to the advancement, and raising visibility of engineering professions in Russia, and helping to boost professional excellence in the industry.
- NP Digital Economy: SIBUR has contributed to accelerating the development and implementation of new information technologies in the petrochemical industry, while improving the quality of operations at its own enterprises, increasing the level of the industry independence from imported products and, by working together with its partners, it has been creating an enabling environment for the industry's high-tech development.

1 For more information about SIBUR's contribution to the achievement of national projects' goals, see the Contribution to the Development of Local Communities section of this report (on page 79).

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Implementation of SIBUR's Sustainable Development Strategy, contribution to the achievement of the UN SDGs and RF NPs



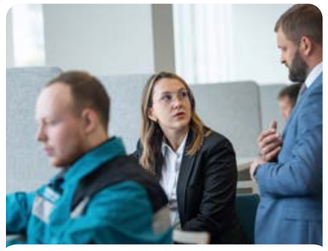




Area of strategic focus	Contribution to the Strategy's implementation in 2023	UN SDGs, RF NPs	Contribution to the achievement of the UN SDGs and RF NPs in 2023	For detailed disclosure, see
Environmental protection	**5 goals** 15.5%		Results of measures taken to achieve Sustainable Development Strategy's goals: • Water consumption reduced by **1.4 mln. m³** • Emission of pollutants into the atmosphere reduced by **1,300 tons** • Discharge of pollutants into water bodies reduced by **1,250 tons** • Waste landfilling was reduced by **12,500 tons** • SIBUR enterprises released about **800,000 fish** fry into local water bodies	Environmental Protection
Climate impact reduction	**4 goals** 12.5%		• **276,000 GJ's** worth of green electricity purchased • More than **2 mln.** trees planted under the Green Formula program • **25%** reduction of direct (Scope 1) GHG emissions • **21%** reduction of specific GHG emissions against the 2023 target in Gas Processing and Infrastructure; • **8%** reduction of specific GHG emissions against the 2022 value in Petrochemistry	Energy Efficiency and Contribution to Low-Carbon Development
Sustainable product portfolio	**8 goals** 25%		• **50.2%** increase in investments in R&D projects focused on recycling of polymer waste and involving renewable sources of raw materials • **30%** of key suppliers have successfully passed assessment for compliance with sustainable development requirements • The share of PET products containing recycled pellets in the total PET output volume reached **32.5%** • Assessment of **100%** of the existing product portfolio has been carried out and assessments for all new products has been introduced • **21,400 tons** of polymer waste got recycled as part of SIBUR's stand-alone projects • Output of low-carbon products, as well as products containing recycled or biological materials reached **111,200 tons** • Development of a Vivilen-based film formulation in cooperation with Danaflex; associated doypack packaging material was tested and approved by end users • Development of solutions for mechanical processing and promotion of the VIVILEN brand • Further improvement of mechanical and chemical processing solutions • Development of the R&D group on recycling	Sustainable Product Portfolio

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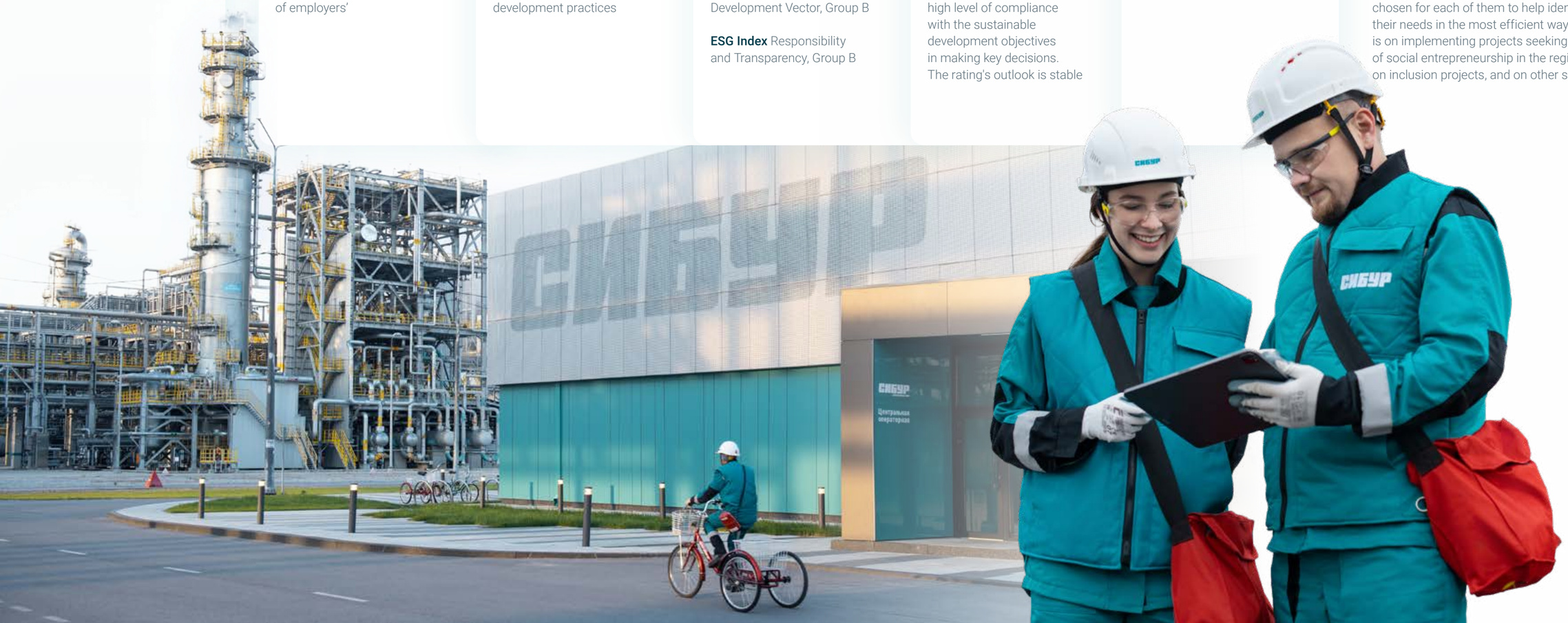
Area of strategic focus	Contribution to the Strategy's implementation in 2023	UN SDGs, RF NPs	Contribution to the achievement of the UN SDGs and RF NPs in 2023	For detailed disclosure, see
Occupational health and safety	**2 goals** 6.5%		• **RUB 4.4 bln.** invested in OHS • **RUB 1.8 bln.** spent on medical safety • **27%** reduction in lost work day rate per one employee p.a. • **40%** increase in the number of employees who have completed occupational health and safety training • Introduction of a **contractor OHS management system for implementing construction projects** • Pilot implementation at 2 of SIBUR's enterprises of **a lockout/tagout (LOTO) procedure to prevent non-isolated dangerous equipment from being started up inadvertently**	Occupational Health and Safety
Personnel management	**4 goals** 12.5%		• Employee engagement reached **87%** • **12.3%** is the share of women on the Management Board and in top management • **SIBUR's Community of Equal Opportunities** has been set up and is being grown • **49%** of vacancies filled by internally-sourced candidates • A **Young Professionals' Forum** was held across 8 clusters, with the participation of students undergoing dedicated corporate training (18 enterprises; 10 higher education institutions) • A set of measures has been developed to increase the percentage of **young female candidates** hired to fill junior-level positions at production facilities • The level of **8.71 days** of sickness absenteeism per 1 employee achieved	Human Potential Development
Society and partnership	**4 goals** 12.5%		• **84%** of employees went through the sustainable development training course • **28%** is the current share of corporate volunteers of whom **14%** are eco-volunteers • The Company implemented projects contributing to the achievement of national waste management goals in collaboration with professional market players and government agencies • The program to support social entrepreneurship in the regions of presence has been expanded	Contribution to the Development of Local Communities
Corporate governance and compliance	**5 goals** 15.5%		• Updated **Counterparty Code of Business Ethics** • **48% of employees** received compliance training	Corporate Governance

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ESG ratings and rankings

SIBUR's accomplishments in pursuing the sustainable development agenda and in implementing the best social and environmental responsibility practices have gained it high-placed positions in various ESG ratings. The underlying assessments have helped the Company identify its strengths and areas for improvement that are taken into account when formulating further steps in the area of ESG management.

Forbes	НРА Национальное Рейтинговое Агентство	РСПП	Expert	НКР РБК
Platinum status in Forbes rating of employers'	**Group 1:** advanced sustainable development practices	**ESG Index** Sustainable Development Vector, Group B **ESG Index** Responsibility and Transparency, Group B	**ESG-II(b) Level:** very high level of compliance with the sustainable development objectives in making key decisions. The rating's outlook is stable	**First** ESG ranking category



Stakeholder engagement

GRI 2-26, 2-29

Stakeholder engagement is an integral element of SIBUR's sustainable development management system. By maintaining regular communication with its stakeholders, the Company collects information about the Company's impact on the economy, society, and the environment, receives feedback on its progress with the implementation of its projects and achievement of the Company's strategic goals, and takes this information into account in conducting performance evaluations and planning for the future.

SIBUR designates 9 different categories of stakeholders, with unique engagement channels and formats chosen for each of them to help identify and meet their needs in the most efficient way. The Company's focus is on implementing projects seeking to foster development of social entrepreneurship in the regions where it operates, on inclusion projects, and on other socially relevant initiatives.

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Main categories of stakeholders and key topics discussed as part of stakeholder engagement in 2023

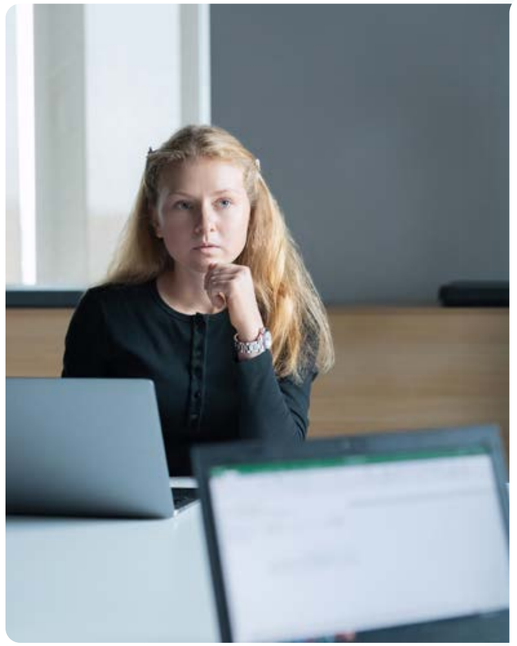
Group	Stakeholders' principal concerns	Engagement formats	Key activities
Shareholders and investors (including from oversees)	• The Company's operational and financial performance; • Allocation of profits, payment of dividends; • Appointment of an external auditor; • Approval of the annual report and financial statements.	• General meetings of shareholders; • Board of Directors meetings; • Disclosure of information on financial and non-financial aspects of the Company's operations; • Internal restrictions on the use of insider information.	• Annual general meeting of shareholders was held on April 17, 2023. • Extraordinary general meetings of shareholders were held on June 14, 2023, June 29, 2023, August 7, 2023, September 28, 2023, and December 15, 2023. • Steps were taken to prepare and disclose all necessary public materials subject to regulatory requirements.
Personnel	• Occupational safety; • Working conditions and pay, perquisites and fringe benefits; • Career growth opportunities; • Training and education.	• Collective bargaining agreements, social guarantees; • Training and development programs; • Employee pulse surveys; • Internal business ethics hotline; • Corporate IT platforms; • Internal restrictions on the use of insider information.	• Training under compulsory and optional curricula provided (6.7 mln. training hours). • Employee engagement assessed (level of engagement assessed at 87%). • Corporate social activities carried out (>11,700 program beneficiaries among staff members). • Active volunteering in priority areas: helping minors and seniors, environmental protection, education and mentoring, maintaining a healthy lifestyle, preserving cultural and historical heritage.
Customers (including from overseas)	• Product quality; • Product range; • Procurement automation and digitalization.	• Exhibitions and industrial associations; • Customer surveys; • SIBUR for Clients magazine; • Projects aimed at promoting circular economy principles.	• Customer satisfaction evaluation of key customers and consumers of the Company's products was conducted (CSI Index: 90%). • A procurement center in the People's Republic of China (Shanghai) was set up. • Over 100 business meetings and roundtables with customers were held throughout 2023. In November 2023, SIBUR organized the largest specialized client event, the forum titled New Guidelines for Partnership: Building the Future Together.
Business partners and suppliers	• Supply of Goods agreements; • Settlement procedures; • Transparency in selecting suppliers.	• Long-term contracts, joint ventures; • Tenders; • Recurrent meetings and professional events, contests, and ratings; • Surveys of suppliers.	• The Counterparty Code of Business Ethics was updated. • Suppliers were assessed for compliance with SIBUR's sustainable development requirements.
Capital markets and creditors	• The Company's operating and financial performance; • Outlook for the Company and for the industry; • A broad range of sustainable development issues; • Risk management effectiveness.	• Disclosure of operating and financial performance indicators; • Publication of press releases; • Publication of the Integrated Report; • ESG loans.	• Steps were taken to prepare and disclose all required public materials subject to regulatory requirements. • Responses to inquiries from representatives of the investment community, as well as from both credit and ESG rating agencies, were provided.

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Group	Stakeholders' principal concerns	Engagement formats	Key activities
Non-profit organizations	• Impact of operations on the environment and society; • Minimization of non-financial risks; • Industry-related issues	• Public Hearings; • Civic councils in cities where the Company has a presence; • Partnership projects; • Events of industry associations.	• A grant contest among non-profit organizations was held. Awarded grants for implementing socially significant projects (RUB 97 mln. worth of grants provided under the Formula for Good Deeds program). • Webinars were held for recipients of grants to help them improve their project skills. • Non-profit organizations have been involved in implementing interregional projects and charity events. • Annual March 8 charity event for mothers of special children was held in cooperation with local charitable foundations in 24 cities where the Company has a presence.
Local Communities	• Potential impact on the environment and communities at the level of regions where the Company operates; • Employment opportunities; • Infrastructure development; • Preservation of cultural diversity.	• Social networks, Telegram channels, mass media; • Public hearings; • Civic councils in cities where the Company has a presence; • Round-table discussions; • Social projects; • Volunteering; • Tours of production facilities.	• Provided support to social entrepreneurs in the Amur Region (RUB 1.9 mln.) and the Tyumen Region (RUB 10.6 mln.). • City-wide events and festivals to celebrate street art (Tobolsk, Nizhnekamsk), literature (Blagoveshchensk, Kazan, Nizhnekamsk), theater (Nizhnevartovsk) and other arts were held in all cities where the Formula for Good Deeds program is under implementation. • Svobodny hosted the Amur Region's first Corporate Volunteers Forum (involving 150 participants).
Federal and regional government bodies	• Creating jobs; • Contribution to regional development.	• Cooperation agreements at the local, regional, and federal levels; • Joint working groups; • Events with participation of government officials held on the enterprises' grounds; • Government officials' participation in events held in the cities where the Company's enterprises operate; • Conferences, business meetings, business breakfasts, fora.	• The scope of cooperation agreements with the Government of the Khanty-Mansi Autonomous Okrug-Yugra and the Government of the Yamalo-Nenets Autonomous Okrug was expanded. • A range of events held as part interregional projects with the involvement of government officials.
Mass media	• Company-related news, depending on the focus of a particular media outlet.	• Support for information transparency: publication of corporate information on the Company's website; • Distribution of press releases covering newsworthy developments; • Initiating special projects in influential media outlets; • Holding press events.	• Engagements with media representatives at industry conferences, international exhibitions, economic fora, and at other public events • Press conferences and special briefings for the media, offering industry reporters and experts an in-depth insight into the industry's agenda. • Media tours to the Company's production facilities. • Regular external communication (through press releases, memoranda, public presentations of projects, etc.) on the topics of sustainable development, investment, social responsibility and partnership, company operations, development projects, etc.

Transparency of information

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Key channels for keeping stakeholders informed:

- Page for mandatory disclosure of company information on Interfax's Information Disclosure Server (e-disclosure.ru)
- The Company's official website
- Website of the Formula for Good Deeds program: includes rules for participation, application forms, and news about the program
- Official social media accounts on VKontakte, Telegram
- SIBUR for Clients Magazine featuring key topics for the Company's clients, news, Q&A
- SIBUR e-commerce platform: includes an electronic trading platform, product catalogue, processing online orders
- website of The Green Formula reforestation and climate-action program
- website of the Vivilen brand of polymer granules manufactured with the use of recycled raw materials
- WeChat platform for communicating with customers from Turkey and China.

Resources available to the Company's staff:

- Corporate social network CLICK
- Weekly mailing digest featuring key news and events
- SIBUR Team newspape
- INDOOR TV and corporate radio broadcasts;
- Corporate forum Our Company
- In Focus Today webinars covering topics that are relevant to the Company and its employees

The Company's Integrated Annual Report is one of the tools used for communicating with the Company's internal and external stakeholders. In 2023, SIBUR's Sustainable Development function conducted an employee survey about the staff's awareness of the Company's Integrated Annual Report and the relevance of this information channel.

