



**SIDPEC**

# 2024 Sustainability Report

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## ABOUT THIS REPORT

### Reporting Period and framework

This report includes SIDPEC sustainability activities starting from **January 2023 to December 2023** and published on our website.

This report complements our “**Communication on Progress questionnaire 2024**” published on the UN Global Compact website in July 2024 ([see archived reports](#)). We appreciate your comments, if any, and please email us at [info@SIDPEC.com](mailto:info@SIDPEC.com).

### Reporting Approach

The preparation of this report and other sustainability reports since 2014 relies on our level of commitment to the ten principles through the four pillars of UN Global Compact. All disclosures mentioned in this report illustrate the alignment with UN Global Compact and Sustainable Development Goals (SDGs) as seen in [appendix A](#) and [appendix B](#).

Moreover, we started last year to monitor the extent to which the reporting topics are aligned in accordance with GRI content index (as seen in [appendix C](#)), and in the following years we shall work to be fully aligned with all detailed GRI disclosures.

### Further information shall be available on the website



[www.SIDPEC.com](http://www.SIDPEC.com)

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# Chairman Message

## 25 years of experience building success



*Eng. Mohamed Ibrahim  
Chairman & CEO*



**I am pleased to welcome you to the 2024 SIDPEC Annual Sustainability Report that covers the “UN Global Compact” principles and meet our high commitment regarding human rights, labor rights, environment, and anti-corruption.**

**Safe Worked Manhour**

**2.1**

M Manhour

**Social Contribution**

**20.0**

M EGP

SIDPEC realized that it was time that our efforts towards process safety culture must be organized under robust Process Safety Management (PSM) System. We are supporting internal communication to have a greater impact on enhancing our culture to achieve continuous improvement and business excellence by taking the appropriate actions required to implement risk management and knowledge management systems. In continuation with UNIDO, Peer-to-Peer networking project to foster energy efficiency in the petrochemical and plastic industries was completed. We emphasized our social responsibility by signing a cooperation protocol with the Ministry of Education to develop and operate “SIDPEC School for Applied Technology” and participating in “100 million Health” Campaign.

**Energy Saving**

**82**

GWh

**GHGs Reduction**

**23**

Gt CO<sub>2</sub>

We are continuing to implement our decarbonization strategy to reduce energy consumptions and GHGs emissions. In addition, we utilize our Digital Twin Utility Model to develop a scalable pilot Digital Energy Management System (DEMS).

**Looking ahead**

We contributed to one of the new green projects that supports environmental sustainability, “Egyptian Bio-ethanol company (EBIOL), in which we shall establish a “Combined Heat and Power” plant. SIDPEC signed some cooperation protocols and agreements regarding some sustainability topics such as construction of a methane gas production, energy efficiency projects, and implementation of Process Safety Management System.

*At the end, I would like to express my sincere thanks and appreciation to all stakeholders, especially our employees who have worked in the framework of teamwork, considering the achievement of excellence and adherence to the highest ethical behaviors.*

A new year of achievements, progress, and valuable contribution to the strategy of petroleum sector by supporting the growth of the national economy, while facing many domestic and global challenges to the petrochemical industry as a whole, let alone the threats of prices fluctuation and supply & demand instability that follow global conflicts and economic headwinds. **Some of these achievements are found below:**

**Net Profit**

**2,459**

M EGP

**Earnings per Share**

**2.75**

EGP

Our marketing and pricing policies enabled us to achieve the targets of our production, Marketing & Sales plans. SIDPEC imported non-locally produced polyethylene and polypropylene for re-selling purpose resulting in an increase in the company's gross profit. This supports the continuation of the production process for many local plastics factories and helped us to sustain their employment and production capacity.

# ABOUT SIDPEC

A nighttime photograph of a large industrial refinery complex. The facility is illuminated with numerous lights, creating a bright contrast against the dark sky. Several tall distillation columns and intricate piping systems are visible. In the foreground, there is a paved road with streetlights and some greenery, including palm trees. The overall scene conveys a sense of active industrial operations.

**2023  
Highlights**

**Business  
Market**

**Financial  
Performance**

**Our  
Strategy**

**Corporate  
Governance**



# 2023 Highlights

## Workforce

1,176

Employee

## Safe Worked Manhour

2.1

M Manhour

## Net Profit

2,459

M EGP

## Earnings per share

2.75

EGP

## Social Contribution

20.0

M EGP

## Internship Training

391

Student

## Annual Energy Saving

82.4

GWh

## Annual GHGs Reduction

22.7

GT CO<sub>2</sub>

### Business Partnerships in sustainability topics

SIDPEC signed a partnership framework agreement with [Korra](#) to establish a joint venture company to cooperate and partner in the fields of energy efficiency and sustainability in the Egyptian market and the region. We also signed a Memorandum of Understanding (MoU) with [Hitachi Zosen Inova](#) to establish a basic framework for an agreement between the two companies, whereby Hitachi will provide engineering design services for the construction of a methane gas production unit on our available land to be integrated into our production processes using the available CO<sub>2</sub> and H<sub>2</sub> gases. We signed a cooperation protocol with [Petrosafe](#) to implement a Process Safety Management system to provide a work environment free of accidents and injuries.

### Safety Week 2023

SIDPEC organized a [Safety Week](#) that included awareness sessions, displayed safety videos, and conducted site tours. SIDPEC honored its employees who demonstrated excellence in adhering to HSE rules, as well as those who submitted valuable Nearmiss reports.

### Process Safety Management

We started to implement [PSM](#) plan based on a systematic approach that involves baseline assessment, hazard identification, risk assessment, procedures regarding training, emergency response, incident investigation, management of change, auditing, and monitoring.

### Digital Energy Management System (D-EMS)

SIDPEC started its roadmap towards digital transformation by upgrading our Digital Twin Utility Model to be "online" and develop a scalable pilot D-EMS.

### SIDPEC School

A cooperation protocol was signed between SIDPEC and Ministry of Education to operate and develop "SIDPEC School for Applied Technology".

