SIBUR HOLDING PJSC’s

MEMORANDUM OF CORPORATE SOCIAL RESPONSIBILITY AND CHARITABLE ACTIVITIES

**Moscow 2020**

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# General Provisions

* + 1. This Memorandum was formulated in order to outline SIBUR Holding PJSC's (hereinafter the "Company") basic principles of social responsibility, to organize in a systemic way and to unify the Company's charitable activities, and to help improve the effectiveness of its charitable programs.
    2. This Memorandum covers SIBUR Group’s charitable activities and its sponsorship of socially relevant projects. The Memorandum does not constitute an exhaustive set of rules and does not provide guidance on every type of situation that might arise during the implementation of charitable and socially relevant projects.
    3. SIBUR Group's counterparts are advised to follow the requirements of this Memorandum when acting on behalf and/or in the interests of SIBUR Group companies.
    4. This Memorandum does not supersede the requirements of applicable laws of the Russian Federation. In the event of a conflict between the requirements of this Memorandum and the requirements of applicable laws of the Russian Federation, the requirements of the Russian Federation laws shall prevail.

# Terms, Definitions and Abbreviations

* 1. **SIBUR Group** means all legal entities whose financial statements are included in the consolidated financial statements of SIBUR Holding PJSC prepared in accordance with the international financial reporting standards**.**
  2. **SIBUR Holding PJSC companies** are subsidiaries and affiliates of the Company**.**
  3. **Corporate Social Responsibility (CSR)** is an organization's responsibility not only for the economic but also for the social and environmental impact of its operations, as implemented through its ethical corporate conduct, consideration of the views of its stakeholders, and implementation of socially relevant, charitable and sponsorship projects.
  4. **Sustainable development** is the development of society that meets the needs of the present without compromising the ability of future generations to meet their own needs
  5. **Employee** is a natural person who has entered into an employment relationship with an employer**.**
  6. **Employer** stands forSIBUR LLC, or SIBUR Holding PJSC companies that have entered into an employment relationship with its employees**.**
  7. **Functional area** is a set of activities with homogeneous goals**.**
  8. **Charitable activity, charitable project** is a voluntary activity, or a voluntary project, directed at advancement of society in the social, economic and environmental areas by means of rendering financial support, providing property, or performing work, services and

other types of assistance to third parties.

* 1. **Sponsorship activity, sponsorship project** is a voluntary activity/project carried out with the aim of facilitating the development of society in the social, economic and environmental areas by means of rendering financial support, providing property, performing work, services and other types of assistance to third parties on the condition that the beneficiaries (the sponsored parties) would distribute promotional information about the Company and its activities in the scope and format as agreed with the Company. **This Memorandum applies solely and exclusively to sponsorship of socially relevant projects.**
  2. A **socially relevant project** is a project that is intended to improve living standards within a certain geography (first and foremost, in the regions where the Company operates) and is of great value for the entire population of that geography**.**

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* 1. **Social investments** are the Company's financial contributions to sustainable social and economic development of the regions where it operates with the intent of securing favorable conditions for the development of the Company's business, by mitigating, inter alia, its economic, social, environmental, and reputational risks**.**
  2. **SIBUR Group's regions of presence** are the constituent entities of the Russian Federation where SIBUR Holding PJSC companies conduct their business operations.

# SIBUR Group's Principles of Corporate Social Responsibility and Stakeholder Relations

* 1. In formulating its principles of corporate social responsibility, SIBUR Group relies on the provisions of ISO 26000 and the approach outlined in the Social Charter of Russian Business.
  2. SIBUR Group warrants that the interests of its stakeholders will be taken into account when planning and carrying out its activities. The list of SIBUR Group's stakeholders includes the following persons or groups of persons:
     + Shareholders and investors
     + Employees
     + Customers
     + Business partners
     + Residents of the geographic areas where SIBUR Group operates
     + Government authorities and regulators
     + Non-profit organizations, including, but not limited to, public associations, educational institutions, and charitable foundations.
  3. SIBUR Group’s relations with its stakeholders are based on the principles of mutual respect and equitable partnership. SIBUR Group commits to take into account the interests of all its stakeholders to the maximum extent possible and expects mutually beneficial cooperation and support for its business from its counterparts.
  4. SIBUR Group believes that its primary business objective is to improve financial performance and to increase its attractiveness to investors while taking into account the social and environmental impact of its decisions and guaranteeing compliance with moral

and ethical standards and respect for human rights. An internal policy document laying out the rules of responsible corporate conduct is the company’s Code of Corporate Ethics.