Survey results:

65%
employees are aware that the Company produces integrated annual reports

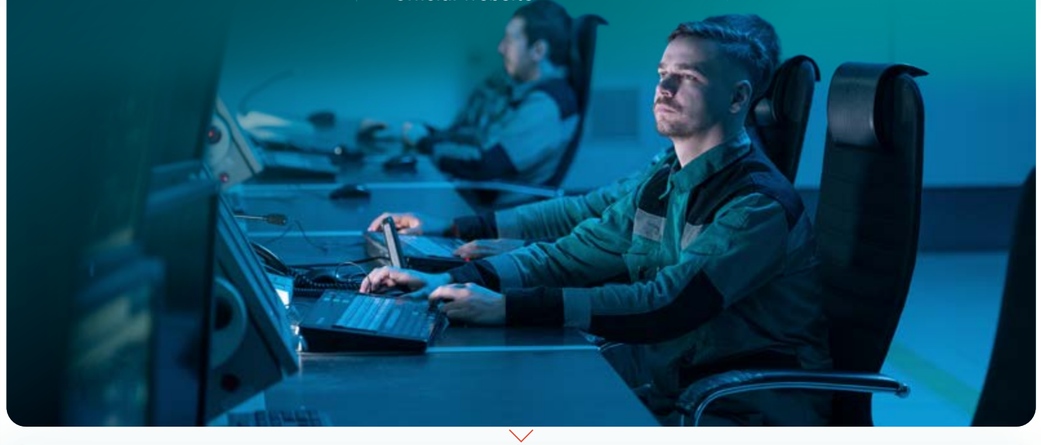
62%
employees are aware of what kind of information is included in integrated annual reports

68%
employees understand why the Company produces integrated annual reports

47%
employees are aware that integrated annual reports are independently audited

23%
employees are aware that integrated annual reports are published on the Company's official website

7%
employees make use of integrated annual reports in their work



Three key indicators to be monitored in 2024 and 2025

Membership in organizations and associations

GRI 2-28

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National ESG Alliance

SIBUR is one of the founding members of the Alliance established in 2022 to align the efforts and capabilities of Russian companies as they transition to the sustainable development model. In 2023, SIBUR's representative Maxim Remchukov, Head of the Company's Sustainable Development Function, was elected Chairman of the Alliance's Supervisory Board.

Association of Expanded Polystyrene Manufacturers (AEPM)

SIBUR took part in the March 2023 RosBuild exhibition providing its stand as the venue for holding the Association's annual meeting that took stock of 2022 results and produced the agenda and action plan for 2023.

Task Force on Climate-related Financial Disclosures (TCFD)

SIBUR continues to support the TCFD and has been taking steps aimed at achieving low-carbon development in keeping with the goals of the 2025 Sustainable Development Strategy. Information about the measures taken by the Company and the results they produce is made public each year in the Company's integrated annual report.

United Nations Global Compact (UNGC)

SIBUR joined the initiative in the fall of 2019. Information about the Company's contribution to the implementation of the UNGC's 17 principles is disclosed annually in the Company's integrated annual reports and during presentations made at various events dedicated to this topic.

International Program Responsible Care

SIBUR joined international Responsible Care initiative in 2014. The Company has been submitting annual reports on its activities in applicable areas to the national authorized body, which in Russia is represented by the Russian Chemists' Union.

RF Chamber of Commerce and Industry

SIBUR has been actively involved in various professional and expert-level events on compliance. Veronika Kisileva, Head of SIBUR's Compliance and Business Ethics Practice, is a member of the Russian Federation Chamber of Commerce and Industry's Council for the Development of Anti-Corruption Compliance and Business.

Russian Chemists' Union (RCU)

The Company takes part in discussions and business events organized by the Russian Chemists' Union. The Company's enterprises have been winners of several of RCU-organized 5 Stars contests. In 2023, the contest's top prize went to SIBUR-Neftekhim (Dzerzhinsk) for its project on production effluents' quality control. SIBUR-Kstovo and RusVinyl took the first and a prize-winning slot in the Sustainable Enterprise and Responsible Employer categories.

Anti-Corruption Charter of the Russian Business

SIBUR joined the Charter in 2018. This confirms the company's commitment to adhere to anti-corruption principles and standards and serves to show its readiness to implement anti-corruption measures. A well-defined anti-corruption program plays a crucial role in building trust-based relations with the Company's employees, customers, counterparties, investors and regulators, and helps reinforce the Company's reputation as a reliable business partner.

World Plastic Council

SIBUR participates in the Council's activities and in drafting key documents. In 2023, the company's representatives were involved in the development of a roadmap to address issues associated with plastics use and recycling.

2024 and medium-term plans

Focus area	2025 Sustainable Development Strategy	Sustainable development management structure	ESG ratings and rankings
Activities	• Achieving the goals of the updated 2025 Sustainable Development Strategy. • Getting ready to adopt a new Strategy for the next medium-term period.	Strengthening the framework for managing individual sustainable development aspects at the Company's Corporate Center (Moscow).	Solidifying the Company's standing in ESG ratings.

Business ethics and compliance

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Contribution to the UN SDGs

Material topics

- Compliance, business ethics and anti-corruption
- Respect for human rights

Impact Materiality Survey Results





2023 results

Leadership

- The Russian Union of Industrialists and Entrepreneurs (RSPP) awarded SIBUR its highest A1 Anti-Corruption Rating **for the fourth consecutive year**
- **Winner** of the All-Russian contest "Best Anti-Corruption and Anti-Corruption Education Practices" in the following categories: "Best Russian Specialist in Countering Corruption within Government Agencies and Municipal Authorities or within an Organization" and "Best Anti-Corruption and in Anti-Corruption Education Practices: based on the case of SIBUR's Compliance System"
- Veronika Kiseleva recognized as the Upstream Sector's Female Talent 2023
- Veronika Kiseleva became the recipient of the Russian Compliance Award 2023 in the Best Compliance Function Manager category
- Letter of Commendation from the Office of the Head of the Republic of Tatarstan, 2023

Responsibility

- Updated the Corporate Code of Ethics and the Counterparty Code of Business Ethics
- 500 reports filed via the Independent Ethics and Compliance Hotline or through other channels of communication dedicated to dealing with compliance issues
- No cases of disrespect for human rights have been documented at SIBUR's enterprises

Solutions

- **> 150** compliance ambassadors at SIBUR
- **At least 80% of employees** (including managers) who had been recommended to take a training course received compliance training
- **> 1,900 individuals** received training as part of the One-Day Hiring process
- **100%** enrollment in the Compliance 2.0 e-learning course
- **>1,200** representatives of key counterparties received compliance training

Management approach

GRI 3-3, 2-23

SIBUR is building an integrated compliance system that ensures the Company remains compliant with legal, corporate, and other statutory requirements. An effective compliance system serves to advance the principles of business ethics and anti-corruption across the Company and helps improve management efficiency and overall performance. Strict procedures and control mechanisms that are built into business processes help employees better understand their management's expectations and requirements, which helps mitigate reputational risks, strengthen corporate culture and increase labor productivity.

SIBUR's Code of Corporate Ethics puts human rights and respect for these rights at the top of the Group's priorities. Members of staff are expected to contribute to building an atmosphere of cooperation within the team. In addition, the Code also contains provisions addressing issues related to ethics within the framework of sustainable development, i.e. employment relations, occupational health and safety, and environmental protection.

According to the Code of Corporate Ethics, the Group does not engage in political activity nor does it finance political organizations or other non-profit organizations whose operations are not directly relevant for the company's business.

Companies adhering to the principles of sustainable development and maintaining high standards of business conduct win trust and respect of their customers, investors, and suppliers. In 2023, SIBUR updated its Counterparty Code of Business Ethics that sets out the Company's key requirements for all its business partners. These include respect for law, generally accepted standards of corporate and business ethics, intolerance for corruption, respect for human rights and freedoms, protection of confidential and insider information, timely reporting of any real or potential breaches of the Code's clauses, and others.



Compliance is foundational to the way we do business. Our unit's mission is to foster a culture of zero tolerance for non-compliance. We strive to build a space for open dialogue, for promoting corporate values, and for upholding ethical behavior principles. Thanks to our consistent and systemic efforts, an increasing number of SIBUR's employees view compliance as an effective mechanism for safeguarding their rights and deterring misconduct of all sorts.

Veronika Kiseleva,
Head of Compliance and Business Ethics Practice

The mission of the Compliance and Business Ethics function is to foster a culture of zero tolerance for misconduct, to build a robust and responsible corporate culture, and to boost SIBUR's attractiveness as an employer. SIBUR's compliance system is underpinned by the recommendations of ISO 37301:2021 Compliance management system – Requirements with Guidance for use, ISO 37001:2016 Anti-bribery management systems – Requirements with guidance for use, applicable statutory requirements, recommendations of regulatory authorities, industry-specific requirements, and best compliance practices.



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Key business ethics and compliance documents

SIBUR has developed and adopted a number of documents and policies to combat corruption, manage conflicts of interest, assess and mitigate compliance risks and uphold human rights in the workplace. The principles of honest and ethical business conduct are outlined in the Company's, Code of Corporate Ethics, Code of Corporate Conduct, and Compliance Policy.

The Counterparty Code of Business Ethics formalizes the Company's expectations of and requirement for its partners, contractors and suppliers. Certain other aspects are additionally addressed in such documents as Human Rights Policy and Diversity and Inclusion Policy.

Compliance and business ethics management structure

SIBUR has been developing its compliance system since 2013, when the team was faced with the need to achieve ambitious goals: from drafting foundational documents to instilling an appropriate corporate culture in all its employees. At the beginning of 2023, compliance management was spun off as a separate function with the practice head reporting directly to SIBUR LLC's CEO. At present, the Company's compliance system is being recognized by independent experts as one of the most advanced corporate practices in Russia.

Company officer / Unit in charge	Duties
SIBUR LLC's CEO, Chairman of the Management Board	• Performs general management of the compliance system
SIBUR LLC's Compliance and Business Ethics Unit (Head of Practice, compliance managers, compliance experts)	• Ensures achievement of compliance objectives • Develops and implements the company's compliance system, conducts compliance risk assessments • Strengthens compliance culture and business • Prevents corrupt practices
SIBUR LLC's Ethics and Discipline Committee	• Ensures compliance with regulatory requirements, the Company's bylaws, and ethical business conduct principles • Prevents violations and abuse • Resolves conflicts of interest
Heads of units	• Apply compliance enforcement tools with respect to the processes within their respective purview
Compliance representatives	• Perform compliance duties within organizations where there are no compliance managers or compliance experts
Compliance ambassadors	• Work to achieve educational and awareness-raising objectives in the area of compliance

GRI 2-15

The Company has put in place a Regulation on Managing Conflicts of Interest that defines sets out measures that need to be taken to prevent and eliminate conflicts of interest. SIBUR's principal body responsible for addressing issues of ethical business conduct and conflict of interest is the Management Board's **Ethics and Discipline Committee** operating within the framework of the Committee's terms of reference set out in the respective Regulation. The Group's enterprises have their own ethics and discipline commissions reporting, in turn, to the Committee.

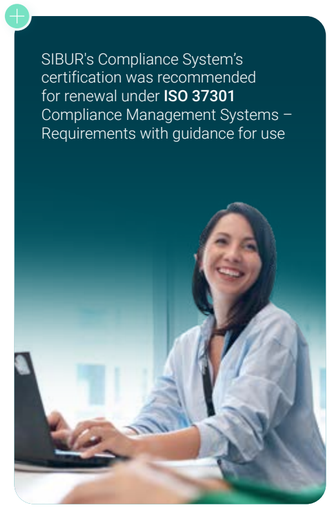
The Committee and commissions hold regular meetings to review cases where conflict of interest may be present. A total of 62 such meetings were held in 2023 across all enterprises and by the Ethics and Discipline Committee (60 commission meetings and two Committee meetings).

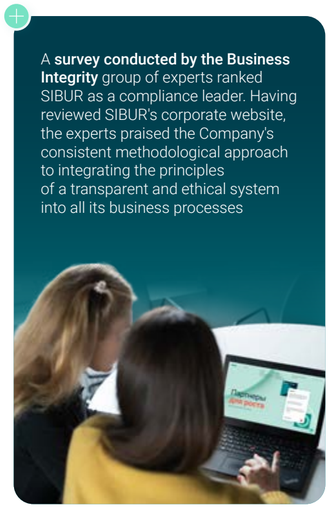
Key streams of activity in the area of compliance:

1. Activities of SIBUR's Ethics and Discipline Committee and enterprises' Ethics and Discipline Commissions at the enterprises
2. Routine disclosure of conflicts of interest during employees' hiring or transfers
3. Regular certification audits to verify conformity to international compliance management standards
4. Implementation of an anti-corruption policy at controlled entities on the basis of a uniform methodology
5. Providing compliance information and training to employees and other stakeholders
6. Regular audit and updating of the Company's bylaws and regulations
7. Re-engineering of the independent hotline for reporting non-compliance
8. Development of a compliance ambassadors program
9. Fostering a youth compliance movement
10. Introduction of administrative and criminal compliance measures
11. Automation and digitalization of business processes
12. Maintaining and updating the Register of Compliance Risksов

GRI 419-1

Throughout the reporting period, SIBUR incurred no fines for failure to comply with regulatory requirements in the social and economic sectors.





Achievements

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2025 Sustainable Development Strategy's goals and implementation progress:

Adopt the Counterparty Code of Business Ethics, and extend the Code's requirements to all of the Company's suppliers

- Updated the Counterparty Code of Business Ethics
- Entered into contracts that contain language requiring compliance with the Code with counterparties

Bring human rights infringements at SIBUR's enterprises to a minimum, and should cases of infringements become known, take steps to restore the rights infringed upon

Compliance managers hold interviews with enterprises' employees at the time of onboarding and later in the course of their performance of their duties.

Expand the Company's compliance system

Compliance system implemented at SIBUR-RT and RusVinyl

Bring human rights infringements along the supply chain to a minimum

- Meetings with representatives of the Company's suppliers have been conducted
- A Day of the Supplier was organized; all attendees were provided with brochures on the Code of Business Ethics of a Counterparty of SIBUR LLC and PJSC SIBUR Holding's Enterprises

Develop training resources for all of SIBUR's compliance programs

- Compliance and business ethics training course has been revised and is ready to be used
- At least 70% of employees (including managers) assigned to take the course, completed training

Activities undertaken as part of implementation of the compliance program and their outcomes:

Focus area	2025 goals
Process automation	During the reporting period, implementation affected the following areas: • Candidate vetting; • Vetting of employees who are being transferred to a new position; • Annual disclosure of conflicts of interest; • Reengineering the hotline.
Joint program with the trade union	The list of activities includes: • a round of intellectual and recreational games titled "Compliance Compass" for employees' children held at recreational facilities; • creativity contests of children's drawings, including for use as illustrations in the Compliance Primer; • intellectual quizzes with employees' participation; • on-site master class on handling sensitive information held at Kazanorgsintez. A series of training videos on compliance has been produced. A series of training videos on compliance has been produced. An email service using the email address of SIBUR's trade union organization (trade-union@sibur.ru) has been set up to be used for reporting compliance complaints and irregularities.
Monitoring of key areas of administrative and criminal compliance	Registers of compliance risks and administrative and criminal compliance risks have been established and are being kept up-to-date.
Promotion of the compliance system via corporate social networks and other media resources	• A video featuring the Chair of the Ethics and Discipline Committee of SIBUR LLC and CEOs of SIBUR enterprises was released to mark the 10th anniversary of the compliance system's introduction and the International Day of the Top Manager. • A Compliance Primer was released. The primer was also used as the basis for a making a series of videos titled About Compliance from Across the Country featuring employees of various SIBUR companies. • Articles covering the importance of compliance for the sustainable development agenda (in the Aktsionernoye obshchestvo (Joint-Stock Company) magazine) and the anti-corruption compliance strategy of the Republic of Tatarstan (in the Pravo i zhizn v Tatarstane (Law and Life in Tatarstan) magazine), as well as articles in the Republic of Tatarstan's Anti-Corruption Bulletin, got published.
Conducting exit interviews with resigning employees	Conducting exit interviews with resigning employees – The practice of holding exit interviews with resigning employees has been instituted and is in place with a view to ensuring their loyalty to the Company, minimizing reputational risks, and identifying inconsistencies.
Supporting the work of the Council on the development of anti-corruption compliance and business ethics in the Republic of Tatarstan	• Held a webinar on the topic of Socially Responsible Business: Compliance as a Driver for Achieving Regions' and Companies' Sustainable Development Goals and Principles. An organization's anti-corruption program as a key tool for managing compliance risks (over 100 attendees). • Analyzed the results of the survey on business and government transparency, and on improving large companies' compliance practices. • The Council's co-chair Veronika Kiseleva and members took part in a session dedicated to "Compliance in the Age of Turbulence" held as part of the Kazan Legal Week Forum, and in a panel discussion on the subject of "Corporate Compliance System: New Efficiency Drivers and Stakeholder Relations" held as part of the St. Petersburg International Gas Forum, as a moderator, as speakers and as attendees. • Leaders and members of the Council took part in the first international Sino-Russia forum Rostki.

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Hot line and feedback

GRI 2-26

To ensure transparency of its operations, effectiveness of non-compliance prevention measures and adherence to the Company's high standards of doing business, the Company has set up a Hotline operated by Business Solutions and Technologies, a SIBUR partner.

