

Thank you.. The annual report on the Environmental, Social And Governance Disclosures has been successfully registered and your registration code number is 34837. You are kindly requested to print the report and attach it to the annual report of the Board of Directors attached to the annual financial statements for the year 2023/2024.



الهيئة العامة للرقابة المالية
FINANCIAL REGULATORY AUTHORITY



Annual report for FY 2023/2024

on Environmental, Social and Governance Disclosures Related to Sustainability (ESG)

In implementation of the authority's Decrees no. (107) and (108) for the year 2021

First: Introduction

This report on the disclosure of Environmental, Social and Governance (ESG) reflects the strength of the company's management to implement the principles of sustainable development and integrate sustainability practices into the company's activities and operations, which generates confidence among investors that enables them to make informed investment decision, By identifying risks and opportunities that may not be monitored by traditional financial reports, especially in light of the increasing demand by investors for ESG Data and how companies integrate sustainability practices into the daily operations and activates in order manage the risks and opportunities associated with the various dimensions of sustainability, and thus enhance its financial position. Based on the FRA responsibility towards NBFi including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the FRA decisions No. 107 and 108 of 2021, and to facilitate them, the FRA has prepared this electronic form to companies to fulfill the KPIs for the disclosure of sustainability standards ESG.



Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board of Directors attached to the annual financial statements for the year 2023/2024 In case of any inquiries related to this matter, you can contact sustainable development department via email

sustainable.development@fra.gov.eg

Secand: Basic Data on The Status of Company

1. Select the company's name: Sidi Kerir Petrochemicals
2. Select the company's sector: Basic Resources

Third: Basic Data of The Person Responsible for Completing The Report

1. Name : Mohamed Fathy Aamer
2. Job Title: Financial Control General Manager and Investors relationship manager
3. Email: mohfathy@sidpec.com

Fourth: Environmental KPIs

1. Environmental Operations & Oversight (E1)

1. Has the company developed any official Environmental and Social (E&S) or Sustainability policies?

Yes



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Sidpec's policy includes commitment to implement and comply with environmental systems and sustainable development goals (SGGs), refer to Sidpec's website.

2. Is this policy originating from within the company or derived from global or national policies?

Yes

The policy originated internally and matching with "Egypt Vision 2030" and SDGs.

3. Does the company identify and assess the environmental and social risks arising from its economic activity?

Yes

SIDPEC has an environmental aspect procedure for all business processes complies with the requirements of EMS – ISO 14001:2018.

4. Does the company follow specific policies concerned with waste recycling, water consumption, or energy consumption?

Yes

The policy includes commitment to responsible use of natural resources, improve energy efficiency use and consumption, minimize gas emissions, water effluences and solid wastes.

Sidpec earned the compliance certifications with EnMS – ISO 50001 and EMS – ISO 14001, renewed every 3 years, refer to Sidpec's website.

5. Does the company set any goals related to reducing greenhouse gas (GHG) emissions?

Yes

Memorandums of cooperation signed with the EPAP III program to finance some projects related to reducing emissions.

Complete the roadmap implementation for low/medium cost of energy efficiency improvement measures.

6. Does the management have any system/certification regarding the company's environmental practices (ISO 14001 certification)?

Yes



The company earned a certificate of compliance with the EMS - ISO 14001 since 2003, and the certificate renewed every 3 years.

2. Carbon Emissions / Greenhouse gases (GHG) (E2)

1. Does the company calculate the total amount of carbon emissions (Carbon Footprint) in metric tons?

Yes

GHG emissions during 2023 are about 242 thousand tons of CO2.

3. Energy sources usage and diversification (E3)

1. Does the company calculate the total amount of energy directly consumed?

Yes

Total imported energy consumption is about 893481 MWh during 2023. Periodical follow-up performed as per ISO 50001 requirements.

2. Does the company calculate the percentage of energy consumption according to the type of generation source?

Yes

Firing fuel gas represents about 80 % of total energy consumption, while electricity represents about 20 % of total energy consumption. Periodical follow-up performed as per ISO 50001 requirements.

3. Does the company calculate the percentage of annual saved energy?

Yes

Energy saving during 2023 only: About 1864 MWh of electricity, and 58126 MMBtu of firing fuel gas.