### Peer to Peer Network

We completed all services related to the energy efficiency and solar thermal applications in the petrochemical sector and our local customers of plastic sectors through the cooperation with [UNIDO](#).



# Business Market

## Production Activities

**Ethylene production:** actual production is about 259 k tons achieved representing 98% of our planned production plan.

**Polyethylene production:** actual production is about 210 k tons achieved representing 105% of our planned production plan.

**LPG production:** actual production is about 38 k tons achieved representing 127% of our planned production plan.

**Naphtha production:** actual production is about 6.6 k tons achieved representing 130% of our planned production plan.

## Marketing Activities

**Ethylene:** provide Egyptian Petrochemicals Company with about 39 K Ton achieved representing 78 % of the target.

**Polyethylene:** sold 212 k tons achieved representing 106% of our target, 89 K Ton exported abroad 123 K Ton and for the local.

**By-products:** sold 39 K Ton of LPG and 6.6 K Ton of Naphtha, in addition to 3.7 K Ton of ethane and 5.2 K Ton of butene.

**Non-imported polymers:** sold 55 K Ton for re-selling purpose, representing 110% of our target.

SIDPEC is continuously scanning the local market for potential challenges & risks, considering the stability of production and sales in local market and foreign markets to develop our marketing strategies based on supply and demand levels' analysis to adopt a fair price policy that achieves market balance under the global economic circumstances and price fluctuation of raw materials and petrochemical products.



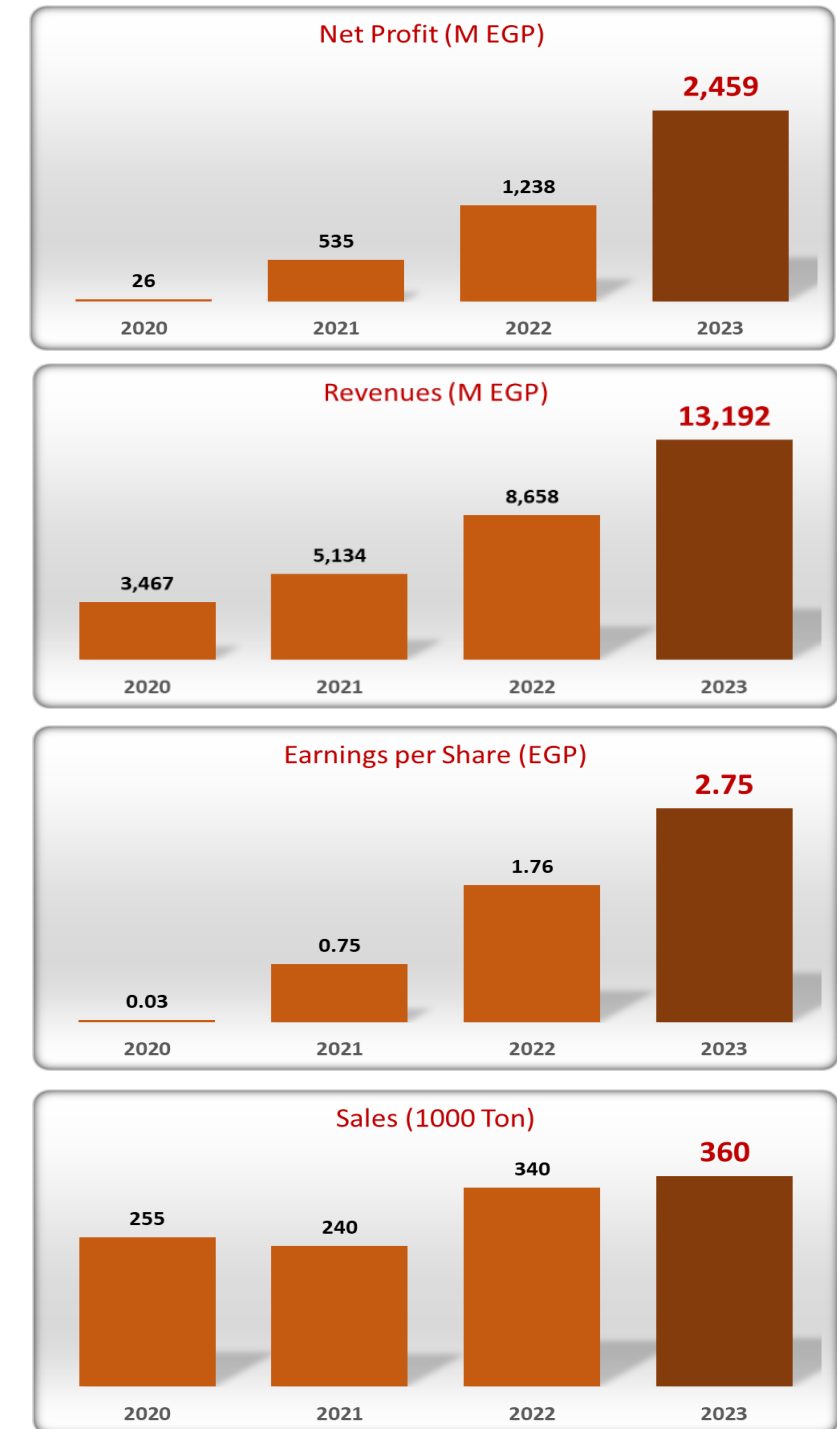


# Financial Performance

## Key Highlights

<b>Sales for Polyethylene</b> % of Target <b>212</b> K Ton <b>106%</b>	<b>Sales for Polyethylene Local Markets</b> % of Target <b>123</b> K Ton <b>103%</b>	<b>Sales for Polyethylene Foreign Markets</b> % of Target <b>89</b> K Ton <b>111%</b>
<b>Sales for Ethylene</b> % of Target <b>39</b> K Ton <b>78%</b>	<b>Sales for multiple Petrochemicals</b> % of Net Profit <b>55</b> K Ton <b>22%</b>	<b>Sales for LPG</b> % of Target <b>39</b> K Ton <b>130%</b>
<b>Sales for Naphtha</b> % of Target <b>6.6</b> K Ton <b>132%</b>	<b>Sales for Butene-1</b> <b>5.2</b> K Ton	<b>Sales for Ethane</b> <b>3.7</b> K Ton
<b>Net Profit after Tax</b> <b>2,459</b> M EGP	<b>Revenues</b> <b>13,192</b> M EGP	<b>Cost of Goods Sold (COGS)</b> <b>9,430</b> M EGP

## Key Performance Indicators







# Our Strategy

Some substantial modifications have been made to the strategic plan to align with new challenges and variables resulting from rapid and successive fluctuations in the business field. These changes impact the cost and availability of raw materials, as well as product demand and selling prices. The revised plan now reflects the integrated vision of SIDPEC for the coming years, aiming not only for financial stability but also for new horizons and achievements that enhance its capabilities and those of its employees.