Report to the Hotline

If one becomes aware of any instances of theft, fraud, corruption, or other breach of compliance standards, these could be reported via the Hotline using one of the following options:

- leave a message on the hotline's website at sibur-hotline.delret.ru,
- send an email to sibur@ethicshl.ru,
- call +7 (800) 500 08 74.

Such reports can be either made anonymously or one may wish to provide their contact details for further feedback. All information contained in each report, including one's personal data, will be treated as confidential.

- The Company's employees and contractors can also use an internal communication channel similar to the independent hotline: compliance@sibur.ru



SIBUR routinely analyzes statistics with respect to the quantity and nature of calls placed to the Hotline number.

In 2023, the Hotline and other communication channels registered a total of

500 communications,

including requests for consultations.

The 3 most common topics raised included non-payment of wages by SIBUR's contractors to their employees, conflicts of interest, and unethical behavior.

Each report is discussed with the appropriate functional unit to identify and address irregularities, as well as any mitigating measures that may be required. The management of contractors and subcontractors is advised of the need to follow the Counterparty Code of Business Ethics, including the need to respect human rights in the workplace.

In addition, compliance representatives at the Company's enterprises convene quarterly meetings with members of the workforce to exchange latest information, provide feedback, forge an atmosphere of mutual trust, and create an enabling environment for mitigating compliance risks.

Business ethics and compliance training

An important element of SIBUR's compliance system is providing training to its employees and partners to raise their awareness of the principles of ethical behavior, managing conflicts of interest, and mitigating various compliance risks. In 2023, the Company's employees completed 17,400 hours of compliance training, with an average length of training of 0.5 hours per employee (versus 0.1 hours in 2022).

2023 training statistics:

>1,900
individuals received training as part of the One-Day Hiring process

100%
enrollment in the Compliance 2.0 e-learning course

5,700
people took part in face-to-face and online meetings

>1,200
representatives of key counterparties received training

SIBUR's employees are briefed on the Company's compliance requirements at the time of getting hired and when signing their employment contracts, as well as annually in a face-to-face or distance-learning format. All employees are required to take the Company's trademark **Compliance 2.0 e-learning course** providing them with an opportunity to learn the theory, review key documents and study practical cases.

SIBUR has been actively growing its program of developing **compliance ambassadors**. Compliance ambassadors play a crucial role in spreading the knowledge about compliance and business ethics among the Company's staff, thus making these processes more transparent and easier to understand. To date, the Company has brought on board more than 150 compliance ambassadors to all of its enterprises who raise awareness among their colleagues by implementing outreach techniques while contributing to creating a more transparent and productive work environment, and providing prompt feedback whenever issues arise.

16,798
employees underwent compliance training in 2023

>40,000
members of Compliance and Business Ethics group in the corporate CLICK network

>150
compliance ambassadors of SIBUR

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Results of an anonymous online survey about employees' perception of the compliance culture

In 2023, SIBUR conducted a survey among its employees using a questionnaire consisting of 22 questions about the Company's compliance culture. More than 6,900 employees from 33 SIBUR enterprises and offices took part in the poll. The survey showed that:

- **88% of respondents** found the level of corporate culture to be "high" or "very high";
- **85% of employees** are familiar with the company's Code of Corporate Ethics;
- **89% of employees** noted that SIBUR had been taking adequate measures to prevent fraud and corruption;
- **88% of employees** are comfortable with how well they are being informed about the importance of following the standards and principles of business ethics, citing the corporate business network CLICK (73%) and e-mail messaging (74%) as the most popular sources of information about compliance and corporate ethics.



SIBUR's compliance team has been working hard to promote the principles of ethical and transparent business practices both within and without the Company. By implementing the best corporate and anti-corruption practices, the team has been undertaking a range of projects while bringing on board government officials, major consulting and audit companies, social sector partners, Russia's leading universities, and prominent leaders of youth movements:

- As part of SIBUR's cooperation with **Kazan National Research Technological University**, it has been implementing, since 2022, compliance management training and continuing professional development programs developed specifically for compliance professionals, SIBUR's counterparties and other stakeholders.
- In 2023, it launched a professional retraining program on compliance management and the international ISO 37301:2021 standard at **TISBI University of Management**, the Republic of Tatarstan's first private higher education institution.

SIBUR's compliance and business ethics training efforts

Compulsory introductory course for all new hires	**Presenations on Anti-corruption compliance made at the Republic of Tatarstan's higher education institutions and ministries**	**Compliance and ethical behavior training for employees' children**	**Comliance Compass, a thematic game for children**	**Contests of drawings on business ethics rules and principles held among employees' childrens**
Training for members of ethics and discipline committees	**Compliance and business ethics e-learning course**	**Support for compliance management training delivered to RANEPA students**	**Compliance and business ethics training program delivered together with KNRTU**	**Professional retraining programs in compliance management delivered together with TISBI University**

SIBUR won the All-Russian contest Best Anti-Corruption and Anti-Corruption Education Practices[1].

The Company's submissions in such categories as **Best Education Practices in Anti-Corruption and in Anti-Corruption Education: based on the case of SIBUR's Compliance System** and **Best Russian Specialist in Countering Corruption within Government Agencies and Municipal Authorities or within an Organization** were recognized for scalability of their concepts, systemic approach to implementation, and well-structured execution of the Company's anticorruption policies both internally and externally, driven by the desire to achieve synergy between the business, the government and the public. The compliance management system presented by the Company became a further confirmation of SIBUR's transparency and openness as one of the leaders among socially responsible businesses, which includes its approach to applying new ideas, methods, and techniques to teaching the public about anti-corruption practices. The Company's comprehensive awareness-raising and counseling program that relies on the use of cutting-edge technologies and digital tools, along with the expert-level approach and professional accomplishments of **Veronika Kiseleva, Head of SIBUR's Compliance and Business Ethics Practice**, as well as the high quality and extensive geography of the projects that are being implemented, made SIBUR's submissions to the Contest some of the most impressive and memorable.



1 The contest's results were announced on February 29, 2024.

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Respect for human rights

The principles and tools for protecting human rights and ensuring diversity and inclusion at SIBUR are set out in the Company's internal documents. Mandatory for implementation, these documents are as follows:

- Human Rights Policy;
- Code of Corporate Ethics;
- Counterparty Code of Business Ethics;
- Diversity and Inclusion Policy.

The documents listed above apply to all corporate activities, employees, contractors, local communities, and other stakeholders affected by SIBUR's production processes or its products.

SIBUR's key principles in protecting human rights include fair treatment of employees and stakeholders, respect for the personal dignity of everyone, prohibition of forced and child labor. The Company regularly briefs its employees on the inadmissibility of human rights violations, analyzes and assesses human rights risks and provides human rights training for employees.

GRI 406-1

No incidents of discrimination were recorded in the Group during the reporting period.

Diversity and equal opportunities

SIBUR is one of the leaders and key drivers of the corporate diversity, inclusion, and equal opportunities agenda in Russia. The Company was one of the first Russian companies to develop a corporate Diversity and Inclusion Policy, a policy that defines SIBUR's principles, the Company's commitments, tools to maintain and develop the Group's current level of activity in this area, responsibilities of its managers and employees as well as procedures for complying with the provisions of this policy.

2025 Sustainable Development Strategy's corporate governance goals:

Up to 80% increase the engagement of the Company's employees

At least a 2-fold Increase in the share of women on the Management Board and in executive positions

Set up comprehensive program focusing on diversity and inclusion

Launch an interregional project on social inclusion as part of the Company's social investment initiatives

To implement its Diversity and Inclusion Policy, the Company uses a variety of tools and channels designed to keep its employees informed. In 2023, the main event in this domain was the Equal Opportunities Community, a body created to operate both in the Corporate Center and on the Company's regional sites. The Community brings together like-minded people who seek personal growth and development and are willing to contribute to a favorable and comfortable environment in the Company. There are three types of community membership: participant, activist, and leader.



The Equal Opportunities Community always provides a platform to discuss current professional challenges and areas of personal growth with like-minded people and to receive feedback from those who have faced similar situations. Equal opportunities are, first and foremost, equal opportunities to express yourself in what you do professionally. All of us have the potential to find our unique path and approach to work by focusing on the right things and remembering what is important to you.

Svetlana Danilova,
Head of the Corporate Practice Development and Integration function

The Community's activities include:



Generational theory

- Establish dialog between different genders and different generations
- Work on developing a culture of diversity and inclusion among teams
- Develop personal and professional relationships within the Company and strengthen cross-functional ties



Female leadership

- Increase the confidence level of women as professionals through inspiring examples, practical sessions, and networking within the Company
- Integrate female employees into work teams during recruitment and relocation



Family and parenting support

- Community as a starting point for sharing experience, knowledge, and support for families with children
- Improve the psychological comfort of employees when they relocate to other sites
- Re-integrate female employees after maternity leave



Opportunities without boundaries

- Continue to develop the corporate culture of diversity.
- Facilitate integration and orientation of employees with disabilities.
- Engage in corporate volunteering.
- Foster the corporate feedback culture on issues of career development and interpersonal communication.
- Involve management in community activities.

Anti-corruption

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GRI 3-3

Anti-corruption is part of SIBUR's compliance system and is governed by the Company's Anti-Corruption Policy, which was developed in accordance with the requirements of Russian legislation, including the Criminal Code of the Russian Federation, the Code of Administrative Offenses of the Russian Federation, Resolution of the Plenum of the Supreme Court of the Russian Federation No. 19 dated October 16, 2009 On judicial practice in cases of abuse of official power and authority and Federal Law of the Russian Federation No. 273-FZ dated December 25, 2008 On Combating Corruption.

The requirements of the Anti-Corruption Policy apply to all employees of the Company regardless of their position as well as to third parties acting on behalf of and/or in the interests of SIBUR, including individuals, legal entities, and their representatives when such obligations are stipulated in contracts with them or are expressly dictated by law.

The anti-corruption clause is included in all contracts concluded by SIBUR and its enterprises, including employment contracts with employees and contracts with business partners.

The Company adheres to the practice of Example from Above, which means that SIBUR Group's management, including members of the Board of Directors, CEO and Area Directors, set an example by emphasizing that corruption is unacceptable in any form and that ethical behavior is an absolute necessity for everyone in the performance of their official duties.

The Company's interaction with government authorities, public, state, and scientific organizations, professional communities, and social partners is highly rated by independent experts. This recognition includes **the RSPP Anti-Corruption Rating**: in 2023, the RSPP once again awarded PJSC SIBUR Holding the highest

AAA+++

anti-corruption rating.

SIBUR is aware that it is essential to manage corruption risk regardless of the likelihood of its occurrence and degree of impact. As a consequence, the Company implements appropriate procedures to identify and analyze corruption risk.

The Anti-Corruption Policy sets out requirements for specific risk areas, including business gifts, business hospitality and hospitality expenses, charitable and sponsorship activities, hiring former state and municipal employees and other risk areas.

GRI 205-1

In 2023, all units of SIBUR companies underwent corruption and other compliance risk assessments.

GRI 205-2

All members of the management bodies of PJSC SIBUR Holding and SIBUR LLC were briefed on the Company's anti-corruption practices and underwent training in anti-corruption methods..

GRI 205-3

In line with its the Anti-Corruption Policy, SIBUR does not engage in financing any charitable and sponsorship projects aimed at providing the Company with unlawful advantages in business activities.

All Group employees, regardless of their position, are liable to disciplinary action in the event of corruption-related violations, including dismissal, and may also be held accountable by law enforcement authorities.

Use of insider information

An updated version of The Regulations on Insider Information of PJSC SIBUR Holding was approved by the Company's Board of Directors on April 17, 2023. The Regulations document was developed in accordance with the requirements of Federal Law No. 224-FZ dated July 27, 2010 "On Combating Illegal Use of Insider Information and Market Manipulation and Amending Certain Legislative Acts of the Russian Federation".

The Regulation lists groups of people who are regarded as insiders of PJSC SIBUR Holding, identifies the duties of insiders, describes their transactions with financial instruments, stipulates procedures and timeframes for disclosing insider information and outlines measures designed to prevent its misuse.

Details on restricted and prohibited activities for insiders are available on the Insiders page of the Company's website.

Personal data processing

SIBUR strictly complies with all requirements of the applicable laws of the Russian Federation regarding the protection of personal data received from internal and external parties in the course of the Company's activities. The Company takes all necessary measures to ensure that its employees, agents, and assignees do not disclose confidential personal data to third parties. SIBUR's policy on personal data processing is available in the public domain.

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Anti-monopoly governance and regulation

GRI 206-1

Anti-monopoly compliance, i.e. a set of measures and procedures for preventing anti-monopoly violations, is an essential element of the government's policy designed to promote competition in Russia. Anti-monopoly risk management issues are of particular importance to SIBUR considering that the Company, as an industry leader, is significantly larger than other players in the Russian petrochemical market.

Article 11 of the corporate Code of Business Ethics (Protection of Competition and Anti-Monopoly Law) sets forth the rights and obligations of employees in this area. In particular, paragraph 11.2 states the following: "Employees, within the scope of their competence and job functions, shall be obliged to know and comply with the requirements of anti-monopoly laws and the employer's internal documents regarding protection of competition and compliance with anti-monopoly laws".

Among other significant events, 2023 saw the approval of SIBUR's Trade Policy by the Federal Anti-monopoly Service (FAS). The Company received instructions from the FAS to develop this policy as part of the federal agency's approval of the SIBUR-TAIF merger. The Trade Policy sets out provisions that guarantee to protect the rights of the Company's potential contractors, including obligations not to set discriminatory terms and conditions in relation to third-party companies and obligations not to impose economically or technologically disadvantageous terms and conditions on consumers.

In addition to its Trade Policy, the Company also relies on The Anti-Monopoly Policy and other internal regulations and bylaws which are available on SIBUR's website.

In 2023, no legal actions were taken against the Company on grounds of restricting competition or violating antitrust laws, and no complaints were filed in connection with the company's handling of its competitive procedures.

Tax policy

GRI 2-28, 207-1, 207-2, 207-3

SIBUR is a bona fide taxpayer paying taxes to budgets of various levels. To ensure the Company fulfills its obligations for taxes and other payments in a precise and timely manner, it has a dedicated function called Tax Policy. Accounting and Reporting, which is responsible for handling tax issues.

The Company identifies, assesses and updates tax risks as part of its overall risk management process. Internal tax compliance processes are subject to audit, and the results of the audit may affect the amount and accounting treatment of the Group's tax provisions.

No complaints related to potential tax violations were brought to SIBUR's attention in 2023.

The Company has been maintaining constructive interaction with Russia's tax authorities. This involves exchanging information, providing mutual consultations, discussing draft regulatory documents and addressing other practical issues. SIBUR's representatives are regular participants of advisory bodies at relevant ministries, federal agencies and expert platforms.

SIBUR's tax payments in 2023, RUB mln.

Tax jurisdiction	Russian Federation	Foreign jurisdictions
Revenue from sales to third parties	898,712.11	239,435.75
Revenue from transactions with counterparties represented by other Group companies that are tax residents of other jurisdictions	169,470.00	14,714.46
Profit (loss) before taxes	366,099.10	8,887.83
Tangible assets other than cash and cash equivalents	1,409,495.14	83.89
Income tax paid on a cash basis	80,989.56	653.19
Income tax accrued on corporate profits	65,258.99	1,239.96
Effective tax rate	20%[1]	From 23% to 25%
Tax gap	0.00	0.00

2024 and medium-term plans

Focus area	Implementing the Sustainable Development Strategy	Spreading the compliance culture	Developing diversity and equal opportunities culture
Activities	Achieve stated goals by 2025 and formulate targets for the next period.	• Re-engineer the function. • Automate the process for disclosing conflicts of interest. • Scale up the activities of the Compliance and Business Ethics Development Council in other regions of presence.	• Develop and expand the activities of the Equal Opportunities Community across all SIBUR companies. • Scale up the social inclusion project as part of the Company's social investment initiatives.

1 Reduced rates exist.

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Responsible supply chain

GRI 3-3

Contribution to the UN SDGs

Material Topics

Responsible Supply Chain

Impact Materiality Survey Results



2023 Results

Leadership

- Implement projects to increase the Company's technological self-sufficiency and create favorable conditions for its suppliers and contractors
- Develop an industry-specific approach and design innovative products to meet customer needs
- Expand the Company's presence in the Middle East, Asia-Pacific and other strategic markets

Responsibility

- Optimize logistic routes to meet customer inquiries and needs
- 30% of suppliers assessed for compliance with SIBUR's sustainable development requirements
- Maintain high levels of customer satisfaction and use feedback to improve customer service

New solutions

- Reduce delivery time to key export markets: CIS countries, Turkey, China
- Expand warehousing facilities and implement new IT solutions
- Implement a wide range of client support solutions: fast-track solutions, digital lead generation and others



GRI 2-6

SIBUR strives to create a reliable, efficient, and uninterrupted supply chain at all stages of the product life cycle, from sourcing raw materials to shipping finished goods to its consumers.

The Company's principal feedstocks

- associated petroleum gas (APG)
- natural gas liquids (NGLs)
- naphtha
- liquefied petroleum gas (LPG)
- ethane
- PET
- PO flakes

Processing

SIBUR's production sites

- Finished products

Sales

Markets in Russia, CIS countries, and worldwide

In 2023, exports grew mainly in the CIS countries and Turkey. The Company also expanded its presence in China, India, Vietnam, Africa, and Latin America via a network of regional traders.