Energy saving since 2015: About 17716 MWh of electricity, and 221027 MMBtu of firing fuel gas.

4. Water Usage (E4)

1. Does the company calculate the total amount of water annual consumed?

Yes

About 4.8 million cubic meters of raw water from the Noubaria Canal were consumed during 2023 to produce industrial treated water such as filtered water, demineralized water, and cooling water.

2. Does the company calculate the total amount of annual water recycled and treated?

Yes

Production units designed to recover and reuse water industrial processes and exploit its potential energy.

5. Waste Management (E5)

1. Does the company calculate the total amount of waste generated or recycled and that, which has been treated according to type and weight?

Yes

All types of hazardous/non-hazardous waste/oils are disposed of either to the contractors or to a landfill are according to their classifications.

Fifth: Social KPIs

1. Gender Diversity & Pay Ratio (S1)



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1. Does the company disclose the number of male and female employees according to the type of employment (temporary or permanent)?

Yes

Permanent employment: Male: 1007 Female: 66

Temporary employment: Male: 14 Female: 0

2. Does the company disclose the percentage of total employees who are male and female?

Percentage of Males: 94%

Percentage of Females: 6%

3. Does the company disclose the percentage of positions held by males and females (specifically for entry-level and mid-level jobs)

Percentage of entry-level positions: Male: 93% Female: 7%

Percentage of mid-level positions: Male: 95% Female: 5%

4. Does the company disclose the percentage of positions held by males and females (specifically for senior-level and executive positions)?

Percentage senior-level positions: Male: 93% Female: 7%

Percentage of executive positions: Male: 87% Female: 13%

5. Does the company disclose the average pay ratio for females compared to the males?

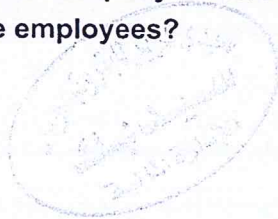
As the pay ratio is related to the job level and not dependent on the employee's gender or any other personal circumstance.

2. Employee Turnover rate (S2)

1. Does the company disclose the annual percentage rate of turnover for full-time employees?

percentage rate of turnover for full-time employees (2023) : 1.85%

2. Does the company disclose the annual percentage rate of turnover for part-time employees?



annual percentage rate of turnover for part-time employees: not existed.

3. Does the company disclose the annual percentage rate of turnover for contract employees and consultants?

annual percentage rate of turnover for contract employees and consultants: not existed.

3.Non-Discrimination (S3)

1. Does the company follow a policy condemning sexual harassment and a non-discrimination policy based on any racial, religious, or gender basis?

Yes, according to the Egyptian Labor law

4.Global Health & Safety Standards (S4)

1. Does the company follow an occupational health and safety (OHS) policy and/or a policy related to global health and safety standards (for example ILO's International Labor Standards on Occupational Safety and Health)?

Sidpec has a declared general policy aspires to achieve business excellence through its commitment to apply and develop standards for occupational safety and health, environmental protection, process safety, quality, energy, enrich the culture of knowledge management and apply principles of good governance to achieve business growing and continuity and ensure alignment with sustainable development goals in accordance with international labor standards, as it is subject to Many reviews from more than one competent authority.

2. What is the number of occupational accidents if any?

- No accidents/injuries.

- No. of continuous/cumulative working hours without accidents/injuries: 11,891,292 hours until 12-Dec-2023

3. Does the company offer trainings related to environmental, social AND Occupational Health and safety (OHS) issues for employees. If the answer is yes, please disclose the number of trainings hours?

**No. of training hours related to environmental issues and occupational safety and health issues for employees: 75736 hours.
(No. of Programs: 78, No. of Trainees: 963)**

5.Children & Forced Labor (S5)

1. Does the company follow a policy prohibiting child labor and forced labor?

The company follows the Egyptian labor laws.

2. Does that policy apply to the suppliers and vendors dealing with the company?

Due to the large number of stakeholders dealing with the company, most of them, including key internal stakeholders, are governmental entities and major corporations subject to Egyptian labor laws, as well as oversight from the Egyptian Insurance Authority and various regulatory bodies. Additionally, external stakeholders include multinational corporations.