The strategic plan emphasizes the core strategic objectives of the company and its success factors, along with risk reduction measures and seizing opportunities. It includes key performance indicators (KPIs) to measure SIDPEC's success in enacting its vision and strategy. These KPIs go beyond financial metrics, incorporating other perspectives related to customers, operations, learning, growth, and knowledge as drivers of long-term value for the stakeholders.

## Strategic Objectives

### 01 MAXIMIZE

Value added by increasing production capacity and adding new investments.

### 02 MAINTAIN

Asset Integrity and focus on Interested Parties.

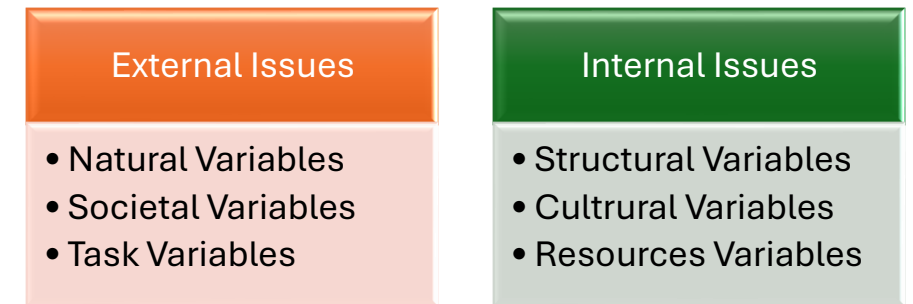
## Organizational Principles

**Mission:** produce and market high quality petrochemical products within an integrated business system established on the highest standards of ethics & integrity, efficient staff, and best updated technologies to achieve sustainable and profitable growth.

**Vision:** sustain leadership in the Petrochemicals' Industry in both the international and local markets.

**Core Values:** Integrity, Safety, Business Excellence, Employees Development, Sustainability, and Teamwork.

## Context of the Organization



### Examples of variables subjected to assessment:

Natural resources, climatic conditions, human-made variables, governmental agencies, local communities, suppliers, competitors, customers, employees, administrative structure, organizational beliefs, assets, skills, competencies, and knowledge.



## Stakeholders Engagement

SIDPEC follows a process to engage with the stakeholders by identification, analysis, and finding a relationship with them, to share information, gain insights, and increase support leading to better decisions and outcomes that benefit us and our stakeholders.

The identification and classification matrix of stakeholders is based on their *influence* and *dependability* levels (ranging from 1 to 4) and the priority categories are classified into three; *extremely high*, *high*, and *medium*. Our value chain analysis and their requirements are maintained in our "Strategic Plan".

Influence		Dependability	
<b>Major</b>	4	<b>Major</b>	4
<b>Medium</b>	3	<b>Medium</b>	3
<b>Slight</b>	2	<b>Slight</b>	2
<b>Negligible</b>	1	<b>Negligible</b>	1

Score	
<b>Extremely High</b>	(8), (9), (12), (16)
<b>High</b>	(4), (6)
<b>Medium</b>	(1), (2), (3)

## Stakeholders Prioritization

Stakeholder	EXTREMELY	HIGH	MEDIUM
	HIGH		
<b>GASCO</b>	√		
<b>EPC</b>	√		
<b>Customers</b>	√		
<b>Stockholders</b>	√		
<b>Service Providers</b>	√		
<b>ECHEM &amp; Subsidiaries</b>	√		
<b>ETHYDCO</b>	√		
<b>Employees</b>	√		
<b>Competitors</b>		√	
<b>Vendors and Agents</b>		√	
<b>Licensors</b>		√	
<b>Society</b>		√	
<b>Energy Services</b>		√	
<b>Government</b>		√	
<b>Neighbors</b>			√
<b>knowledge Providers</b>			√
<b>International Organizations</b>			√

## Engagement Channels

There are different levels of stakeholder engagement with different tools to engage that we use such as partnerships, participations, consultations, and communications.

### Sources of external Engagement:

Financial statements, web site, customer feedback, site visits, audits, periodical meetings, sustainability reports, periodical reports, evaluation assessment, events, and conferences, SIDPEC policy...etc.

### Sources of internal Engagement:

Training and awareness sessions, intranet, periodical meetings, Ideas bank, surveys, sustainability awareness & HSE messages, code of conduct, knowledge days' Events, energy committees, HSE and knowledge competitions, Change Catalyst committee, and HSE committees...etc.



## ESG Materiality Topics

### Business Topics

- Profitability and business continuity.
- Efficiency and effectiveness of processes.
- Continual improvement initiatives.
- Responsible consumption and production.
- Ethics and anticorruption compliance.
- Accountability and transparency.
- Customer value and competitiveness.
- Digital Security and privacy.
- Risk management Integration.
- Strong management systems.
- Digital transformation.

### Environmental Topics

- Energy use and consumption.
- Energy efficiency initiatives.
- GHG emissions reduction (Scope 1 & 2).
- Climate change adaptation.
- Renewable energy.
- Effluents and air pollutants control.
- Solid Waste handling and management.
- Water consumption and discharge.
- Water treatment, reuse, and recycle.
- Environmentally friendly products.
- Ecosystem Restoration.