GRI 3-3

The Company's key internal documents that govern supply chain operations are as follows: Regulations on Procurement at SIBUR LLC and PJSC SIBUR Holding enterprises, and Trade Policy of PJSC SIBUR Holding on Wholesale Marketing of Petrochemical Products in the Russian Federation (approved early in 2023). This policy defines key principles and channels regarding the sale of the Company's products as well as procedures for entering into supply contracts, setting prices and offering discounts in the Russian market.

SIBUR communicates with suppliers of services, equipment, materials, and petrochemical feedstocks by using a wide range of formats and tools, including electronic platforms. These include: Current Procurement Procedures, a section of SIBUR's website, Online Shop and E-Catalog. Procurement plans by business unit and type of goods and services to be purchased are also made public on SIBUR's website.

In 2023, one of the key challenges faced by SIBUR was to ensure the Company's technological self-sufficiency and broaden cooperation with domestic suppliers of equipment, materials, and chemicals for SIBUR's production sites.

As part of its import-substitution strategy, SIBUR is working on sourcing the following equipment from domestic suppliers in Russia:

- Transfer line exchangers;
- Centrifugally cast pipes;
- Pyrolysis oven coils;
- Sealed pumps;
- Ball valves for unloading propylene;
- High-yield centrifugal compressors;
- Extruders;
- Pressure melt sensors;
- Radioisotope instruments.

When dealing with potential partners, SIBUR is prepared to discuss the Company's long-term needs for equipment, materials and chemical feedstocks, assistance in testing new products and joint efforts to secure project financing from the state budget.

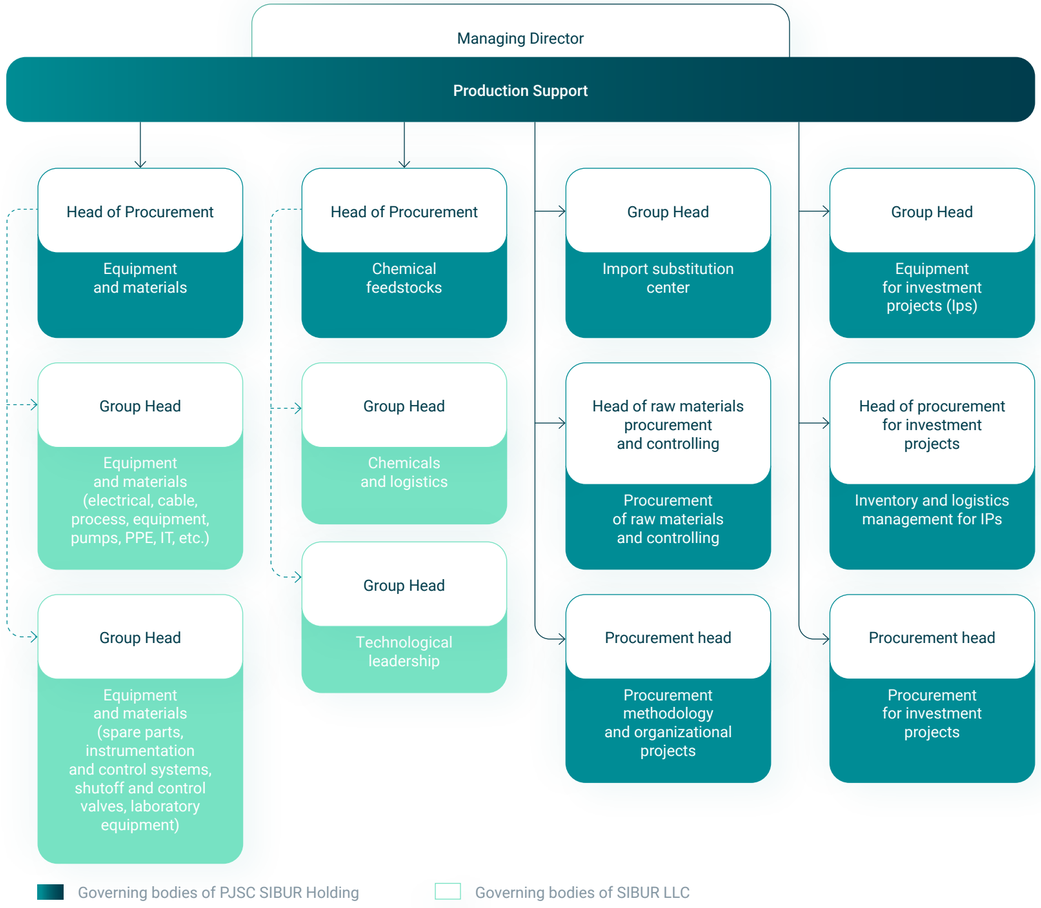
Supplier Relations

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GRI 2-6, 3-3

To address the Company's needs for equipment, materials, chemical feedstocks, and raw materials for processing as well as certain types of services, SIBUR is building a network of reliable suppliers that meet a wide range of requirements and ensure a high level of quality for products and services they deliver.

Procurement Management Structure



Supplier evaluation and procurement

Participation in the Company's procurement process is described in the public domain for all interested parties. The process consists of the following stages: supplier registration on an authorized procurement site, supplier qualification, monitoring current procurement procedures and selecting relevant purchase requests, participation in competitive procedures, negotiations with representatives of the Company's relevant business unit, proposal modification (if required) and contracting

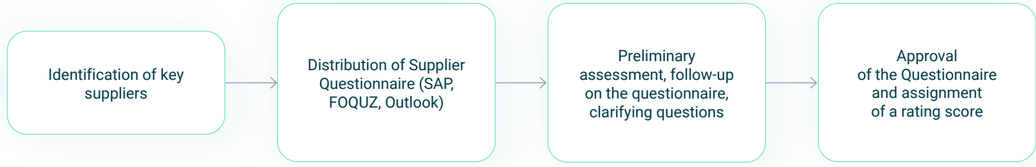
To minimize the risks associated with non-fulfillment or incomplete fulfillment of obligations by potential suppliers and risks related to the delivery of substandard products and services, the selection process is carried out only among qualified suppliers. Supplier qualification, excluding the time required for finalizing supplier application forms/documents, takes two weeks.



Suppliers must meet the following mandatory requirements:

- Be familiar with the Company's Policy on the integrated management system in occupational health and safety, environment, quality, and energy efficiency.
- Comply with the Counterparty Code of Business Ethics which is applicable to all suppliers and is included in SIBUR's standard supply agreements.
- Additional requirement for key suppliers: Complete the sustainability questionnaire and provide verified information on such aspects as anti-corruption, human rights, environmental protection, and occupational health and safety, in order to establish suppliers' ESG-profiles.

Supplier evaluation process



Achievements

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2025 Sustainable Development Strategy Goals	2023 Goal	2023 Results
100% of key suppliers assessed for compliance with SIBUR's sustainability requirements	**30%**	30% of key suppliers passed the assessment. **The 2023 target was met.**

SIBUR awards supply contracts to participating suppliers that offer products or services with desired quality specifications at the best price and successfully pass the evaluation procedure for compliance with the Company's mandatory requirements.

In the event of any violations of business conduct and ethics standards or any incidents of corruption involving SIBUR's representatives, suppliers may report such issues via the Company's hotline at compliance@sibur.ru.

GRI 308-1, 308-2

Contractors that perform jobs related to environmental impacts are also required to undergo a documentary audit. On a selective basis, SIBUR carries out field audits to ensure that its contractors comply with applicable environmental requirements.

SIBUR's standard contract with suppliers details specific health, safety, and environmental requirements, including key safety rules and procedures for recording violations. When signing a contract with SIBUR, each supplier must confirm its compliance with the provisions of the Counterparty code of business ethics.

Among other things, sustainability issues are on the checklist of technical audits related to existing suppliers. SIBUR takes the safety and health of its partners very seriously; therefore, relevant health, safety and environmental requirements also apply to the Company's contractors and suppliers.

GRI 204-1

SIBUR gives priority to domestic suppliers based in Russia, including suppliers from the regions where the Company has operations.[1] Local suppliers account for more than 80% of the Company's purchases, with the majority of suppliers based in Moscow, the Republic of Tatarstan, St. Petersburg, the Nizhny Novgorod region and the Republic of Bashkortostan.[2]

Containers and packaging: examples of cross-functional projects

In the reporting period, SIBUR worked with suppliers on a number of initiatives regarding containers and packaging. Together with IPLAST, SIBUR is working on a plastic pallet with improved user properties. The project is expected to increase the share of plastic pallet shipments and the share of sales in injection mold packaging. It is also thought that a new industry standard on plastic pallets will be established in due course. The share of wooden pallets is therefore likely to decline.

In addition, IPLAST, in partnership with Tara.ru, buys back plastic pallets from SIBUR and collects them from the Company's customers. Consequently, SIBUR is expected to increase sales of recyclable materials and to account for a larger share of the recycled raw material market.

The Kamsky Plant of Polymeric Materials introduced the 15.2 formulation for the FFS packaging film developed by PolyLab. Raw materials supplied by SIBUR will account for 97% of the new FSS film's feedstocks. As a result, there will be no need for imported metallocene PE.



In 2023, SIBUR implemented a number of projects and initiatives aimed at achieving the Company's key goals: ensuring uninterrupted operation of SIBUR enterprises and their technological self-sufficiency, implementing investment projects in the context of new realities as well as organizing procurement activities in new regions.



Development solutions: 2023 projects

To improve sustainability and reliability of the supply chain, in 2023 the Company successfully implemented several initiatives to improve its interaction with suppliers and contractors. Specifically, SIBUR completed the following projects:

- Adopted and linearized a new approach to the supply of materials and resources on the basis of predictive risk identification and management.
- Created a database of analogues for critical equipment, materials, and chemicals.
- Ensured early involvement in the supply of materials and resources for investment projects, including measures to mitigate supply risks associated with critical items.
- Streamlined the procurement process through automation, robotization and digital tools, introduced an end-to-end analytical reporting system and improved supervision of the procurement process.

1 Local supplies also include imports made via Russian subsidiaries.
2 By purchasing cost, in descending order.

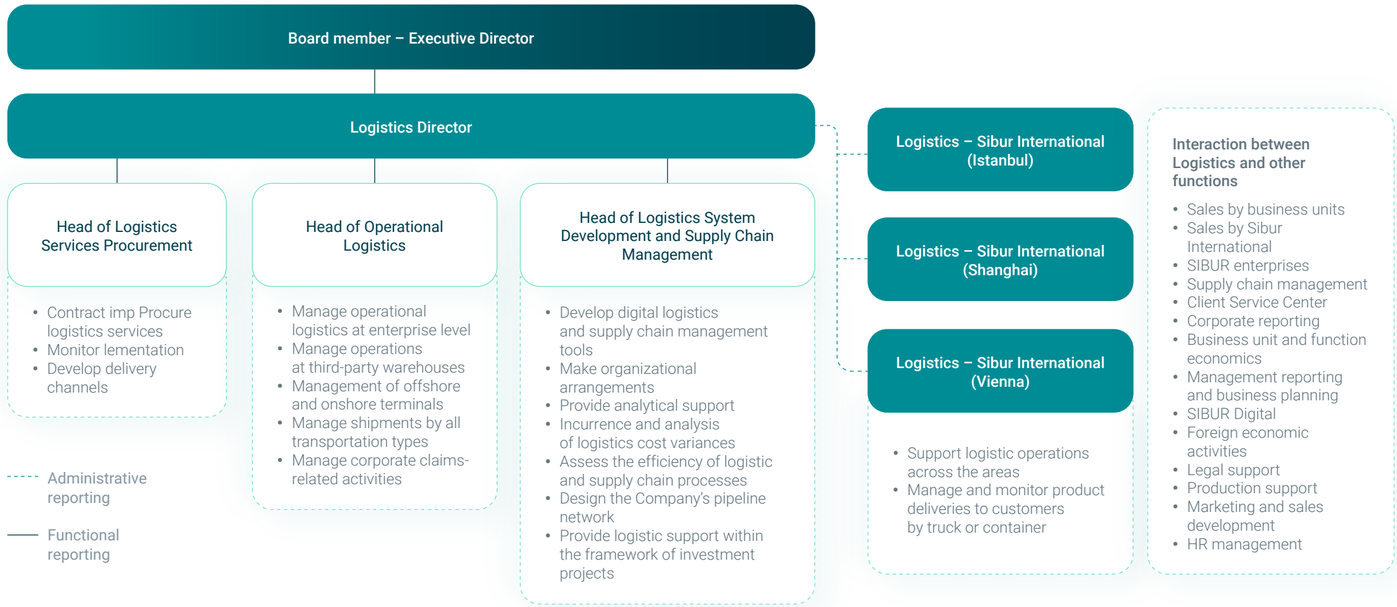
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Transportation and logistics

GRI 3-3

The consistent expansion of SIBUR's capacity and entry into new markets call for developing a reliable logistic system to ensure the uninterrupted and efficient delivery of SIBUR's products to its customers around the world. Despite formidable external challenges and the unprecedented transformation of the entire supply chain, SIBUR has successfully implemented a wide range of logistic solutions by leveraging the Company's internal infrastructure, more than 50,000 reliable delivery routes and an extensive network of regional, national-level, and international partners.

Logistics Management at SIBUR



Logistics and transportation

In 2023, one of the key challenges faced by SIBUR was to service new markets that have undergone significant changes after the reorientation of product flows from Europe to Turkey and Asia. Overall sales in Russia and CIS markets grew by 10%, including products such as LPG and polyvinyl chloride (PVC). Owing to a number of steps taken by SIBUR, export volumes also increased in 2023 versus 2022. For instance, export flows went up by 68% to Turkey and by 30% to China.

In addition, the Company took adequate measures to meet growing demand for warehousing facilities. Warehousing capacity was increased by 154% in Turkey and by 27% in Russia. In China, the Company created warehousing facilities with a total capacity of 90,000 tons.

Following the reorientation of export flows from Europe to Asia and Turkey, all exporters faced considerable railroad capacity constraints in the ports of the Sea of Azov, the Black Sea, and the Far East. To address this issue, alternative transportation routes were used, which resulted in higher logistic costs and longer delivery times.

To meet the Company's commitments towards its customers, in the first half of 2023 SIBUR's logistics team launched more than 22 new alternative delivery routes that covered the sales needs of local markets in full. In the second half of the year, the Company streamlined the structure of delivery routes by increasing throughput capacity of the most efficient channels. To be specific, shipments via Novorossiysk increased sixfold, from 5,000 tons in the second quarter to 30,000 tons in the fourth quarter, and in the Far East shipment volumes were up by over 30%, from 94,000 tons to 130,000 tons.

These measures made it possible to reduce delivery times to key markets: for example, delivery time to Turkey was reduced from 59 days in the first quarter to 35 days in the fourth quarter and from 48 days to 41 days for shipments to China. In addition, export volumes were up by more than 1.2 million tons compared to 2022 primarily due to the reorientation of product flows from Europe to Turkey and Asia.

GRI 2-6

Pipeline Infrastructure

SIBUR uses such hydrocarbon feedstocks as associated petroleum gas (APG), natural gas liquids (NGL), naphtha, liquid petroleum gas (LPG), ethane, PET and PO flexes. To transport these raw materials, the Company uses its own pipeline network. APG is transported via pipelines that connect the Company's processing plants with oil fields. SIBUR's gas fractionation plant in Tobolsk receives NGL via product pipelines. The company's pipelines are also used to deliver finished products.

3,592 km

is the total length of SIBUR's pipeline network

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Customer focus

Shipments by mode of transport, thousand tons

Mode of transport	2022	2023	Change 2023 vs 2022
Railway	9,252	9,439	187
Multimodal	1,698	2,029	331
Trucking	6,255	6,945	690
Sea freight	805	827	23
Total	18,010	19,241	1,231

Shares of different modes of transport in total shipments in 2023, %



49 By rail
36 By truck
11 Multimodal shipments
4 By sea

SIBUR continues to provide its customers with support services that enable them to enter new markets and improve the efficiency of their production and commercial operations. SIBUR's ongoing work on custom-made grades and products, import substitution and adaptation of industry standards for digital solutions also helps the Company's partners to identify new sales growth opportunities.

This industry-specific approach makes it possible to substitute imported specialty products in specific niches, to switch from traditional materials to polymer solutions and to improve consumer properties of finished goods. In addition, the industry-specific approach to sales is a major step towards mutually beneficial cooperation between SIBUR and its customers.

Agreement with FESCO

During the St. Petersburg International Economic Forum, SIBUR and FESCO Transport Group (FESCO) signed a letter of intent to develop cooperation on transportation and logistics solutions for export product deliveries by SIBUR enterprises. Under the agreement, FESCO is to provide SIBUR with sea and land freight services for exporting petrochemical products to countries in the Mediterranean region, the Middle East, and Southeast Asia. Based on the projected export volumes of SIBUR's products, their stock levels and shipment dates, the parties are to work out the most efficient export logistic routes and solutions by taking advantage of FESCO's transportation assets and facilities.