* 1. SIBUR Group is a diligent taxpayer and a conscientious employer. It has been contributing to the socio-economic, scientific and cultural development of the regions where it operates. The Group seeks to forge long-term partnerships with government authorities in the framework of socio-economic cooperation agreements.
  2. SIBUR Group considers human capital its most valuable resource and pledges to adhere to the world’s most advanced occupational safety and health standards at all of its facilities, while providing an adequate level of compensation, and creating an enabling environment for its employees’ professional growth and development. The company’s fundamental document in this area is its Personnel Management Policy.
  3. SIBUR Group is committed to promoting rational use of natural resources and has been implementing measures to minimize its environmental impact. The principles, priorities and mechanisms for fulfilling the Company's environmental responsibility are set out in SIBUR Holding PJSC's Environmental Policy.
  4. SIBUR Group has been disclosing information about its social responsibility and charity activities on a regular basis in the respective section of its Annual Review, which is available to the general public at [http://investors.sibur.com](http://investors.sibur.com/).

# SIBUR Group’s Charity Principles

* 1. SIBUR Group carries out its charitable activities on a voluntary basis, by freely choosing the areas of activities and forms of its assistance. The company’s employees participating in charitable activities personally decide on how they will contribute to a given project, without being influenced by any authority.
  2. SIBUR Group carries out its charitable activities only in those regions where it operates and assumes only those obligations that are aligned with its business goals and objectives, organizational capabilities, and its financial position, and fit the definition of "Social Investments".
  3. In planning its charitable activities, SIBUR Group factors in the socio-economic, natural and cultural features of the regions where it operates, as well as the issues that are relevant to individual cities and regions.
  4. As a matter of priority, SIBUR Group supports projects intended to eradicate the causes of existing community problems having a long-term effect and a high degree of relevance for society and having a direct impact on the Company's employees and/or their families.
  5. SIBUR Group carries out its charitable activities in a systematic and long-term manner, drawing on the experience gained in the course of previously implemented projects when planning and budgeting its charitable activities.
  6. SIBUR Group defines the goals and objectives of its charitable activities once a year, and after the year is over the results achieved to date undergo a review. SIBUR Group strives

to improve the effectiveness of its charitable activities by endeavoring to achieve better results as per its objectives.

* 1. SIBUR Group guarantees that it will fulfil all of its commitments while reserving the right to revise annually the scope of its social obligations pursuant to an objective assessment of its position.

# SIBUR Group's Formula for Good Deeds charity program

* 1. In order to improve the effectiveness of SIBUR Group’s charitable activities, all its charitable and partially sponsored projects have been consolidated under a single charitable program titled "The Formula for Good Deeds" (hereinafter referred to as the "Program").
  2. The program is being implemented in the following priority focus areas identified as such by SIBUR Group:
     + **Focus Area 1 "Urban Development":** promoting sustainable development and improving living standards in the cities where the company operates.
     + **Focus Area 2 "Education and Science":** supporting and advancing chemical science and science education and promoting the chemical industry as a promising field for career opportunities and personal advancement.
     + **Focus Area 3 "Sports and Healthy Living":** creating conditions for athletic activities and promoting healthy living.
     + **Focus Area 4 "Environmental Protection":** delivery of environmental education, organization of and support for conservation activities.
     + **Focus Area 5 "Culture":** facilitating implementation of cultural projects and advancement of children's and young people's creativity and talent development.
     + **Focus Area 6 “Volunteering”:** uniting SIBUR Group’s employees and residents of the regions where it operates around shared human values and getting them involved in socially important projects of their own design.
  3. The Charity Program is being implemented:
* in the form of SIBUR Group’s special and interregional projects;
* in the form of support for volunteering projects of SIBUR Group’s employees, including those implemented as part of the activities of the Formula for Good Deeds corporate charitable foundation;
* in the form of charitable and sponsorship support for projects implemented by third parties in the regions where the Company operates.
  1. Information about the rules for awarding charitable financial and non-financial assistance, requirements for applicants and for applying, the procedure for reviewing applications, for allocating funding, and for project reporting is provided in the SIBUR Holding PJSC’s Rules for Conducting Contests of Socially Relevant Projects, a document that is freely accessible on the Program’s website at www.formula-hd.ru.
  2. SIBUR Group's sponsorship of socially relevant projects is a part of its Formula for Good Deeds charity program and is provided in line with SIBUR Holding PJSC’s Rules for Sponsoring Socially Relevant Projects, a document that is freely accessible on the Program's website at [www.formula-hd.ru](http://www.formula-hd.ru).
  3. Projects not meeting the Program’s criteria may be still implemented or supported in exceptional cases subject to their review and approval by SIBUR Group’s management.
  4. The Program features its own logo and brand style, a brand style guide, and an approved set of design layout templates for communication and promotional materials. No use of the Program's brand style, or its communication and promotional materials is allowed without SIBUR Group's consent.

# Final Provisions

* 1. This Memorandum does not have an expiration date.
  2. Should any changes be made to the text of this Memorandum, information to this effect will be published at [www.formula-hd.ru](http://www.formula-hd.ru).