### Social Topics

- Individual productivity.
- Learning and development.
- New knowledge acquisition.
- Engagement and communication.
- Incident and injury rate tracking and reduction.
- Health care.
- Safety training and awareness.
- Process safety.
- Diversity, equity, and inclusion.
- Responsible Labor practices.
- Partnerships for SDGs achievement.



# Corporate Governance

## Structure and Composition

According to the last updated highest-level governance, our board can be summarized briefly as follows:

Total numbers of board members are (13).

One executive member who is Chairman & CEO.

Shareholders are (11).

## Policies, Responsibilities, and practices

We have a publicly stated commitment regarding sustainability topics depending on different maturely applied management systems, enriched by a knowledge management culture, and supported by applying the principles of good governance for the purpose of business growth and continuity. We also commit to be a good corporate citizen maintaining high ethical standards, encouraging teamwork, employee engagement and consultation.

SIDPEC appointed formal structures responsible for the sustainability topics such as Quality/Energy/Excellence, HSE, HR, Marketing, Internal Audit, and Social Responsibility in addition to cross functional committees like Marketing, Energy, customer feedback, safety committees, audit committees... etc., who evaluate the levels of governance applied in our business organization, address the risks and opportunities, and evaluate the effectiveness of actions taken.

Anti-corruption is represented by internal audit department, external audit, and accountability state authority (ASA).

SIDPEC does not have a separate program specifically for anti-corruption. Instead, it relies on internal audit programs to maintain control points across various aspects of the company.

These internal audits help ensure compliance with systems, policies, and regulations, which in turn reduce the risk of corruption or bribery. Internal audits are carried out on our financial and administrative activities to monitor and control the performance, and the reports are submitted to the board of directors and stakeholders.

SIDPEC also has a code of employee conduct and governance practices aimed at preventing conflicts of interest through policies, mechanisms based on transparency, accountability, and laws.

Our annual training plan considers a specific training program titled "Governance and Anti-corruption" organized by the National Academy for Anti-corruption submitted to our employees of different levels (65 trainees).

### 2023 OBJECTIVE

Promoting a culture of risk-based thinking by following the guidelines of ISO 31000 standard and developing mechanisms for identifying and evaluating risks in the company.

#### Actions Taken

Preparing an illustrated scientific material in several parts for risk management.

Disseminating new knowledge related to the scientific material illustrated on the company's internal network.

Preparing an initial proposal for the process of identifying, analyzing, and evaluating risks and related models.

## General Assembly 2024

General Assembly held on March 10<sup>th</sup>, 2024, presenting a board's brief report regarding activities and governance topics of fiscal year ending 2023 focused on the following:

*The most important achievements during 2023 for the production, marketing, and sales activities.*

*Social contribution and roles for sustainability.*

*Business results; revenues and profit.*

*External Auditors reports on the financial statements.*



SIDPEC's Chairman and CEO, Eng. Mohamed Ibrahim demonstrated that:

Tangible achievements and unprecedented results were achieved through our vision and strategic planning, and the challenges we faced were transformed into opportunities, through which we achieved record numbers indicating a doubling of annual profits during the last three years with a continuous rise in the share price on the Egyptian Exchange with a steady upward curve, evidence of the well-established development of business processes.

Our vision was always aimed at expanding with steady unconventional steps and innovative ideas for new projects creating various investment opportunities and creating new business models to achieve the continuity and resilience of business in SIDPEC.

We were able to work flexibly with challenging local and global variables; an example of this to add commercial activity to integrate with the industrial activity of SIDPEC and we have already succeeded in maximizing the net profit through the activity of petrochemical products, which was influential in supporting the plastic industry in Egypt and contributed to increasing the net profit by 534 M EGP representing approximately 22% of net profit during the year.

SIDPEC contributed with 7.5% to the capital of the Egyptian Bioethanol Company and sought to find new investment opportunities through the formation of strategic partnerships with local and foreign investors to open new horizons for growth and expansion to achieve prosperity and enhance the role played by SIDPEC as one of the major Egyptian industrial edifices in supporting the national economy.





## Code of Conduct and Ethics

SIDPEC commits to encouraging a safe, supportive, and productive work environment through cooperative and sustainable principles of conduct and ethical behavior. We aspire to enrich human rights and social value by incorporating Social Responsibility into our activities. Our approach is built upon a holistic view, transparency, and an open dialogue with consideration to our stakeholders' interests. We are accountable for our impact on society, the economy, and the environment with respect to the rules of law and international norms of behavior.

### Governance

Our decisions are taken in pursuit of our objectives and are built upon factual data. We gain credibility by adhering to our commitments, displaying honesty and integrity, and reaching company goals solely through honorable conduct. Management is responsible for the importance of this code which is demonstrated through their actions.

### Human Rights

We believe that all employees deserve to work in an environment where they are treated with dignity and respect. We are committed to creating such an environment because it brings out the full potential in each one, which in turn contributes directly to our business success. We are an equal employment entity and are committed to providing a workplace that is free of discrimination of all types of abusiveness, offensiveness, or harassing behavior. Any employee who feels harassed or discriminated against should report the incident to his or her supervisor or department manager. If the employee is not satisfied that the matter has been appropriately addressed, the employee should feel free to address this issue to the company's chairman. We oppose child labor in our premises and among our stakeholders.

### Labors Practice

We endeavor to invest in our employees by providing them with the best possible skills and abilities to develop their individual potential to the maximum, and thereby contribute to the sustainable success and competitiveness of our enterprise. We provide specific training to the employees regarding technical aspects connected with our processes and the field of health & safety at the workplace as well as other relevant aspects connected with the enterprise activities. We strive to create working conditions that give our employees the convenient environment to work considering the human aspects and particularly without any risk for their health and industrial hygiene. We have clear recruitment and promotion criteria for all employees. Our grievance procedures are identified, and we recognize the right for employees' representation to participate in a transparent social dialogue.



