



BASF and SIBUR collaborate to develop innovative polymer solutions

- **Signed a Memorandum of Cooperation to seal the commitment from both companies to develop innovative solutions**
- **Combining expertise to jointly drive technological advancement**

Moscow, Russia, and Ludwigshafen, Germany, June 18, 2019 — SIBUR and BASF are collaborating to develop innovative polymer solutions at SIBUR's PolyLab Research and Development Center located in Moscow, Russia. The signing ceremony of the Memorandum of Cooperation took place on May 30, 2019 at SIBUR's newly inaugurated state-of-the-art PolyLab at the Skolkovo Innovation Center to seal the strong commitment from SIBUR and BASF.

Both companies will work together to leverage on the digital technologies in production and R&D, and to develop an innovative range of polymers using the plastic additives offered by BASF. In addition, BASF will support with its technical expertise the development of new technology tests at PolyLab, the main R&D hub of SIBUR NIOST, and SIBUR's production facilities. The companies plan to also jointly develop new high-performance additive solutions, focusing on highly demanding converting conditions for polymers and specifically targeting long term durable goods. They will promote these new solutions at joint technical events to educate SIBUR's customers and industry players.

"The new agreement extends our strategic partnership with one of the global chemical majors and unlocks new opportunities for all consumers of polymer products. Combining the extensive knowhow from both companies, we will develop modern synthetic materials that are advanced and sustainable," said Pavel Lyakhovich, member of the Management Board and Managing Director, OOO SIBUR.

“SIBUR focuses very strongly on promoting innovative solutions to drive technological advancement in the industries they operate in, supporting circular economy. They have also been our long-term business partner,” said Achim Sties, Senior Vice President, Performance Chemicals Europe, BASF SE. “At BASF, we are committed to developing additive solutions that perform economically and last longer. I am convinced that this extended partnership with SIBUR will accelerate the goals of both companies to drive long term success through innovative solutions by leveraging on the strong additives know-how of BASF and extensive synthetic polymer experience of SIBUR.”

Polymers are well-known synthetic materials that are durable, strong, environmentally friendly to be widely used in construction, utilities, automotive, healthcare, food and other industries. The key priority of SIBUR’s PolyLab is to promote the use of polymers both to manufacture existing products, and to design novel solutions to drive technological advancement for the relevant industries. PolyLab will foster the use of recycled materials and the application of polymers in circular economy. For this purpose, samples of new PE Polyethylene and PP polypropylene grades will be transformed at the Center's pilot manufacturing lines into pipes, medical goods, films, food packaging, canisters and other products. This will provide a deeper insight into polymers’ properties and their impact on the end product quality to further improve the materials and boost production efficiency.

About SIBUR

SIBUR is the leader of the Russian petrochemical industry. It has more than 26,000 employees. The Company’s unique vertically integrated business model allows it to create highly competitive products consumed in the chemical, fast moving consumer goods (FMCG), automotive, construction, energy and other industries in 80 countries worldwide.

SIBUR helps to reduce CO₂ emissions stemming from the burning of oil extraction by-products, such as associated petroleum gas (APG), by recycling them instead. In 2018, SIBUR processed 22.3 billion cubic metres of APG thus cutting greenhouse emissions by 72 million tonnes, which is equivalent to the annual CO₂ footprint of a middle-sized European country.

In 2018, SIBUR reported revenue of USD 9.1 billion and adjusted EBITDA of USD 3.3 billion.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 122,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of around €63 billion in 2018. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.

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