6.Labor Rights (S6)

1. In addition to the requirements of Egyptian Labor Law, does the company follow the laws and standards of the International Labor Organization or any other international framework, standards, or laws related to labor's rights?

The company follows the Egyptian labor laws No.12 for the year 2003, and there is no discrimination between the employees either in gender or religion.

2. Does that policy include the suppliers and vendors dealing with the company?



Due to the large number of stakeholders dealing with the company, the majority of them, including key internal stakeholders, are governmental entities and major corporations subject to Egyptian labor laws, as well as oversight from the Egyptian Insurance Authority and various regulatory bodies. Additionally, external stakeholders include multinational corporations.

Sixth: Governance KPIs

1.Board Diversity (G1)

1. Does the company disclose the number and percentage of the board of directors occupied by males and females?

Yes

No. Of BOD Male: 12 Percentage: 92%

No. of BOD Female: 1 Percentage: 8%

Please be advised that the selection of contributing legal entities to the company as members of the Board of Directors is conducted in accordance with the company's articles of association. These legal entities determine their representatives on the board, and the company does not have the authority to dictate the gender or any other form of discrimination regarding the representatives of these legal entities.

2. Does the company disclose the number and percentage of committee chairs occupied by males and females?

Yes

committee chairs occupied by males is 1

2.Bribery / Anti-corruption (G2)

1. Does the company issue any decisions related to combating bribery / corruption and follow them?

Yes



All employees are committed to the Code of Conduct.

Conduct Internal and external audits.

3.Ethics and Code of Conduct (G3)

1. Does the company issue code of conduct / Ethic and follow them?

Yes

The company issues and follows the Code of Ethical Conduct and Code of Honor, which was issued through the Code of Conduct for Employees and approved by the Board of Directors of the company and distributed to all employees of the company.

4.Data Privacy (G4)

1. In addition to the requirements of the Egyptian data protection law, does the company follow any other international frameworks, rules, or recommendations regarding data privacy?

Yes

The company follows to the requirements of the Personal Data Protection Law and the Egyptian Consumer Protection Law. The company follows internal security policies using the National Institute of Standards and Technology (NIST) standards as its reference. The company is preparing to obtain the ISO27001 certification for information security management systems. the company also works in partnership with the specialized authorities to comply with the Zero-Trust Framework

5.Sustainability Reporting & Disclosure (G5)

1. Does the company issue sustainability report according to GRI, CDP, SASB, IIRC, UNGC, or any other type of sustainability reports frameworks?



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Yes

SIDPEC issued Annual sustainability reports and published on the UNGC website. Annual report 2023 issued in accordance with GRI standards and published on our website. The annual sustainability report is also issued in its new form via the Early Adaptor Program platform on the UNGC website, attached with annual sustainability report since 2022

2. Is the company striving to achieve specific goals from the United Nations Sustainable Development Goals?

Yes

Refer to our “Sustainability Reports” since 2014 showing initiatives related to the SGGs:

<https://www.unglobalcompact.org/what-is-gc/participants/38481-Sidi-Kerir-Petrochemicals-Co-SIDPEC->

3. Does the company identify these goals and report on the progress made within the framework of the United Nations Sustainable Development Goals (SDGs)?

Yes

Sustainability Reports include all objectives and targets achieved and strive to maintain and improve.

4. Has the company clearly declared its commitment towards corporate social responsibility standards?

Yes

Refer to our “Sustainability Reports” since 2014:

<https://www.unglobalcompact.org/what-is-gc/participants/38481-Sidi-Kerir-Petrochemicals-Co-SIDPEC->

5. Does the company follow a clear and explicit policy / principle regarding community investments?

Yes

Initiatives implemented related to summer training programs to prepare Egyptian university students for the labor market.



Participating in “Peer to peer network” project in cooperation with UNIDO to disseminate knowledge on improving energy efficiency for sister companies and plastic manufacturers.

6. Does the company participate in public or private sector initiatives concerned with community development?

Yes

Cooperation with government to support community in the field of education, health, infrastructure, and women’s empowerment. There are initiatives such as the “Less Bill for a Better Life” campaign and participation in the “Decent Life” initiative, and the annual sustainability reports show these initiatives.