**The Environment**

We are committed to conserve the natural environment, endorsing the principles of sustainable use and minimum impact on the environment in full compliance with the applicable laws and regulations. Our stakeholders should be sensitive to the impact of their operation on the local community and cultural setting within which they work and minimize any adverse effects. We encourage our stakeholders to develop their own, and others' understanding of environment protection and the behaviors that can adversely affect it. Within our decisions and activities, we adopt special practices that take into consideration the direct and indirect economic, social, health and environmental implications. We envision ourselves in the future as a zero-liquid discharge, zero pollutants emission and zero wasted energy company.

**Community Involvement and Development**

We consider ourselves an integral partner of the community in approaching educational development projects. We provide continuous contributions to the surrounding communities to promote higher levels of well-being in these communities. We provide employment opportunities for our surrounding community either directly through us or indirectly through our subcontractors. We never cease to invest tremendously in our community health care projects. We support research and development projects in cooperation with governmental institutions and universities.

**Fair Operating Practices**

We prohibit corrupt or non-ethical practices. We investigate all reported instances of questionable or unethical behavior and take appropriate actions that prevent such unethical behavior in the future. Our commitment to integrity begins with complying with laws, rules, and regulations. We are dedicated to ethical, fair, and vigorous competition. We sell our products based on their superior quality, functionality, and competitive pricing. We respect the property right of others. We do not acquire or seek to acquire improper means of a competitor's proprietary or confidential information.

**Consumer Issues**

We are keen to provide products which achieve our customers' satisfaction. We provide our customers with fair and transparent information about our products. We review our customers' complaints and improve practices in response to them. We offer an adequate and efficient support and advice system for our customers. We always take adequate measures to protect our customers' health, safety, and business.

# WORKFORCE

Occupational

Human

Labor

Health and Safety

Rights

Practices







# Workforce Performance

## Key Highlights

**Skilled Workforce**

**1,076**

Employee

**HSE Trainees**

**958**

Employee

**No. of Fire Drills**

**48**

Times

**No. of Nearmiss**

**31**

Report

**Safe Worked Manhour**

**2.1**

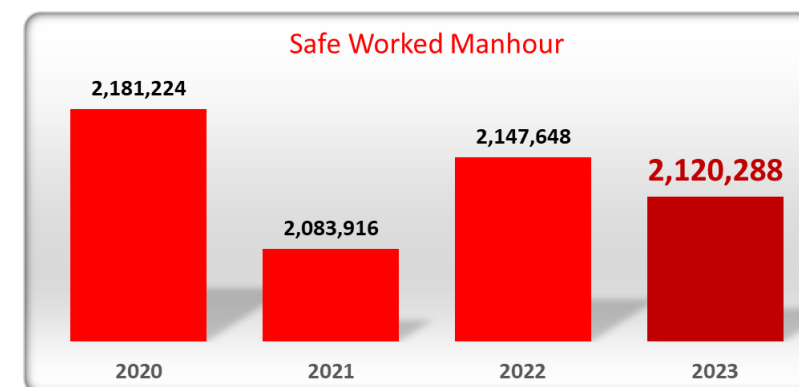
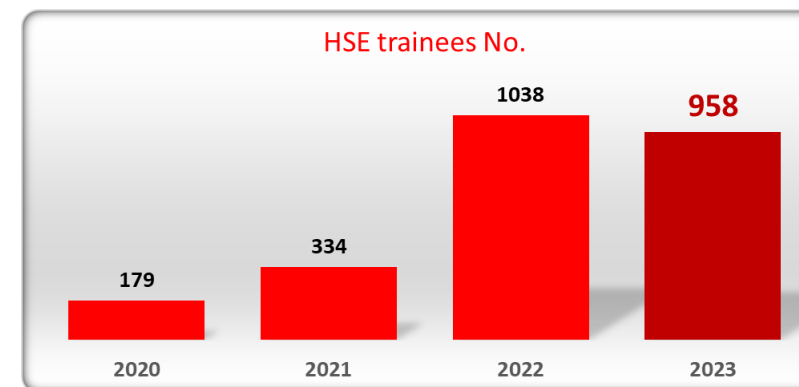
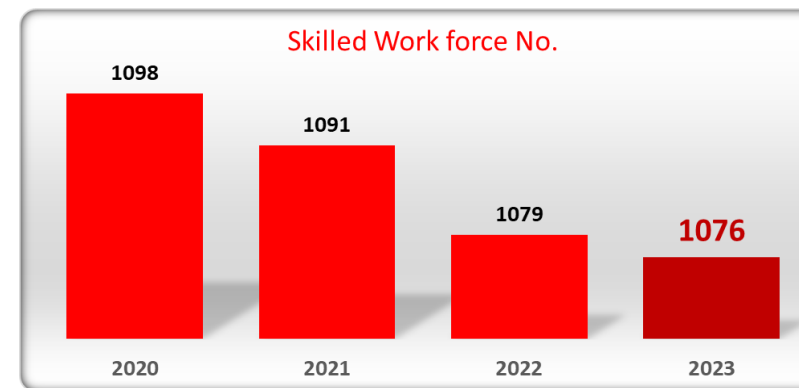
M Manhours

**No. of Ideas in 2023**

**215**

Idea

## Key Performance Indicators





# Occupational Health and Safety

## Health and Safety work Environment

SIDPEC has effective health and safety procedures in place, which comply with industry, national and international standards.

Responsibilities for health and safety tasks are clearly defined.

We routinely monitor our production processes, and equipment to ensure that they are safe and in good working order.

All employees are trained to respond to workplace emergencies; first aid kits and fire extinguishers are readily available; and escape exits are clearly marked and free from obstruction.

The workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation, and lighting.

We list all legal requirements and recognize standards/guidelines used for OH&S management systems including international, national, and industry-specific standards.

### 2023 OBJECTIVE

Disseminating knowledge to reduce errors resulting from a knowledge defect regarding chemical handling.

#### Actions Taken

Conducted awareness sessions and bulletins were published on the SIDPEC's intranet.