The Company implemented a single source of data on residual product levels across its pipeline network: TMS (Transport Management System) was rolled out to all SIBUR enterprises, and an accounting procedure for tracking residual product quantities was introduced across the entire warehouse network. As part of these activities, the following results were achieved:

- **Multimodal shipments increased** by 25%.
- **Customer invoicing time was reduced** from 7 to 2 days and port storage time was cut from 22 to 16 days.
- **Accuracy of residual product accounting went up** to 97% by batch and 99% by volume.

To mitigate sanctions risks, the Company implemented several import-substituting IT solutions designed for sourcing logistic services and managing trucking operations.

SIBUR's e-commerce platform

SIBUR's e-commerce platform also helps all parties to join their efforts in addressing current business issues. Its functionality is constantly expanding: today the platform offers more than 700 products which customers may buy with one click. Other benefits include payment by letter of credit, factoring, detailed order updates and technical consultations.



Product promotion and digital solutions

SIBUR provides its customers with an array of digital tools to help them address their business needs quickly and efficiently. These tools include:

- Placement of customers' finished products on SIBUR's marketplaces.
- Digital lead generation, a service that allows the Company's customers to find potential buyers in new markets and expand their client base through automated searches of industry and customs databases.
- Express order placement service via SIBUR's eCom site.
- Express purchase tool for small batches of up to 20 tons without express management approval.

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Customer events

In 2023, more than a hundred business meetings and roundtable discussions were held. These customer events provided a major impetus for joint development. In November 2023, SIBUR organized New Partnership Guidelines: Building the Future Together, the largest client forum that brought together the petrochemical sector's leaders representing seven core industry areas: packaging, housing, pipelines and infrastructure, consumer goods, rubber products, transportation, and medicine.

298	248	170	60
forum participants	participating companies	SIBUR employees	speakers, including 40 guest experts

The Forum became a platform for interaction with key market players including polymer producers, potential customers, representatives of governmental and regulatory authorities, experts, and authors of breakthrough business initiatives. The Forum brought together all parties involved in the development of the Russian polymer market. Industry representatives, members of SIBUR's Management Board, heads and experts of industry streams, leaders in R&D, innovation, and product development as well as external speakers presented market overviews, technical solutions, and successful cases of demand generation.

Developing customer practices

To create a customer community and strengthen existing partnerships, SIBUR is developing the following projects: SIBUR's Business Practices and SIBUR for Customers.

In 2023, more than 1,200 new client users registered on SIBUR's Business Practices platform. During product-related webinars, speakers addressed more than 250 cases and questions from customers, which shows that SIBUR's Business Practices is an effective platform for experience sharing.

>2,000	60	1246
Participating customers	Webinars for outside users	New platform users

Customer satisfaction monitoring makes it possible to improve functionality of the Company's tools and services, thereby increasing the overall level of customer satisfaction. SIBUR regularly analyzes customer satisfaction indicators by interviewing its customers and using event-based surveys on the eCom platform after receiving and shipping orders.

SIBUR uses such indicators as CSI[2] and NPS[2]. SIBUR's NPS remains stable and shows a high level of customer loyalty at the end of 2023, with targets both for Russia and export markets exceeded. SIBUR's overall CSI was up by 2 percentage points compared to 2022.

67%	90%
Net Promoter Score	Customer Satisfaction Index

The CSI also increased in the following areas: logistics (94%, + 5 p.p.), document flow speed (92%, + 2 p.p.) and team support (94% +1 p.p.) These improvements were due to higher service levels in trucking, opening of new secure storage warehouses, expansion of warehousing facilities to meet growing demand, launching new delivery routes to Turkey and China as well as consistently high service levels of order execution (CSI for Russia - 94%) and faster order processing.

The CSI for SIBUR's customers in the CIS market grew to 79% (+20 p.p.) owing to the Company's focus on long-term partnerships with its CIS customers, prompt support and high response speed at all stages of order execution. Another significant driver of customer satisfaction is related to logistics: in 2023, delivery routes were restructured from rail to trucking and delivery time was reduced to 2 to 3 days.

2024 and medium-term plans

Focus area	Interaction with suppliers	Transportation and logistics	Interaction with customers
Activities	• Ensure the implementation of investment projects in the new economic environment through changes in the procurement process and logistics management. • Guarantee the uninterrupted operation of enterprises and the Company's technological self-sufficiency based on existing approaches to risk management within the end-to-end supply chain and development of technological partnerships in Russia, China, and new regions. • Develop category management and reduce transactional functionality in the day-to-day operations of Procurement. • Digitalize the end-to-end procurement process to increase operational efficiency and improve interaction with existing and potential partners.	• Adapt logistics in line with commercial changes (industry-specific approach): – Changes in the organizational structure; – Process and system redesign. • Streamline logistics processes: – Design and optimize warehousing facilities in Russia; – Develop the logistics team through cross-functional tasks. • Set up a performance management system based on end-to-end processes: – End-to-end reporting, setting operational standards and KPIs; – Higher levels of digitalization for end-to-end processes.	• Launch a fully automated feedstock procurement service for processing companies using such tools as simplified registration, credit processing, delivery, and personal account customization. • Continue work on ensuring consistent product quality and improving customer services and order processing in line with customer expectations and feedback. • Develop and support customer interaction, including initiatives related to the implementation of new industry solutions. • Develop communications with customers in Turkey and China, including by using the WeChat platform: setting up new rubrics and posting series of materials.

1 Customer Satisfaction Index.
2 Net Promoter Score.

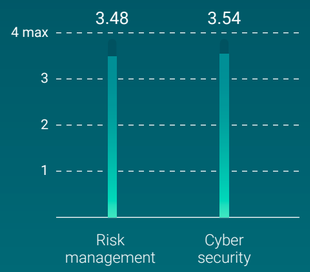
Internal control and risk management

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Material Topics

- Risk management
- Cyber security

Impact Materiality Survey Results



2023 Results

- Risk management policy updated
- Key risk map updated
- Revised methodology of risk assessment and mapping tested



Approach to risk management and internal control

SIBUR aims to maintain its leadership position in Russia and to remain highly competitive in the target segments of the international market. The Company also strives to combine economic success with social responsibility, environmental safety, and resilience to potential climate challenges. SIBUR recognizes that effective risk management and internal control systems are essential for achieving these goals.

Risk management and internal control are designed to increase the sustainability of the Company's key production, management, and financial processes, to reduce the likelihood of business value erosion and to guarantee shareholder oversight over all major challenges and threats, thus ensuring that the Company achieves its objectives.

The primary goal of the risk management and internal control system is to provide reasonable assurance that the Company will achieve its objectives and find the right balance between maximizing attractive business growth opportunities and preventing potential losses.



GRI 2-12

In accordance with The Risk Management Policy adopted in 2023, the Company's system of risk management and internal control is based on the model of "three lines of defense". The first and second lines of defense involve all employees of the Company in accordance with their job responsibilities: risk owners are responsible for identifying, assessing, and mitigating relevant risks in their area of responsibility. The third line of defense consists of employees who are responsible for internal audits: they provide an independent and objective assessment of the reliability and effectiveness of the Company's risk management and internal control processes.

Official / Unit in charge	Objectives
PJSC SIBUR Holding's Management	• Support a risk-oriented approach to management decision-making at all stages of the management cycle
Audit committee	• Verify the accounting (financial) reporting procedure and accounting processes' compliance with regulatory requirements • Audit the Company's financial and economic activities annually and at any time (at its own discretion, as required by management bodies and as requested by shareholders owning at least 10% of voting shares) • Mitigate financial and operational risks and improve the internal control system as a whole
PJSC SIBUR Holding's Audit Committee	• Develop the Company's risk management and internal control system • Analyze effectiveness of the corporate risk management and internal control system
Risk manager	• Develop risk management methodology • Provide advisory support on risk management issues
Business unit managers	• Integrate risk management and internal control activities into day-to-day operations • Assess threats and risk factors as part of the decision-making process • Improve the corporate risk management and internal control system

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Key documents on risk management and internal control

In 2023, PJSC SIBUR Holding adopted its Risk Management and Internal Control Policy, a fundamental document on risk management and internal control that defines the goals and principles of this function.

In addition, the Company relies on such documents as the Regulations on PJSC SIBUR Holding's Audit Committee, Regulations on PJSC SIBUR Holding's Internal Audit Function, and Regulations on Internal control over financial and economic activities of PJSC SIBUR Holding.

Internal audit

The goal of this function is to help SIBUR's Board of Directors and executive bodies to better manage the Company as a whole and its subsidiaries and to improve financial and economic performance of these affiliated companies.

The Internal audit function is responsible for assessing the effectiveness of the internal control and risk management systems as well as assessing corporate governance. The Head of Internal audit has the right to communicate with top-level corporate governance bodies directly as well as to request and receive from the Company's executive bodies any information and materials required for fulfilling the audit function, including access to computer systems and databases.

The activities of the Internal audit function are guided by the principles of honesty, confidentiality, independence, professional competence, and objectivity.

Managing key risks

GRI 2-12

Continuous risk management focuses on identifying key risks that may have an adverse impact on the Company's operations and prevent it from achieving its strategic goals. The Internal audit function verifies and consolidates information on risk maps compiled by business process owners annually in order to determine the likelihood of risks' materializing and their potential impact on the Company's performance. Maps of key risks related to some business processes are reviewed on a quarterly basis.

Managing key risks

Key risk	Description	Mitigation measures
Geopolitical risk	Risk associated with external political factors that affect countries and regions where the Company has operations	• Diversify the portfolio of customers and partners geographically • Localize production and ensure the Company's technological resilience • Update logistic routes and ensure the security of supplies
Long-term financial sustainability risk	Risk associated with the Company's inability to fulfill its financial, investment and operational obligations due to liquidity shortages and geopolitical instability	• Diversify funding sources • Improve the quality of cash flow, debt, and working capital management • Implement investment programs optimally • Perform scenario analysis of macroeconomic and political factors and their impact on the Company's operations
Regulatory risk	The risk of regulator's exercise of its regulatory authority (adoption of new and incorporation of amendments into existing regulations), and/or regulatory actions of federal and regional government agencies, as well as actions of local governments, and/or actions of supranational and foreign authorities, including the Eurasian Economic Union, WTO, and the European Union	• Monitor initiatives put forward by federal and regional government agencies as well as by supranational and foreign agencies that impact the company's business in a material way • Update business units on the regulator's relevant initiatives. Formulate the Company's consolidated position • Engage with the regulator to help implement the company's significant infrastructure development and socio-economic projects
Market risk	Risk associated with increased competition in the market, substitute products and adverse events that reduce demand or lower prices for the Company's primary products	• Diversify the Company's customer base, expand its sales markets and geography • Strengthen existing customer base by concluding long-term contracts and advocating a customer-oriented approach • Expand and develop the Company's product portfolio as well as increase SIBUR's brand attractiveness • Implement innovations aimed at improving product competitiveness
Sourcing risk	Risk associated with raw material shortages in the market and increased competition for scarce raw materials	• Monitor and manage supplier pricing • Expand the supplier network and enter into long-term supply agreements • Streamline the portfolio of purchased raw materials • Invest in the development of infrastructure facilities required for collecting, processing, and transporting raw materials

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Key risk	Description	Mitigation measures
Production risk	Risk arising during production and resulting in reduced output, lower product quality, higher operating costs due to failures or stoppage of production processes, breakdowns, or reduced equipment efficiency. This risk also includes occupational health and safety risks	• Modernize fixed assets, including equipment, at the Company's enterprises • Introduce innovative technologies and digital tools to identify and prevent production risks • Implement the Risk Management System at all SIBUR enterprises, including employee training in analyzing, identifying, and preventing production risks • Promote the safe production culture and zero tolerance to safety violations • Improve corporate methodological and regulatory framework in the area of industrial safety • Improve of the OHS management system[1] (by way of implementing the #TokBezOpasnosti, #ShagBezOpasnosti programs, etc., by conducting unscheduled inspections of OHS compliance, incorporating lessons learned from incidents into training programs, etc.)
Logistics risk	Risk associated with higher logistic costs, changes in the delivery time of raw materials and finished products, changes in product quality during transportation	• Streamline logistic routes, develop alternative channels and multimodal shipments • Interact with partners to develop a package of measures to minimize potential risks • Design and develop the Company's logistic infrastructure
Information systems risk	Risk associated with the inoperability of key information systems, equipment and data transmission networks, unauthorized access to confidential information, distortion of data during its transmission and making erroneous decisions based on distorted information	• Improve the Company's information systems and take measures to reduce their vulnerability • Carry out import substitution measures in IT and cyber security • Strengthen current data protection and backup systems • Implement fail-safe methods for organizing communication channels and connecting equipment • Update recovery plans for key information systems on a regular basis • Develop geographic redundancy options for the Company's data center
Investment project failure risk	Risk associated with failure to achieve the approved targets of projected production capacity, quality of output, implementation time and cost of investment projects	• Optimize project configuration and contract strategy • Iprove project management quality on an ongoing basis • Strengthen relations with contractors by introducing evaluation and prequalification tools, encouraging improvements in project solutions as well as monitoring compliance with regulations and legal requirements
Human resources risk	Risk associated with the threat of losses resulting from ineffective functioning of the HR management system, mistakes made by the Company's management and its HR function when developing the corporate HR strategy or making operational decisions in HR management	• Strengthen the Company's employer brand for internal and external audiences (current and potential employees, respectively) • Expand recruitment channels and tools for attracting employees • Provide attractive conditions in terms of salary, social support, EVP, and conditions for professional self-realization • Update the current system of learning and development, create an internal talent pool, and manage talent for promotion to key positions
Sustainable development and climate change risk	Risk associated with adverse factors and external threats related to climate change, circular economy, and the diversity and inclusion agenda	1) Mitigate climate impact: implement energy efficiency measures resulting in the following: • reduction of greenhouse gas emissions; • reduction of the Company's carbon footprint by means of processing APG, by involving plastic waste in recycling; by increasing use of RES; by planting trees; by developing CO_2 capture, utilization and storage projects; • and by ensuring carbon neutrality for one enterprise until 2025. 2) Produce low-carbon, recycled or bio-circular products. 3) Promote the principles of circular economy, facilitate reuse and recyclability of end products. 4) Establish a comprehensive diversity and inclusion program, and incorporated these principles into key documents and corporate practices. 5) Create an Equal Opportunities Community with 4 main focus areas: • Generational Theory: supporting young and senior employees, addressing issues arising out of age differences; • Women's leadership: mentoring and career development for female employees; • Support for family and parenting: assistance during maternity leave, in the event of relocation (including relocation of spouses), maintaining a proper balance for mothers and fathers. • Opportunities without borders: support for people with disabilities and health limitations, development of an encouraging environment for employees' professional development and career growth.
Environmental risk	Risk associated with negative impacts on the environment. Risk of contamination of water bodies, soil, groundwater, etc. Risk associated with fines and other sanctions due to non-compliance with environmental legislation	• Comply with environmental statutory requirements • Monitor environmental impacts • Recultivate sludge ponds, provide site planning, plant trees • Take measures to promote environmentally-friendly production • Set targets to reduce environmental impacts (2025 Sustainable Development Strategy, Enterprise-Level Master Plans, etc.)

Risk Insurance

Insurance is an effective tool to minimize risks. Insurance contracts negotiated by SIBUR are sufficient to cover all key operational risks:

- Property damage insurance (PD)
- Business interruption insurance (BI)
- Voluntary civil liability insurance
- Mandatory insurance of hazardous production facilities
- Comprehensive Directors and Officers liability insurance (D&O)
- Comprehensive cargo transportation and risk insurance
- Investment risk insurance for large-scale projects

SIBUR works with Russia's major insurance companies and underwriters whose approach is in line with internationally recognized standards and best practices of insurance coverage for large businesses.



1 For details, see Section Occupational Safety and Health.

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Cyber security

One of the Company's key priorities is to ensure the security of its information assets, including information systems, automated management systems, and data transmission channels. Particular emphasis on cyber security enables the Company to assure continuity of its production and business processes.

SIBUR ensures cyber security in compliance with the legislation of the Russian Federation on data protection, security of critical information infrastructure, personal data as well as other statutory and internal regulations issued in accordance with the legislation mentioned above.

In 2023, the Company implemented a number of measures aimed at improving the security of its information assets, countering cyberattacks on the Company's IT systems and resources, protecting software configuration, implementing and upgrading different classes of information protection systems and tools.

The Company also continued to take steps to replace imported cyber security hardware and software with locally sourced solutions, to detect and respond to computer incidents and to ensure adequate cryptographic protection. SIBUR pays special attention to safeguarding its communication systems against DDoS attacks and eliminating vulnerabilities both in hardware and software.



2024 and medium-term plans

Focus area	**Development of the Company's risk management and internal control system**
Activities	• Incorporate the updated methodology of risk assessment and risk mapping into the Company's corporate standards. • Implement a project aimed at establishing a companywide risk database and automating the process of risk reporting in accordance with roadmap stages. • Provide methodology for the implementation of key risk indicators (KRIs) related to business processes to ensure proactive risk management.

1 In February 2023, SIBUR announced plans to buy back three dollar-denominated Eurobond issues due to mature in 2023, 2024 and 2025.

Information for shareholders and investors

Authorized Capital

The authorized capital of PJSC SIBUR Holding is RUB 25,629 million. As at December 31, 2023, the authorized capital was divided into 2,563 million ordinary shares. Each share had a par value of RUB 10. The state registration number of the share issue is 1 02 65134 D. The date of state registration is May 31, 2012.