6.External Assurance (G6)

1. Are the company’s ESG disclosures assured by an independent third party?

Yes

Periodic reviews are conducted by various competent authorities (independent third parties), such as: (the company that grants the ISO certificates - the responsible environmental authorities - the labor office - the administrative authorities - insurance companies... etc.

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الهيئة العامة للرقابة المالية
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Annual report for FY 2023/2024

On Financial Disclosures Related To Climate Change (TCFD)

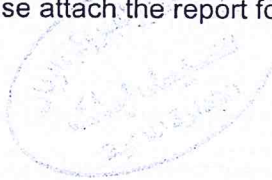
In implementation of The FRA's Decrees no. (107) and (108) for the year 2021

First: Introduction

The report on financial disclosures related to climate change - recommendations of the Task Force on Climate Financial Disclosure TCFD reflects the company's ability to manage the risks and opportunities associated with climate change, which creates confidence among investors that enables them to make investment decisions that take into consideration the range of financial risks and opportunities associated with climate change and the company's management mechanisms for transitional risks and Physical risks of the effects of climate change on the company's financial performance, thus providing more transparency regarding climate-related risks and opportunities for investors.

Based on the FRA responsibility towards NBF including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the FRA decisions No. 107 and 108 of 2021, and to facilitate them, the FRA has prepared this electronic form to companies to fulfill the KPIs for financial disclosures related to climate change - TCFD recommendations.

Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board



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Secand: Basic Data on The Status of Company

1. Select the company's name:Sidi Kerir Petrochemicals

2. Select the company's sector:Basic Resources

Third: Basic Data of The Person Responsible for Completing The Report

1. Name :M

2. Job Title:Financial Control General Manager and Investors relationship manager

3. Email:mohfathy@sidpec.com

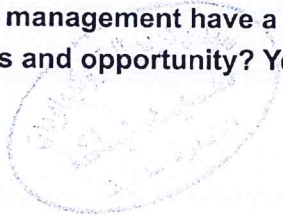
Fourth: TCFD KPIs

1.Governance KPI (Climate Related Governance)

1. Does the board have oversight of climate-related risks and opportunities? Yes

Approve "strategic energy review" project, we are following up the outputs of this project.

2. Does the management have a role in assessing and managing climate related risks and opportunity? Yes



**Follow- up opportunities for energy efficiency improvement.
Participate in COP 27.**

2.Strategy KPI (Environmental Operations, Oversight and Mitigation)

1. Does the organization identify any climate related risks and opportunities over the short, medium and long run? Yes

All risks are considered through development of energy efficiency objectives and targets.

2. Does the company reflect the climate-related risks opportunities on the organization's business, strategy, and financial planning? Yes

Assigned Budgets for some high capex opportunities having economic and environmental returns.

Applying for new green projects financing.

3. Does your company invest, annually, in climate-related infrastructure, resilience, and product development? Yes

Include energy efficiency measures and eco-friendly products studying.

3.Risk Management KPI (Climate-Related Risks)

1. Does the company set a defined process for identifying and assessing the climate related risks? Yes

Use SOWT analysis as part of our documented strategic plan to identify risks and opportunities showing our interest and plans related to sustainable development in general, including those related to climate.

2. Does the company have a solid process for managing the climate related risks?Yes

Use SOWT analysis as part of our documented strategic plan to identify risks and opportunities showing our interest and plans related to sustainable development in general, including those related to climate.



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3. Does the company incorporate climate-related risks in the company's overall risk management? Yes

Use SOWT analysis as part of our documented strategic plan to identify risks and opportunities showing our interest and plans related to sustainable development in general, including those related to climate.

4. Metrics & Targets KPI (Carbon/ GHG Emission)

1. Does the company use any metrics to assess climate-related risks and opportunities in line with its strategy and risk management process? Yes

There are numbers of KPIs mentioned in our strategic plan.

2. Total amount, in CO2 equivalents, for Scope 1 (if applicable) ? Yes

GHG emissions of scope 1 and scope 2 for consumed energy are disclosed and recorded in annual sustainability reports.