### Hazard Identification, Risk Assessment, and Incident Investigation

We describe all processes used to identify hazards and assess risks, and apply the controls required to eliminate hazards and minimize risks, considering the quality of these processes, competency of personnel, and the extent these processes continually improve the OH&S management system.

We describe all processes for employees to report work-related hazards and hazardous situations and to remove themselves from work situations that they believe could cause injury or ill health.

We have a process used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the appropriate controls, and to determine improvements needed in the OH&S management system.

### Personal Protective Equipment (PPE)

SIDPEC has a procedure to ensure that all employees are provided with the protective equipment necessary to safely perform their job functions.

We are committed to ensuring that employees use the protective equipment provided and understand why it is necessary to use the equipment.

SIDPEC takes the required actions to prevent and reduce impacts from noise, odour, light, and vibrations to comply with legal requirements and provides information and trains employees to manage these effects.

Furthermore, we ensure safe handling and storage of chemicals and other dangerous substances, mark areas used for storage of chemical substances and products and label all chemical substances and products including name of the chemical and a relevant symbol of danger.



# Occupational Health and Safety *Cont.*

## Process Safety Management (PSM)

### Our PSM Framework

SIDPEC's Process safety management (PSM) framework encompasses the policies, procedures, and practices used to manage process safety risks. It includes elements such as process hazard analysis, management of change, operating procedures, training, and emergency response planning.

We focus on aspects like process design, technology, and operational integrity to prevent incidents and we are working on employee training, incident investigation, emergency response planning, and compliance audits.

We ensure a holistic approach to process safety by integrating management of change, pre-startup safety reviews, and asset integrity.

We also emphasize the importance of process safety culture, workforce involvement, and stakeholder outreach, recognizing that effective PSM is not just about systems and procedures but also about people and their interactions. Through this comprehensive framework, we aim to create a safer, more reliable, and sustainable operational environment.

### Our PSM Plan

Our starting point is the commitment to PSM as it is a fundamental principle in the management of hazardous processes and facilities. It refers to SIDPEC's dedication to ensuring the safety of its employees, the public, and the environment through the implementation of effective PSM systems and processes.

Our PSM plan is based on a systematic and comprehensive approach that involves baseline assessment (GAPs), hazard identification, risk assessment, operating procedures, training, maintenance and inspection procedures, emergency response plans, incident investigation procedures, management of change procedures, auditing, and performance monitoring procedures.

### PSM Portal

It is important to involve employees in the process and provide them with the training and resources they need to support the PSM.

SIDPEC launched PSM Portal to emphasize working of employees together to foster a culture of process safety, share best practices, and continuously improve our processes safely.





# Occupational Health and Safety *Cont.*

## Participation and Consultation

### Safety Week

As part of the Ministry of Petroleum and Mineral Resources' strategy to promote safety, HSE in the petroleum sector, SIDPEC honored its outstanding employees at the closing event of the "Annual Safety Week". The event attended by Eng. Mohamed Ibrahim, Chairman and CEO, recognized employees who demonstrated excellence in adhering to *HSE rules*, as well as those who submitted valuable *Nearmiss* reports.

The event began with a recorded speech by the Minister of Petroleum and Mineral Resources, which was disseminated across various company platforms. Detailed explanations were then provided by HSE team on topics such as *Nearmiss reports, preventive measures, awareness of HSE, process safety, and life preservation rules.*

Safety Week 2023 included various activities such as awareness sessions for all contractors and employees to emphasize accident and occupational illness prevention and showcase safety videos. Moreover, the Supreme Safety Committee conducted site tours to confirm emergency preparedness, equipment safety and engage in discussions with employees.

### Emergency Response

Our policy relies on paying attention to HSE as much as it cares about production and its quality, additionally we keen on providing employees with sufficient information to raise their efficiency and increase their ability aiming to prevent accidents and injuries, and deal with emergency cases that may affect the safety of employees and facilities.

We believe that emergency management essentially means organized and purposeful management to control emergency incidents within the framework of three basic stages:

*The readiness and preparation stage to reduce the causes of the incident.*

*The confrontation stage to control the incident as it occurs.*

*The rebalancing stage after the incident ends.*

We prepared an "Emergency Response" Plan to achieve our goals, build capabilities, develop human resources, and comply with laws and legislation.



# Human Rights

## Employment and Labor Rights

SIDPEC has approved a policy committed to labor rights principles and has also engaged with its stakeholders regarding the labor rights topics to either better understand the risks and impacts or collaborate in the prevention and mitigation of risks and impacts and acts with the aim of preventing/mitigating the risks/impacts associated with the labor rights topics through internal training/capacity building for the direct workforce and collaboration with governmental or regulatory bodies.

SIDPEC determines employee's rights and obligations of employment including clear job description as a reference for determining an employee's role toward ordinary tasks as well as continuous improvement in the [working place, bonus, and salary systems](#). It ensures that decisions concerning [hiring, promotion, training, retirement, and termination](#) are based only on unbiased criteria, and are not linked to any of the discriminatory characteristics.

SIDPEC does not employ workers who do not comply with [minimum age standards](#) and has a reliable procedure to check the age of young job candidates by birth certificate, and other official forms of identification.

SIDPEC takes all necessary procedures to eliminate any forms of forced labor such as [paid overtime work, leave time, fair salary, and loans](#).

### 2023 OBJECTIVE

Prepare a detailed guide to the processes of the personnel affairs that allows for proper workflow.

#### Actions Taken

Issue some procedures and instructions regarding appraisals, drugs analysis...etc.

### Work conditions

SIDPEC complies with local laws and standards regarding the rights of laborers regarding [working hours, wages, and leave](#). The required working hours are in accordance with local laws depending on either a daily or shift basis (40-48 per week) considering overtime when needed.

The retention rate of employees in 2023 is about 9% compared to 2022 (46%).

SIDPEC provides a living wage that enables employees to meet the basic needs of themselves and their dependents, and ensures that they are [paid holiday leave, and sick leave in accordance with applicable national law](#).

We ensure that sick leave is not deducted from employees' vacation time.