Bonds

During the reporting period, five bond issues were in circulation: three Eurobond issues and two ruble-denominated bond issues.

Bonds issued by SIBUR in circulation

Bond Issue	Amount	Coupon Rate, %	Maturity Date
Ruble-denominated bonds 2026	RUB 15 billion	9.15	January 20, 2026
Exchange-traded bonds 2030	RUB 10 billion	7.65	May 16, 2030

Dividends

SIBUR pays dividends in accordance with its Regulations on Dividend Policy. Starting from 2022, the Company pays interim dividends on a quarterly basis and annual dividends at the end of reporting periods. In line with the above Regulations, decisions regarding dividends are made during the extraordinary and annual general meetings of shareholders. The amount of dividends cannot be below half of the adjusted net profit reported in accordance with IFRS.

Dividends paid by SIBUR to its shareholders for 2023 amounted to **RUB 125.8 billion**

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Appendix 1. Independent practitioner's assurance report

GRI 2-5

Translation of the original Russian version

Independent practitioner's assurance report

To the Board of Directors of
PJSC SIBUR Holding

Subject matter

We have been engaged by PJSC SIBUR Holding (hereinafter "the Company") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, (herein "the Engagement"), to report on the information in the field of sustainable development included in the attached Integrated Annual Report of PJSC SIBUR Holding (hereinafter "the Report") and marked in it with the symbol, including indicators, calculated and disclosed in the attached Report, and listed below as of 31 December 2023 or for 2023 (hereinafter "the reporting period"):

- Direct (14.73 mln tons of CO_2eq.), indirect energy (7.77 mln tons of CO_2eq.) and other indirect (46.497 mln tons of CO_2eq.) GHG emissions;
- Specific GHG emissions in the Gas Processing and Infrastructure (0.153 t of CO_2eq. / t of output) and Petrochemistry (1.53 t of CO_2eq. / t of products sold) segments;
- Total (36,190 thousand m3) and specific water consumption (0.92 m3 / t of ouput);
- Lost time injury frequency rate among the Company's employees and contractors (0.38);
- Total headcount by gender and job category (total headcount – 36,448 people, headcount of men – 25,752 people, women – 10,696 people, managers – 4,667 people, specialists – 15,353 people and workers – 16,428 people);
- Number of training hours per employee (192 hours) with a breakdown by gender (among women – 114 hours, among men – 223 hours);
- Energy consumption volume (375.66 million GJ), including from renewable energy sources (0.0199 million GJ);
- Number of reports received to the independent compliance-related hotline and other means of communication (500 reports);
- Number of employees, who have received compliance training (16,798 people);
- Total (103.82 thousand tons) and specific emissions of pollutants (2.64 kg / t of output);
- Total amount of waste directed to reuse and salvaging (95.5 thousand tons);
- Total (174.2 thousand tons) and specific amount of generated waste (4.44 kg / t of output).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Under this engagement, we did not perform any procedures with regard to the following:

- Forward-looking statements on performance, events or planned activities of the Company;
- Statements of third parties included in the Report.

Applicable criteria

In preparing the information in the field of sustainable development included in the Report the Company applied Global Reporting Initiative Sustainability Reporting Standards (hereinafter "GRI Standards") ("in accordance" option) and the sustainability reporting principles of the Company as set forth in the Section "About the Report" of the Report and the notes to the indicators in the text of the Report (hereinafter referred to as "Criteria").

The Company's management responsibilities

The Company's management is responsible for selecting the Criteria, and for preparation of the information in the field of sustainable development included in the Report in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the information in the field of sustainable development included in the Report, such that it is free from material misstatement, whether due to fraud or error. In addition, the Company's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate.

Practitioner's responsibilities

We conducted our assurance engagement in accordance with International Standard for Assurance Engagements (revised) *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000"). ISAE 3000 requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the information in the field of sustainable development included in the Report is prepared in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires our firm to develop, implement and ensure operation of quality management system that includes policies or procedures with regard to compliance with ethical requirements, professional standards and applicable laws and regulations.

We comply with the professional ethical and independence requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations and also the IESBA Code of Ethics for Professional Accountants (including international independence standards), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Translation of the original Russian version

Summary of work performed

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the information in the field of sustainable development included in the Report, and applying analytical and other appropriate procedures.

Our procedures included:

- Inquiries of the representatives of the Company management and specialists responsible for its sustainability policies, activities, performance and relevant reporting;
- Analysis of key documents related to the Company sustainability policies, activities, performance and relevant reporting;
- Obtaining understanding of the process used to prepare the information on sustainability performance indicators of the Company;
- Benchmarking of the Report against sustainability reports of selected international and Russian peers of the Company and lists of petrochemical sector-specific sustainability issues raised by stakeholders;
- Benchmarking of the Report against sustainability reports of selected international and Russian petrochemical companies and a list of industry-specific sustainability issues raised by stakeholders;
- Review of a selection of corporate and external media publications with respect to the Company sustainability policies, activities, events, and performance in the reporting period;
- Analysis of material sustainability issues identified by the Company, and review of their reflection in the Report;
- Review of data samples regarding key human resources, environmental protection, health and safety, and charitable activities indicators for the reporting period, to assess whether these data have been collected, prepared, collated and reported appropriately;
- Visit to the JSC SIBUR-Khimprom in order to interview executives responsible for human resources, environmental protection, health and safety and gather evidence supporting the assertions on the Company's sustainability policies, activities, events, and performance made in the Report;
- Collection on a sample basis of evidence substantiating other qualitative and quantitative information included in the Report at the headquarters level;
- Assessment of compliance of the Report and its preparation process with Company's sustainability reporting principles;
- Assessment of compliance of information and data disclosures in the field of sustainable development included in the Report with the requirements of the "in accordance" option of reporting with the GRI Standards (2021).

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information in the field of sustainable development included in the Report is not prepared fairly, in all material respects, according to the Criteria.

E.N. LEZHANKOVA
Partner
TSATR – Audit Services Limited Liability Company

30 May 2024

Details of the independent practitioner

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 75.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the entity

Name: PJSC SIBUR Holding
Record made in the State Register of Legal Entities on 8 July 2005, State Registration Number 1057747421247.
Address: Russia 626150, Tyumen region, Tobolsk, Vostochny Industrial district, block 1, No. 6, building 30.

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Appendix 2. Design capacity and capacity utilization rate

The design capacity of SIBUR's production sites corresponds to the capacity specified in relevant design plans. It is defined as output produced by a plant or production facility when such a plant or facility operates a certain number of hours per year (usually less than the total number of hours in a calendar year). Therefore, design capacity allows for planned shutdowns but does not take into account their cyclical nature (for example, a two-year maintenance cycle at some SIBUR facilities).

In addition, design production capacity does not take into consideration possible changes in the brand mix and in the quality specifications of finished products. As far as petrochemical enterprises are concerned, SIBUR discloses production capacity for each product group separately given that some petrochemical products are used to produce other products.

The capacity utilization rate is calculated as a percentage of total output per year divided by the weighted average annual capacity. The weighted average annual capacity may differ from nominal capacity at year-end if capacity has been increased during this period. This also applies to mergers and acquisitions if an asset was consolidated or sold during this period.

SIBUR strives to operate its production facilities at optimal capacity in the context of prevailing economic conditions, feedstock availability, product demand and other factors. When gas processing plants (GPP) operate below 100% capacity, this is usually due to feedstock availability issues in certain regions. As far as other plants are concerned, capacity below 100% is typically driven by market demand for particular products as well as management decisions and the Company's ability to switch from one product to another at different stages of the production cycle. In addition, capacity below 100% may reflect days of downtime due to unplanned shutdowns at the Company's facilities or those of its suppliers or customers.

Capacity utilization may exceed 100% when the Company manages to use capacity more efficiently over an extended period of time by improving technology and taking various production optimization measures. Since design production capacity allows for scheduled shutdowns with an average frequency of one shutdown per year, capacity utilization at a particular plant may exceed 100% when the frequency and duration of shutdowns are below planned levels. This includes a two-year maintenance cycle, with a short shutdown in the first year and a long shutdown in the second year.

Appendix 3. Disclaimer

In this section, SIBUR sets out limitations concerning the information contained in this report.

This report, including any information contained herein regarding the Company and its activities, is provided for information purposes only and should not be construed as investment advice. Therefore, these materials are not related to any recipient's specific investment objectives, financial situation, or particular needs. Recipients should not rely on the integrated report data as determinative and should act on the basis of their own judgment. Estimates presented in this report may differ materially from actual results, and the information contained herein may differ from relevant information previously published by or on behalf of the Company. This report may contain but is not limited to forward-looking statements, including statements based on the Company's current expectations and projections of future events, which are subject to change without notice.

All statements, other than statements of historical facts, contained herein are forward-looking statements. These statements involve uncertainty and are subject to risk. Therefore, future events and actual results may differ materially from those previously anticipated, expected or implied by such forward-looking statements. It is possible that the Company may not achieve its objectives or realize its plans and expectations. There is no assurance that the Company's actual results will not differ materially from expectations set forth in such forward-looking statements. Factors that could cause actual results to differ materially from such expectations include, but are not limited to: global economic conditions, the petrochemical industry's ability to sustain economic growth and development, petrochemical price risks and regional political and security concerns. The foregoing list of factors that could cause actual results to differ materially from expectations set forth in such forward-looking statements is not exhaustive. The Company and its affiliates are under no obligation to update the information, opinions and forward-looking statements contained in this report.

This report takes account of key Russian and international requirements and principles related to the preparation of integrated reporting.

Appendix 4. Glossary

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Terms and abbreviations	Definition
AI	Artificial intelligence
ANO	Autonomous non-profit organization
APAC	Asia and the Pacific region
APC	Advanced Process Control, a system of advanced technological process control
APE	Adapted physical education
APFMS	Association of polystyrene foam manufacturers and suppliers
APG	Associated petroleum gas
AR	Augmented reality
BI	Business Interruption, downtime insurance
BOPP film	Biaxially oriented polypropylene
BRICS	An intergovernmental organization that comprised Brazil, Russia, India, China and South Africa in 2023
BSA	Behavior safety audit
Carbon footprint	Total greenhouse gas emissions that are directly or indirectly generated by an organization
CASE-IN	International engineering case competition
CE	Circular economy
CE&D	Carbon Education and Development, a consortium of Russia's primary universities designed to train experts on climate projects
CIS	The Commonwealth of Independent States
CO_2	Carbon oxide (IV), carbon dioxide
COD	Chemical oxygen demand, an indicator of the degree of organic contaminations in water bodies, expressed in mg O2
Compliance	Compliance with internal or external requirements or regulations, including legislation
CSI	Customer Satisfaction Index
D&O	Directors & Officers Liability, insurance that covers the cost of compensation claims made against a company and its management
Diversification	An approach that seeks to minimize risk by spreading resources across different industries or sectors
DOTP	Dioctyl terephthalate
E-CONS	Tool for visualization and monetary digitalization of technological processes
EAEU	The Eurasian Economic Union

Terms and abbreviations	Definition
EBITDA	Earnings before interest, taxes, depreciation, and amortization
Elastomer	Polymer with high viscosity and elasticity properties, commonly known as rubber
EMP	Enterprise master plan
eNPS	Employee Net Promoter Score
EP	Environmental protection
EPD	Environmental Product Declaration
EPR	Extended producer responsibility
EPS	Expandable polystyrene
ES	Enterprise Standard
ES	Emergency situation
ESG	Environment, Social, Governance
ESG Score	Evaluation of ESG risks faced by a company or business
ESG Strategy	PJSC SIBUR Holding's 2025 Sustainable Development Strategy
ET	Engineers and technicians
EVP	Employee Value Proposition
FES	Fuel and energy sector
FGD	Formula for Good Deeds, a social investment program
GCC	Gas chemical complex
GFF	Gas fractionation facility
GHG	Greenhouse gases
GOST	Russian national standard
GPP	Gas processing plant
GPPS	General-purpose polystyrene
GRI	Global Reporting Initiative
HDPE	High-density polyethylene
HiPo	High potential. HiPo employees are employees that actively pursue career development opportunities
HiPro	High professional. HiPro employees are employees whose job efficiency is significantly higher than the average level
HL	Health-related limitations
HR	Human Resources

Terms and abbreviations	Definition
HR cycle	Annual HR management activities, including planning, performance management, engagement, remuneration and human resources development
HSE DAYS	Annual forum organized with the support of the Ministry of Industry and Trade of Russia
IEP	Integrated environmental permit
IFRS	International Financial Reporting Standards
IMS	Integrated management system
Indoor TV	In-company television service
IoT	Internet of Things
IPCC	Intergovernmental Panel on Climate Change
ISO 45001	ISO 45001 international standard
IT	Information technology
IUCN	International Union for Conservation of Nature and Natural Resources
JV	Joint venture
KhMAO	Khanty-Mansi Autonomous Okrug – Yugra
KNRTU	Kazan National Research Technological University
KPI	Key performance indicators
KSRP	Krasnoyarsk Synthetic Rubber Plant
L&D	Learning and Development, a team of HR professionals responsible for developing the potential of company employees
LAO	Linear alpha olefins
LDPE	Low-density polyethylene
LIMS	Laboratory Information Management System, software designed to manage laboratory work and document flows
LLC	Limited liability company
LLM	Large language models (used in programming)
LOTO	Lockout/Tagout, a set of procedures that are used to ensure that equipment is shut down and inoperable prior to any maintenance or repair work
LPG	Liquefied petroleum gas
LSW	Leader Standard Work
LTF	Local treatment facilities
LTIF	Lost Time Injury Frequency

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Terms and abbreviations	Definition
MAC	Maximum allowable concentration
Maintenance and Repair	Preventive and restoration work performed to extend the service life of equipment
Mass Media	Any form of media used to communicate with a large audience
ME	The Ministry of Emergencies, officially known as the Ministry of Civil Defense, Emergencies and Disaster Relief
MES	Manufacturing Execution System
MTBE	Methyl tertiary butyl ether
MWR	Minimum wage rate
N_2O	Nitrogen oxide (I), nitrous oxide
Naphtha	A highly flammable liquid with a specific smell that is produced during the initial stage of crude oil refining
NBCA	National Business Communications Award
NCCV	National Council for Corporate Volunteering
NGL	Natural gas liquids
NPS	Net Promoter Score, a metric used to measure customer loyalty and willingness to recommend a company's product or service
O2C	Order-to-Cash, a sales business process
OHS	Occupational health and safety
OHSE	Occupational health, safety, and environment
OPEC	Organization of the Petroleum Exporting Countries
P2P	Plan-to-Produce, a production business process
PD	Property damage, insurance that covers damage to property
PD	Propane dehydrogenation
PE	Polyethylene
PEE	Production Efficiency Function
PET	Polyethylene terephthalate
PJSC	Public joint-stock company
Polymer	Any of a class of composite chemical substances used in a wide range of industrial applications
Polymerization	Process in which small molecules combine chemically to produce large network molecules (polymers)

Terms and abbreviations	Definition
Polyolefin	A class of polymers used to produce film, pipes, hoses, sheet materials, cables, storage tanks, containers, custom-made and other products
Polypropylene	White solid substance made by the polymerization of propylene and used to make containers, packaging materials, fibers, and anti-corrosive materials
POP	Persistent organic pollutants
PP	Polypropylene
PPE	Personal protective equipment
PSER	Process Safety Events Rate
PUFW	Polyurethane foam waste
PVC	Polyvinyl chloride
Pyrolysis	Thermal decomposition of organic and many inorganic compounds
R&D	Research and Development
R&D	Research and development
RAS	The Russian Academy of Sciences
RCP	Representative Concentration Pathway, global warming scenarios presented in the IPCC 5th Assessment Report which outline different climate change options depending on the level of greenhouse gas emissions during this century
REO	Russian Environmental Operator
RES	Renewable energy sources
rPE	Recycled polyethylene granules
rPET	Polyethylene terephthalate granules
rPP	Recycled polypropylene granules
RSPP	The Russian Union of Industrialists and Entrepreneurs
RTO	Real Time Optimization
RUC	The Russian Union of Chemists
S2P	Source-to-Pay, a procurement business process
SASB	The Sustainability Accounting Standards Board, a non-profit organization and sustainability reporting standards it has developed
SBTE	Styrene-butadiene thermoplastic elastomers
Scope 1	Direct emissions (emissions from company-owned or company-controlled sources)

Terms and abbreviations	Definition
Scope 2	Indirect emissions (emissions resulting from burning fuel at third-party power plants to generate energy purchased by an organization)
Scope 3	Greenhouse gas emissions resulting from an organization's economic and other activities (emissions from production and transportation of fuel, raw materials, and semi-finished goods as well as emissions from the use of finished goods and disposal of their balances)
SEZ	Special economic zone
Software	Set of programs used to operate computer systems
SPC	Stone Polymer Composite
SPNA	Specially protected natural area
SPZ	Sanitary protection zone
SR	Synthetic rubber
Sustainable Development Strategy	PJSC SIBUR Holding's 2025 Sustainable Development Strategy
SVS	Smart video surveillance
TCFD	Task Force on Climate-Related Financial Disclosures
TMS	Transport Management System
TPA	Terephthalic acid
TPE	Thermoplastic elastomers
TPP	Thermal power plant
TR	Traffic regulations
TRI	Total Recordable Injuries
TRIR	Total Recordable Incident Rate
UN Global Compact	The United Nations Global Compact
VAT	Value-added tax
VMI	Voluntary medical insurance
VR	Virtual Reality
WorldSkills	A corporate competition in professional skills
YaNAO	Yamalo-Nenets Autonomous Okrug
ZTIB	Zirconium tetra isobutyrate

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Appendix 5. Identification of material topics

GRI 3-1, 3-2

As part of its preparation of the 2023 Sustainable Development Report, SIBUR identified a list of material topics in accordance with the requirements of GRI 2021 standards. In doing so, the Company took into consideration both the impact of its own actions and the interests of the Company's stakeholders. The selection of material topics was performed in three stages.

Stage 1

Identification of material impacts

In order to determine sector-specific impacts, SIBUR performed a benchmarking analysis of comparable Russian and foreign companies recognized as leaders in terms of sustainable development and leaders in the petrochemical industry. The 2022 list of material topics was expanded to 25 items as a result of material impact review.

Stage 2

Prioritization of material topics

SIBUR conducted a comprehensive survey of all stakeholder groups, including employees, members of the Board of Directors and the Management Board, representatives of the professional community and the Company's business partners.

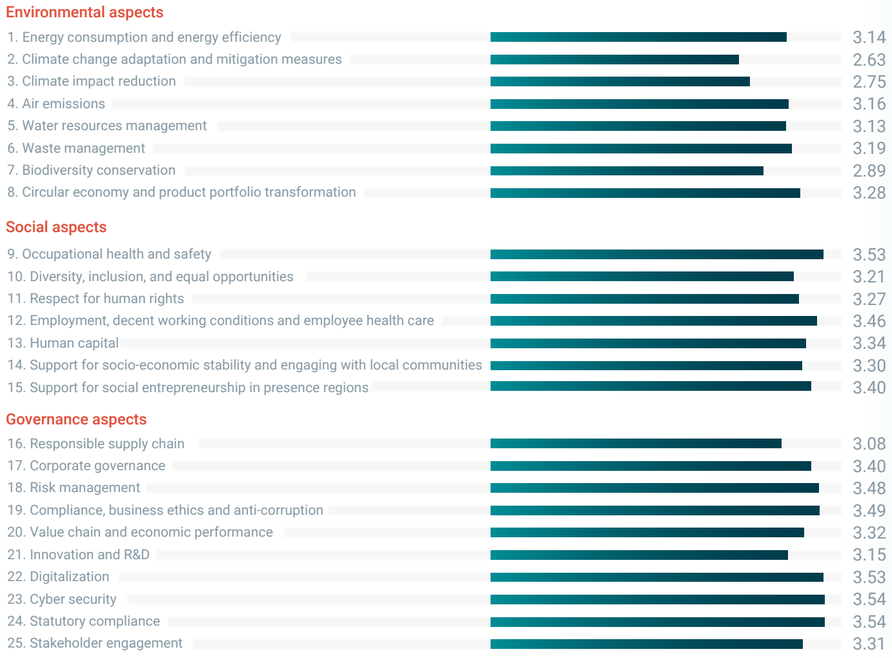
1,049

representatives of internal and external stakeholders participated in the survey, including employees and managers, business partners and consumers, representatives of non-profit organizations, local communities, rating agencies, and mass media.

Based on the survey results, a score was assigned to each material topic, and survey participants were asked to rate SIBUR's environmental, social and governance impacts on a scale of 1 to 4:
1. no impact
2. minimum impact
3.moderate impact
4.maximum impact

To determine the extent of each impact, survey participants had discretion in considering the scope and significance of impacts, the irreversibility and probability of their occurrence as well as other factors. The topics reflected the primary impacts the Company has on the economy, environment, or people, including human rights.

Integrated Scores of Material Topics by Survey Participants:



Stage 3

Approval of material topics subject to mandatory disclosure

The final list of material topics was reviewed and approved by the Company's management. GRI indicators from the relevant standards were defined for all of the approved material topics.

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Appendix 6. GRI disclosure index

Statement of Use: **Prepared by SIBUR in accordance with GRI standards, this report covers the period from 1 January 2023 to 31 December 2023**

GRI version: **Foundation 2021**

GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
GRI 2: General Disclosures 2021	**General Disclosures 2021**				
1. The organization and its corporate reporting practices					
2-1	Organizational details	About the Report	3		
		Geography of Presence	27		
2-2	Entities included in the organization's sustainability reporting	List of Consolidation	182		
2-3	Reporting period, frequency and contact point	About the Report	3	The Report was published in July 2024.	
		Contact Details	184		
2-4	Restatements of information	Energy Efficiency and Low-Carbon Development	97	Energy intensity per 1 ton of output was restated due to clarification of calculations.	
		Occupational Health and Safety	66	Total recordable incident rate (TRIR) was restated to ensure uniformity of calculations.	
2-5	External assurance	About the Report	3		
		The Report's Assurance by an Independent Practitioner	162		
2. Operations and employees					
2-6	Activities, value chain and other business relationships	The Group's Profile	25		
		Geography of Presence	27		
		Performance by Business Areas	32		
		Financial Performance	33		
		Responsible Supply Chain	151, 152, 154		
2-7	Employees	Human Potential Development	50	The indicator is disclosed in accordance with GRI 2-7 methodology without a breakdown by regions of operation	
2-8	Workers who are not employees			Most work is performed by the Company's employees rather than contractors	
3. Governance					
2-9	Governance structure and composition	Corporate Governance System	129	Disclosed in accordance with GRI 2-9 without breakdowns of the composition of the Board of Directors and its committees	
2-10	Nomination and selection of the highest governance body	Corporate Governance System	130	Disclosed in accordance with GRI 2-10 without describing the nomination and selection processes for the Board of Directors and its committees as well as the criteria used for nomination	

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GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management Corporate Governance Internal Control and Risk Management	132 130 157, 158		16
2-13	Delegation of responsibility for managing impacts	Sustainable Development Management	132		
2-14	Role of the highest governance body in sustainability reporting	About the Report	3		
2-15	Conflicts of interest	Business Ethics and Compliance	144	The indicator is disclosed in accordance with GRI 2-15. Information about identified conflicts of interest is not disclosed to external stakeholders due to data confidentiality restrictions	16
2-16	Communication of critical concerns	Corporate Governance	130		
2-17	Collective knowledge of the highest governance body	Sustainable Development Management	132		
2-18	Evaluation of the performance of the highest governance body	Corporate Governance	130		8, 10
2-19	Remuneration policies	Corporate Governance	131		
2-20	Process to determine remuneration	Corporate Governance	131		10, 16
2-21	Annual total compensation ratio	-		The ratio was not reported on account of restrictions concerning the disclosure of confidential information	
4. Strategy, policy, and practices					
2-22	Statement on sustainable development strategy	Message from Mikhail Karisalov	5		
2-23	Policy commitments	The Group's Profile Business Ethics and Compliance	24 143		8, 16
2-24	Embedding policy commitments	-		Disclosed in the report for each material topic	
2-25	Processes to remediate negative impacts	-		Disclosed in the report for each material topic	
2-26	Mechanisms for seeking advice and raising concerns	Sustainable Development Management Business Ethics and Compliance	138 146		8, 16
2-27	Compliance with laws and regulations	Environmental Protection	115		
2-28	Membership associations	Sustainable Development Management Innovation and R&D	132, 142 42		17
5. Stakeholder engagement					
2-29	Approach to stakeholder engagement	Business Model Sustainable Development Management Contribution to the Development of Local Communities	26 138 80		
2-30	Collective bargaining agreements	Human Potential Development	64		8

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GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
GRI 3	Material topics 2021				
3-1	Process used to identify material topics	Identification of Material Topics	166		
3-2	List of material topics	Identification of Material Topics	166		
Circular economy					
GRI 3-3	Management of material topics	Sustainable Development Management Sustainable Product Portfolio	132 91		
Energy consumption and efficiency					
GRI 3-3	Management of material topics	Energy Efficiency and Low-Carbon Development	97		
GRI 302: Energy 2016					
302-1	Energy consumption within the organization	Energy Efficiency and Low-Carbon Development	104, 105		
302-2	Energy consumption outside of the organization			The current reporting system does not record energy consumption outside of the Company	
302-3	Energy intensity	Energy Efficiency and Low-Carbon Development	104, 105		
302-4	Reduction of energy consumption	Energy Efficiency and Low-Carbon Development	104		
Reduction of climate impact					
GRI 3-3	Management of material topics	Energy Efficiency and Low-Carbon Development	104		
GRI 201: Economic performance 2016					
201-2	Financial implications and other risks and opportunities due to climate change	Energy Efficiency and Low-Carbon Development	100, 103		
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	Energy Efficiency and Low-Carbon Development	107		
305-2	Energy indirect (Scope 2) GHG emissions	Energy Efficiency and Low-Carbon Development	107		
305-3	Other indirect (Scope 3) GHG emissions	Energy Efficiency and Low-Carbon Development	108	The calculation includes emissions of CO_2, CH_4, N_2O, HFCs	
305-4	GHG emissions intensity	Energy Efficiency and Low-Carbon Development	107, 108	Disclosed in accordance with GRI 305-4. The ratio is based on total Scope 1 and Scope 2 emissions of CO_2, CH_4, N_2O	
305-5	Reduction of GHG emissions	Energy Efficiency and Low-Carbon Development	105		

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305-6	Emission of ozone-depleting substances (ODS)	Environmental Protection	118	Disclosed in accordance with GRI 305-6 without reporting quantitative data	13
Air emissions					
GRI 3-3	Management of material topics	Environmental Protection	113, 114		3, 15
GRI 305: Emissions 2016					
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Protection	117		3, 12, 15
Water management					
GRI 3-3	Management of material topics	Environmental Protection	119		6, 12, 15
GRI 303: Water and effluents 2018					
303-1	Interactions with water as a shared resource	Environmental Protection	119		6, 12, 15
303-2	Management of water discharge-related impacts	Environmental Protection	119, 120		6, 12, 15
303-3	Water withdrawal	Environmental Protection	119		6, 12, 15
303-4	Water discharge	Environmental Protection	119		6, 12, 15
303-5	Water consumption	Environmental Protection	120	The Company does not withdraw water from areas with water stress	
Waste management					
GRI 3-3	Management of material topics	Environmental Protection	121		3, 12
GRI 306: Waste 2020					
306-1	Waste generation and significant waste-related impacts	Environmental Protection	121		3, 12
306-2	Management of significant waste-related impacts	Environmental Protection	121		3, 12
306-3	Waste generated	Environmental Protection	121		3, 12
306-4	Waste diverted from disposal	Environmental Protection	122	The indicator is disclosed without a breakdown into hazardous and non-hazardous waste	3, 12

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GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
306-5	Waste directed to disposal	Environmental Protection	122	Disclosed in accordance with GRI 306-5 without a breakdown by waste type	
Biodiversity conservation					
GRI 3-3	Management of material topics	Environmental Protection	123		
GRI 304: Biodiversity 2016					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Protection	124		
304-2	Significant impacts of activities, products, and services on biodiversity	Environmental Protection	124		
304-3	Habitats protected or restored	Environmental Protection	124		
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environmental Protection	124		
Product life cycle management					
GRI 3-3	Management of material topics	Sustainable Development Management Sustainable Product Portfolio	132, 133 91		
GRI 301: Materials					
301-2	Recycled input materials used			In the reporting year, SIBUR did not use recycled materials for manufacturing its products. Goals consistent with the circular economy principles are integrated into the Company's Sustainable Development Strategy. As part of its adopted Circular Economy and Climate Impact Reduction Policy, SIBUR is implementing investment projects to use recycled feedstock materials	
301-3	Reclaimed products and their packaging materials			The Company's core business is to wholesale petrochemical products. Because the share of reused products and their packaging is not a material indicator for SIBUR, no quantitative data is reported	
Employee health and safety					
GRI 3-3	Management of material topics	Sustainable Development Management Occupational Health and Safety	132, 133 66		
GRI 403: Occupational health and safety					
403-1	Occupational health and safety management system	Occupational Health and Safety			
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	68, 69, 70, 72, 73		

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GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
403-3	Occupational health services	Occupational Health and Safety	69, 72, 73		
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	68, 77		
403-5	Worker training on occupational health and safety	Occupational Health and Safety	77		
403-6	Promotion of worker health	Occupational Health and Safety	74		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	70, 73, 76		
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety	77		
403-9	Work-related injuries	Occupational Health and Safety	70, 73	Disclosed in accordance with GRI 403-9 without reporting the rate of fatalities as a result of work-related injury for employees and workers who are not employees	
403-10	Work-related ill health	Occupational Health and Safety	76	In accordance with GRI 403-10, the Company reported the total number of cases of recorded occupational disease and the main factors that caused or contributed to these cases of disease	
Social and cultural diversity, inclusion, and equal opportunities					
GRI 3-3	Management of material topics	Human Potential Development Contribution to the Development of Local Communities	46 79, 80		
GRI 405: Diversity and equal opportunity					
405-1	Diversity of governance bodies and employees	Human Potential Development	51	The indicator is disclosed in absolute values	
405-2	Ratio of basic salary and remuneration of women to men	Human Potential Development	52		
Human rights					
GRI 3-3	Management of material topics	Sustainable Development Management Occupational Health and Safety Business Ethics and Compliance	132, 133 66 143, 149		
GRI 406: Non-discrimination					
406-1	Incidents of discrimination and corrective actions taken	Business Ethics and Compliance	148		

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GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
GRI 407: Freedom of association and collective bargaining					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			No such risk was identified for the Company's business units	
Employment and decent working conditions					
GRI 3-3	Management of material topics	Sustainable Development Management Human Potential Development Occupational Health and Safety	132, 133 46 66		
GRI 202: Market presence 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Human Potential Development	52		
202-2	Proportion of senior management hired from the local community	-		The current reporting system does not record data for this disclosure	
GRI 401: Employment					
401-1	New employee hires and employee turnover	Human Potential Development	50, 53	The total number of new employees is disclosed in accordance with GRI 401-1 without a breakdown by regions. The indicator of total employee turnover for the reporting period is disclosed without a breakdown by age groups and by regions as required by the standard	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Potential Development	54		
401-3	Parental leave	Human Potential Development	52	Disclosed in accordance with GRI 401-3 without reporting the total number of employees that were entitled to parental leave by gender	
GRI 402: Labor/Management relations					
402-1	Minimum notice periods regarding operational changes			In accordance with the Labor Code of the Russian Federation, employment contracts specify minimum notice periods prior to the implementation of significant operational changes by employment service bodies and the elected bodies of trade unions: not later than two months prior to the commencement of relevant activities and not later than three months if decisions to reduce the number of employees may lead to mass lay-offs	
Employee training and development					
GRI 3-3	Management of material topics	Sustainable Development Management Human Potential Development Occupational Health and Safety	132, 133 46 66		
GRI 404: Training and education					
404-1	Average hours of training per year per employee	Human Potential Development	57	Disclosed in accordance with GRI 404-1 without a breakdown by employee category	
404-2	Programs for upgrading employee skills and transition assistance programs	Human Potential Development	57	In accordance with GRI 404-2, the Company disclosed the type and scope of programs implemented and assistance provided to upgrade employee skills	
404-3	Percentage of employees receiving regular performance and career development reviews	Human Potential Development	62		

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GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
Contribution to areas of presence and interaction with local communities					
GRI 3-3	Management of material topics	Sustainable Development Management Contribution to the Development of Local Communities	132, 133 79, 80		
GRI 413: Local communities					
413-1	Operations with local community engagement, impact assessments and development programs	Contribution to the Development of Local Communities Environmental Protection	79, 80, 82, 86		
413-2	Operations with significant actual and potential negative impacts on local communities	Contribution to the Development of Local Communities	82, 86	The Company assesses its potential negative environmental impacts that may affect local communities. In accordance with the legislation of the Russian Federation, this assessment is carried out for all of the Company's production facilities. The information compiled by the Company is presented in the full version of the report in the Environmental Protection section. Although the Company does not assess its potential negative impacts on social environment, all of the Company's sites strive to increase their positive impact and minimize potential negative impact of operations on local communities	
GRI 203: Indirect economic impacts 2016					
203-1	Infrastructure investments and services supported	Contribution to the Development of Local Communities	79, 82		
203-2	Significant indirect economic impacts	Contribution to the Development of Local Communities	79		
Responsible supply chain					
GRI 3-3	Management of material topics	Sustainable Development Management Sustainable Product Portfolio Responsible Supply Chain	132, 133 91 151, 152, 154		
GRI 204: Procurement practices 2016					
204-1	Proportion of spending on local suppliers	Responsible Supply Chain	153		
GRI 308: Supplier environmental assessment 2016					
308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain	153		
308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain	153		
GRI 416: Customer health and safety					
416-1	Assessment of the health and safety impact of product and service categories	Sustainable Product Portfolio	94	Disclosed in accordance with GRI 416-1 with regard to the Company's efforts to address health and safety across the life cycle of products and services. The Company did not collect quantitative data for this assessment during the reporting period	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			No incidents of non-compliance with regulations or voluntary codes concerning health and safety impact of products and services were recorded in the reporting period	