For female employees, we provide [maternity Paid leave for 90 days, reducing working hours for an hour per day for the pregnant woman, breast feed her baby for one hour during the working day and childcare leave for two years](#).

SIDPEC spoons [retirement savings plans](#), which are useful for both employees and employer, as they present benefits like savings directly. Employees are automatically enrolled in different retirement benefit systems and get their first contribution with their first paycheck; these competitive retirement plans enhance the employee's involvement as well as belonging which increases retention and longer stays within the company as below:

Offering social insurance contribution that obtains the employee the highest pension grade when reaching retirement age.

Providing an additional pension benefit (supplementary pension).

Offering a life insurance policy subsidized by SIDPEC.

A qualified deferred compensation retirement plan offered to all employees; this plan provides a retirement reward at the age sixty.

## Human Rights *Cont.*

### Employees Relations

SIDPEC has a commitment to prevent [workplace harassment](#) and investigates all complaints of workplace harassment and takes appropriate preventative actions.

Employees are encouraged to think big, act boldly and work collaboratively across boundaries. We hold one another accountable to act with integrity. Our employees are encouraged to report any issues and concerns of potential [misconduct](#). They may contact leadership or HR representatives. Reports are investigated and any substantiated incidences of misconduct result in disciplinary action.

We have [formal cross-functional committees that address all sustainability topics](#) with frequent influences such as HSE, energy, internal audit, medical...etc., in which workers' representatives can attend and give advice on issues related to sustainability topics related to improve and enhance safety and occupational health, work environment, employees' performance, etc.



# Labor Practices

## Diversity, inclusion, and equity

SIDPEC takes several procedures and undergoes activities related to **female empowerment** by upgrading their role and participation in all events and tasks such as conferences, capacity building, UNGC initiatives...etc.

SIDPEC takes an active action in reviewing its operations and decisions to **promote diversity, eliminate gender bias, and support equal opportunity**. These principles apply equally to recruitment, opportunities for advancement, and remuneration policies.

SIDPEC is keen on nominating our female employees to participate in distinguished training programs (about **120** training programs in 2023).

The percentage of women in **managerial positions** is **8%**, and the **average ratio of the basic salary and remuneration of women to men** (comparing jobs of equal value) is always one.

Level	No. of Females in 2023
1 <sup>st</sup> Level Jobs	23
Line Manager	34
Top Manager	8+1 level 2
<b>Total</b>	<b>66</b>





# Labor Practices *Cont.*

## Workforce Development

SIDPEC follows a specific approach to [train and develop employee skills, performance, and career development reviews](#). SIDPEC aims for every employee to be energized, engaged and ready to take on new challenges. SIDPEC adopts a career development policy by assisting employees to focus on their skills and abilities to establish a career plan through identifying personal abilities and interests, future staffing needs, and assessing training programs. SIDPEC allows employees to acquire new skills, Confidence and Knowledge to enhance their capabilities. As a result, SIDPEC now benefits from a human capital who hold master’s and PhD degrees.

The adoption of a policy enabling and encouraging our people to keep developing, our regulation grants a salary raise for owning a master's or PhD degrees, in addition there is a raise for obtaining a diploma or bachelor’s degree in various fields of work.

To actualize our human resources strategies, SIDPEC holds two committees: Personnel affairs Committee and the policies & Leadership Committee. These committees provide advice on the execution of matters involving employee promotions and transfer, granting raises, rewards for obtaining master’s degrees and extra studies during

tenure, implementing succession plans, and admitting requirements and conditions for promotions. Programs for upgrading employee skills allow an organization to plan skills acquisition that equips employees to meet strategic objectives in a changing work environment which enhances the organization’s human capital.

SIDPEC regularly appraises its employees’ performance. This aids the personal development of individual employees and contributes to skills management and development of human capital within the organization.

SIDPEC offers employees opportunities to experience different aspects of our business through [short term assignments and internal transfers](#). These opportunities provide employees with necessary hands-on training to be successful in their careers while creating a more skilled workforce to help the company achieve its mission.

No. of Employees	Gender	2023	2024
Changed career	Men	1	6
	Women	1	0
Transferred	Men	4	11
	Women	2	1
Loaned to other company	Men	41	38
	Women	-	-

Human Resources Development Department exploits social media (Facebook and LinkedIn) to create and enhance employee engagement by sharing HRD news, creating employee recognition programs, and encouraging employee feedback.

Our next medium-term management plan shall work to establish a new structure to enable the right people to be in the right places. In addition, we plan to invest heavily in human capital (with a sufficient yearly training and development budget) in areas that include expanding employee careers and improving working conditions.

To realize Vision 2030, SIDPEC aims to carry out innovation and creation and expand its contribution to developing the competencies of its manpower and supporting sustainability. We have worked diligently to build a new foundation that includes the upgrading of leadership skills for middle management employees, enhancing managerial skills for technicians, and escalating efforts in social responsibilities through training.





# Labor Practices *Cont.*

## Workforce Development

We began to focus on the development of employees who have up to 5 years of experience, selecting 10 employees from different departments and enrolling them in a long training program in collaboration with a prestigious university to train them intensively to cover the **Interpersonal Skills** topic such as Communication Skills, Business Etiquette, Problem solving and Decision Making, Time Management, and Stress & Anger Management, and **Professional Skills** topic such as Presentation Skills, Giving Effective Feedback, Basic, Marketing Skills, Basic Selling Skills, Critical Elements of Customer Service, Business Writing, and Team Building. In addition to managerial courses such as Decision Making, Decision Support Tools, Crisis Management and Negotiation Skills.

Human Resources Management adopted the knowledge management concept through transferring knowledge by awareness, lectures, platforms. It has been started to train 50 technicians on Steam Boiler and Cooling Towers topics.

We enhanced our employees' knowledge & skills through utilizing our experienced employees in implementing 34 training courses for 1,323 SIDPEC core trainees.

We leveraged training and knowledge platforms by securing a paid membership for 100 accounts on one of the well-known platforms, "El-Mentor."