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GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
GRI 417: Marketing and labeling					
417-1	Requirements for product and service information and labeling	Sustainable Product Portfolio	91	The approach was detailed in the 2021 Integrated Annual Report	
417-2	Incidents of non-compliance concerning product and service information and labeling	Sustainable Product Portfolio		Not applicable to the Company	
Corporate governance					
GRI 3-3	Management of material topics	Sustainable Development Management Corporate Governance System Business Ethics and Compliance Internal Control and Risk Management	132, 133 128 143, 149 157		
Business ethics and anti-corruption					
GRI 3-3	Management of material topics	Business Ethics and Compliance	143, 149		
GRI 205: Anti-corruption 2016					
205-1	Operations assessed for risks related to corruption	Business Ethics and Compliance	149		
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics and Compliance	149	Disclosed in accordance with GRI 205-2 without reporting information regarding employee training on anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	Business Ethics and Compliance	149	No confirmed cases of corruption documented in the reporting period	
Value chain and economic performance					
GRI 3-3	Management of material topics	Business Ethics and Compliance	143, 149		
GRI-201: Economic performance (2016)					
201-1	Direct economic value generated and distributed	Financial Performance			
201-4	Financial assistance received from government	-		In 2023, the Company did not receive any financial assistance from the government. The government of the Russian Federation is not present in the Company's shareholding structure. Financial assistance from government is defined in accordance with IFRS	

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GRI indicator	Description	Report Section	Page	Comments	U.N. SDGs
Innovation and R&D					
GRI 3-3	Management of material topics	Sustainable Development Management Sustainable Product Portfolio Digital Transformation Innovation and R&D	132, 133 91 34, 35 38		
Digitalization					
GRI 3-3	Management of material topics	Sustainable Development Management Sustainable Product Portfolio Digital Transformation Innovation and R&D	132, 133 91 34, 35 38		
Cyber security					
GRI 3-3	Management of material topics	Sustainable Development Management	133, 134		
Statutory compliance					
GRI 3-3	Management of material topics	Sustainable Development Management Business Ethics and Compliance	132, 133 143, 149		
GRI 206: Anti-competitive behavior					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and Compliance	150		
Other GRI disclosures					
GRI 207: Tax					
207-2	Tax governance, control, and risk management	Business Ethics and Compliance		Assurance of disclosures on the Company's tax obligations is not applicable	
207-3	Stakeholder engagement and management of concerns related to tax	Business Ethics and Compliance			
GRI 408: Child labor					
408-1	Operations and suppliers at significant risk for incidents of child labor			No risks for incidents of child labor were recorded at the Company's operations	

Appendix 7. Disclosure of TCFD recommendations

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TCFD Recommendations	Report Section
CORPORATE GOVERNANCE	
Disclosure of the organization's governance of climate-related risks and opportunities	
a) The Board's oversight of climate-related risks and opportunities	Energy Efficiency and Low-Carbon Development
b) Management's role in assessing and managing climate-related risks and opportunities	Energy Efficiency and Low-Carbon Development
STRATEGY	
Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) description of climate-related risks and opportunities identified by the organization over the short, medium, and long term	Energy Efficiency and Low-Carbon Development
b) description of the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Energy Efficiency and Low-Carbon Development
c) description of the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Energy Efficiency and Low-Carbon Development
RISK MANAGEMENT	
Disclosure of the organization's processes for identifying, assessing, and managing climate-related risks	
a) description of the organization's processes for identifying and assessing climate-related risks	Energy Efficiency and Low-Carbon Development
b) description of the organization's processes for managing climate-related risks	Energy Efficiency and Low-Carbon Development
c) description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Energy Efficiency and Low-Carbon Development
METRICS AND TARGETS	
Disclosure of metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) disclosure of metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Energy Efficiency and Low-Carbon Development
b) disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and related risks	Energy Efficiency and Low-Carbon Development
c) description of targets used by the organization to manage climate-related risks and opportunities and performance against targets	Energy Efficiency and Low-Carbon Development

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Appendix 8. Disclosure of indicators in line with the Methodological Guidelines for Sustainability Reporting

(approved by Order of the Russian Ministry of Economic Development No. 764 of November 1, 2023)

No.	Indicator	Unit of measurement	2021	2022	2023	Where referred to in reporting documents	Comments
Economic indicators							
1	Revenue	RUB mln.	–	–	1,086,987	2023 Integrated Annual Report, p. 33	
2	Added value	RUB mln.	–	–	–		
3	Net added value	RUB mln.	–	–	–		
4	General R&D expenses	RUB mln.	2,154	2,259	5,464	2023 Integrated Annual Report, p. 39	
5	Labor productivity, RUB mln/pers.	–	–	26.1	33.96	2023 Integrated Annual Report, p. 56	
6	Amount of accrued mandatory payments (less fines, penalties), total, including: • taxes and fees; • insurance premiums; • other mandatory payments	–	–	–	–		
7	Amount of paid mandatory payments (less fines, penalties), total, including: • taxes and fees; • insurance premiums; • other mandatory payments	–	–	–	–		
8	Share of purchases of Russian-origin goods, works and services in the total volume of purchased goods, works and services	%	40	80	80	2023 ESG data base	The share of purchases from local suppliers
9	Share of goods, works and services purchased from small and medium enterprises in the total volume of purchases from Russian organizations	%	22	24	30	2023 ESG data base	–
10	Sustainable, including green, investments	–	–	–	15.9	–	Showing the cost of mitigating climate risks and impact on natural ecosystems, social programs for personnel
11	Investments in projects related to achieving technological sovereignty and structural adaptation of the Russian Federation's economy	–	–	–	–	–	The indicator is not disclosed. The Company is considering the possibility of disclosing this information in subsequent cycles
12	Indicator of economic sensitivity of economic and other activities to climate risks	–	–	–	–	–	

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No.	Indicator	Unit of measurement	2021	2022	2023	Where referred to in reporting documents	Comments
Environmental indicators							
13	Volume of water consumed from all sources	thousand m³	37,687	75,680	36,190	2023 Integrated Annual Report, p. 120	–
14	Volume of recycled and reused water	%	–	13.0	16.4	2023 Integrated Annual Report, p. 165	
15	Volume of discharged polluted wastewater, total, including untreated	t	–	51,099	13,938	2023 ESG data base	Showing data on wastewater pollutants discharged into surface water bodies
16	Water utilization efficiency ("specific water consumption")	thousand m³ / RUB mln.	–	0.15	0.07	A calculated value (line 13 / line 3)	–
17	Total hazard class I-V wastes generated, including:	t	43,933.38	246,521.30	174,172.92	2023 Integrated Annual Report, p. 122	–
	• I class;		10.92	35.20	13.97		
	• II class;		55.90	1,702.86	2,630.95		
	• III class;		4,567.57	28,221.71	29,757.86		
	• IV class;		21,254.34	150,730.71	63,507.22		
	• V class		18,044.65	65,830.82	78,262.92		
18	Management of hazard classes I-V wastes, total, including by category:	t				2023 ESG data base	The data is provided in accordance with Form
	• waste salvaged;		26,051.46	95,323.27	95,445.42		No. 2-TP (waste). Other categories are not applicable due to the nature of the Company's operations.
	• waste neutralized;		8,274.42	22,312.07	35,785.00		
	• waste landfilled;		9,637.18	8,908.04	38,615.08		
	• *waste reused;*						
	• *recycled waste;*						
	• *waste generation decrease*						
19	Mass of pollutants emitted into the atmospheric air from fixed sources	thousand tons	72.09	112.38	103.82	2023 Integrated Annual Report, p. 117	–
20	Greenhouse gas emissions	mln. t CO_2eq.	15.6	27.16	22.5	2023 Integrated Annual Report, p. 107	Scopes 1 and 2
21	Spending on environmental protection measures, total, including:	RUB mln.	3,599.32	8,980.19	11,568.72	2023 Integrated Annual Report, p. 117	Environmental protection expenses
	• protection of atmospheric air and climate change prevention;						
	• wastewater collection and treatment;						
	• waste management;						
	• preservation of biodiversity and protection of nature areas						
22	Consumption of renewable and low-carbon energy	GJ	0.0124	0.0778	0.0199	2023 ESG data base	Consumption of energy from renewable sources
23	Energy efficiency: energy consumption per unit of net value added	mGJ/ RUB bln.	–	0.80	0.69	A calculated value. Energy consumption data: 2023 Integrated Annual Report, p. 104	
Social indicators							
24	Payroll expenses, total	RUB mln.	52,303	85,510	98,986	2023 Integrated Annual Report, p. 53	Total HR expenses
25	Average headcount of employees, total,	pers.	43,540	38,084	34,711	2023 Integrated Annual Report, p. 50	–
	including the number of employees with disabilities	%	–	0.28%	0.35%		
26	Average pay, total, including:	RUB.	106,760	128,250	158,142	2023 Integrated Annual Report, p. 53	Breakdown of average pay by type of occupation, gender, age not disclosed
	• by type of occupation;						
	• by gender;						
	• by age						
27	Occupational health and safety costs, total,	RUB mln.	1,241.0	1,719.0	1,786.7	2023 Integrated Annual Report, p. 74	–
	including average per employee	RUB thou.	28.5	45.1	51.5	A calculated value (line 27 / line 25)	

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No.	Indicator	Unit of measurement	2021	2022	2023	Where referred to in reporting documents	Comments
28	Spending on organizing and holding social, athletic, recreational and healthcare events for employees and their family members	RUB mln.	524	521	1,969	2023 Integrated Annual Report, p. 54	The amount spent on social programs for staff, including stays at health resorts and children's camps, professionally relevant events, cultural events, events and gifts for children, and events to promote healthy living. The amount of social investments under the Formula for Good Deeds program is shown for 2021-2022
29	Number of persons injured in workplace accidents with one or more working days of lost work capacity, and fatalities,	pers.	7	40	33	2023 Integrated Annual Report, p. 70	–
	including fatal accidents	pers.	0	2	2	2023 ESG data base	
30	Employee training costs, total,	RUB mln.	489.4	821.0	956.0	2023 Integrated Annual Report, p. 59	–
	including average per employee	RUB thou.	25.7	21.6	26.2	A calculated value (line 30 / line 25)	
31	Average number of hours of training per year per employee by groups of training sessions	pcs.	41.8	53.0	192.5	2023 ESG data base	–
32	Share of employees covered by collective bargaining agreements in the average staff headcount	%	100	100	100	2023 Integrated Annual Report, p. 64	–
33	Staff turnover rate	%	5.0	12.4	11.7	2023 Integrated Annual Report, p. 50	–
34	Spending on participation in support of social programs not directed at employees and their family members, total, including: • charitable; • housing; • healthcare; • education; • in social assistance	RUB mln.	524	521	622	2023 ESG data base	Size of social investments under the Formula for Good Deeds program
Management indicators							
35	Existence of a sustainable development policy and (or) other strategic documents in this area	–	yes	yes	yes	2023 Integrated Annual Report, p. 66	–
36	Number of the Board of Directors' meetings and their attendance rate	pcs.	19	20	22	2023 ESG data base	–
37	Number of members of the Board of Directors, total, including by age groups	pers.	12	10	12	2023 Integrated Annual Report, p. 129	–
38	Number of meetings of the Audit Committee and their attendance rate	pcs.	11	11	11	2023 ESG data base	–
		%	100	100	100		
39	Participation in sustainability indices and ratings (ESG)	–	yes	yes	yes	2023 Integrated Annual Report, p. 138	–
40	Number of documented cases of infringement on the rights of small indigenous minorities of the Russian Federation	pcs.	0	0	0	–	–
41	Share of employees in positions with high corruption risk	–	–	–	14%	2023 ESG data base	–
42	Average number of hours of anti-corruption training per employee per employee	pcs.	0.03	0.09	0.50	2023 ESG data base	–
43	Number of cases in which the organization, its subsidiaries and affiliates were held administratively liable for corruption offenses	pcs.	0	0	0	–	–
44	Share of female executives in the total number of executives, total,	%	19	17	17	2023 ESG data base	–
	including on the Board of Directors	%	17	10	17		

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Appendix 9. SASB Table

Indicator	Description	Report Section	Page	Comments
Environmental Aspect				
Water management				
RT-CH-140a.1	Total water withdrawn, total water consumed, percentage of each in regions with high or extremely high baseline water stress	Environmental Protection	119	
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Environmental Protection	119	
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Environmental Protection	119	
Hazardous waste management				
RT-CH-150a.1	Amount of hazardous waste generated; percentage recycled	Environmental Protection	121	
Greenhouse gas emissions				
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations and programs	Energy Efficiency and Low-Carbon Impact	107	100% of emissions are covered under emissions-limiting regulations or programs
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Energy Efficiency and Low-Carbon Impact	109	
Energy management				
RT-CH-130a.1	Total energy consumed, percentage of grid electricity, percentage of renewable energy, total self-generated energy	Energy Efficiency and Low-Carbon Impact	104	
Air quality				
RT-CH-120a.1	Total emissions of air pollutants	Environmental Protection	117	
Social Aspect				
Occupational health and safety				
RT-CH-320a.1	Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Occupational Health and Safety	70	
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Occupational Health and Safety	76	

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Appendix 10. SASB Table

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SIBUR annually publishes consolidated IFRS statements certified by an independent auditor. The Company uses an identical list of business units in its integrated annual report. Subsidiaries and assets that are excluded from certain estimates are listed in the notes to relevant indicators.[1]

In 2023 RusVinyl was excluded from JSC TGK-16 and incorporated in the Group.

As at December 31, 2023, the Group comprised 37 companies located in the Russian Federation and abroad.

For details on the Group's key assets, please refer to “Consolidated Financial Statements prepared in accordance with IFRS and Independent Auditor's Report”.

Companies included in the consolidation list of this report

SIBUR International GmbH	NKHTK LLC
SIBUR International Trading Istanbul	NIOST LLC
SIBUR International Trading (Shanghai) Company	NPP Neftekhimia LLC
SIBUR Investments AG	Reactor LLC
SIBUR SECURITIES DAC	RusVinyl LLC
Sibur-Sinopec Rubber Holding Company Limited	SIBUR LLC
Voronezhsintezkauchuk JSC	SIBUR-Kstovo LLC
Sibgazpolymer JSC	SIBUR-Finance LLC
SiburTyumenGas JSC	SIBUR CSPO LLC
Transport Company JSC (formerly known as SIBUR-Trans JSC)	SNCK LLC
Sibur-Khimprom JSC	Tomskneftekhim LLC
SpetsTransOperator JSC	Portenergo Management Company LLC
Sibur-Neftekhim JSC	POLIEF JSC
Sibur-PETF JSC	SIBUR PolyLab LLC
Siburenergomanagement JSC	SIBUR Digital LLC
SIBUR-RT JSC	Atyrau Neftekhim LLC
Amur GCC LLC	
BIAXPLEN LLC	
ZapSibNeftekhim LLC	
SIBUR-Yug Corporate Health Center LLC	

1 Joint ventures are not included in the calculation of sustainability indicators except for gross GHG emissions, number of inquiries made to the company, and staff training.

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Appendix 11. Certificate of public assurance of the corporate non-financial report

Russian Union of Industrialists and Entrepreneurs

Certificate
of Public Assurance of Corporate Non-Financial Reporting

PJSC SIBUR Holding's 2023 Integrated Annual Report

has passed public assurance at the Non-Financial Reporting Council of the Russian Union of Industrialists and Entrepreneurs (RSPP).

The detailed statement of public assurance of PJSC SIBUR Holding's 2023 Integrated Annual Report by RSPP's Council has been provided to the Company. The Company may publish it without any modifications and use it both for internal corporate purposes and for purposes of communicating with its stakeholders.

Registration number 256.04.181.05.23

RSPP President **A. Shokhin**

Moscow, 2024



Российский союз промышленников и предпринимателей

СВИДЕТЕЛЬСТВО

об общественном заверении
корпоративного нефинансового отчета

Интегрированный годовой отчет
ПАО «СИБУР Холдинг»
за 2023 год

прошел процедуру общественного заверения
в Совете РСПП по нефинансовой отчетности

Развернутое заключение Совета РСПП об общественном заверении Интегрированного годового отчета ПАО «СИБУР Холдинг» за 2023 год направлено в Компанию, которая может публиковать его без каких-либо изменений и использовать как для внутрикорпоративных целей, так и в целях коммуникаций с заинтересованными сторонами.

Регистрационный номер 256.04.181.05.23

Президент РСПП А.Шохин

Москва, 2024

Contact details

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Registered office

30, Building 6, Quarter 1, Vostochny Industrial Park, Tobolsk, Tyumen Region, 626150
+7 (3456) 266 686

Moscow office

16/1 Krzhizhanovskogo Street, Moscow, 117218
+7 (495) 777-55-00



Media relations

Information Policy

+ 7 (495) 937-17-26
press@sibur.ru



Investor relations

Capital Markets and Investor Relations Function

+7 (495) 777-55-00
sibur_ir@sibur.ru



Sustainable development

Sustainable Development Function

+7 (495) 777-55-00
sustainabledevelopment@sibur.ru



SIBUR_IR@sibur.ru

www.sibur.ru
(Russian)

www.sibur.ru/en/
(English)