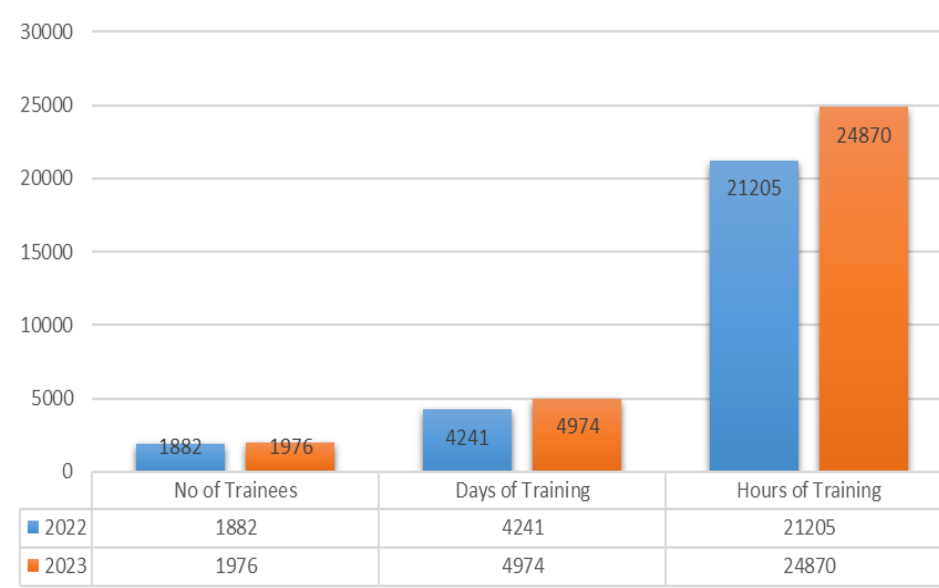
### 2023 OBJECTIVE

Maintain the knowledge of experienced employees and transfer it to newer employees.

#### Actions Taken

Provide internal awareness sessions for all levels of employees at SIDPEC and contractors to raise awareness among workers in the areas of HSE, quality, sustainability, and energy efficiency.

Training Records



SIDPEC held the first session of "Financial Awareness and Investment culture" conducted by one of the major fund management and securities portfolio companies.

The seminar covered topics related to achieving balance between spending, saving, and investing in financial markets, types of assets and financial hedging strategies against inflation. It aims to increase employees' awareness and provide the best investment and savings options to keep pace with global economic conditions.

Given the continuous challenges and the demands of the current era, SIDPEC has successfully completed some training waves regarding "Cyber Security" to educate our employees about the dangers and threats of the internet and how to avoid them to form the first line of defense against cyber-attacks. The training program has so far educated (383) of our employees.



# Labor Practices *Cont.*

## Workforce Development

SIDPEC is keen to support communication and change in order to achieve better results and have a greater impact on transforming the company's culture towards continuous process improvement and business excellence. Among the most important activities that took place during 2023 are the following:

Started to implementing ISO 31000:2018 Risk Management System for all company operations:

We are in the process of preliminarily applying Risk Management System to three of our processes, with plans to extend it to all other processes, prepared a draft form for SWOT analysis and interested parties' identification, developed a form for Risk Register and Risk Checklist, issued risk criteria and risk treatment plan, created a flow chart for our risk management process, and suggested the performance indicators for risk management.

Introductory videos on the specification were prepared and competitions were held for workers.

Support ISO 30401 Knowledge Management System:

We continued to conduct "Knowledge Days". The fourth knowledge day focused on the topic of "Sports", while the fifth knowledge day addressed "Opportunities in Artificial Intelligence".

We also began creating introductory videos about each process in the SIDPEC Value chain using Artificial intelligence.

Encouraged and urged employees to submit new ideas to the Ideas Bank:

SIDPEC honored the winners of the "Environmental Conservation Ideas Competition".





# Labor Practices *Cont.*

## Workforce Wellness

### Prevention



### 2023 OBJECTIVE

Maintain the employee' health by raising awareness about the dangers of drug abuse.

#### Actions Taken

Conduct educational seminars on the different types of drugs, provide awareness videos and advertisements about the misuse of medications and their use as stimulants and narcotics.



### Periodical Check

SIDPEC was keen to participate in "100 million Health Campaign", in coordination with the Ministry of Health, which includes the early detection of cancerous tumors, a comprehensive program on women's health, and the early detection of diabetes, high blood pressure, and obesity for approximately 700 employees.

Inside SIDPEC's headquarters, we performed all medical examinations for employees, including internal examination, skin, bone examination; electrocardiogram; blood sugar tests, in addition to abdominal ultrasound scans, lung efficiency tests, periodic tests for toxins and drugs, fundus examination, and CT scans of the eye.

### Periodical check for employees over 50 years old:

This includes cholesterol, triglycerides, liver enzymes, kidney function, blood sugar test, prostate analysis for men; breast examinations for women; abdominal, chest and pelvic X-rays; and early tumor screening.

### Occupational Exposures

We established a collaborative effort between the medical and HSE teams to study various occupational exposures, discuss preventive measures, and protect employees from any occupational diseases. Periodic examinations include audiograms, and ophthalmia examination.

## Labor Practices *Cont.*

### Workforce Wellness

#### Medical Seminars/Conferences

We organized educational seminars for all employees and contractors on drugs and how to avoid falling into their clutches.

Periodic lectures on first aid were provided to 300 employees.

An educational seminar about diabetes and fasting during the month of Ramadan.

We participated in the “OH and Industrial Medicine Conference” to learn about all that is new in occupational diseases and industrial medicine, exchange experiences on work injuries, chronic diseases, and other topics of interest to workers in the petroleum sector, and discuss treatment and diagnosis methods for heart disease, diabetes, and high blood pressure.

#### Electronic Awareness Programs

We launched a Facebook page named “Roushetta” which provides diverse and up to date medical information for employees.

#### Regular Visits to the Company's Buffets

We conduct regular visits to the buffets at various locations within the company to ensure that the food and drinks comply with HACCP requirements, an integrated preventive system that guarantees food safety.

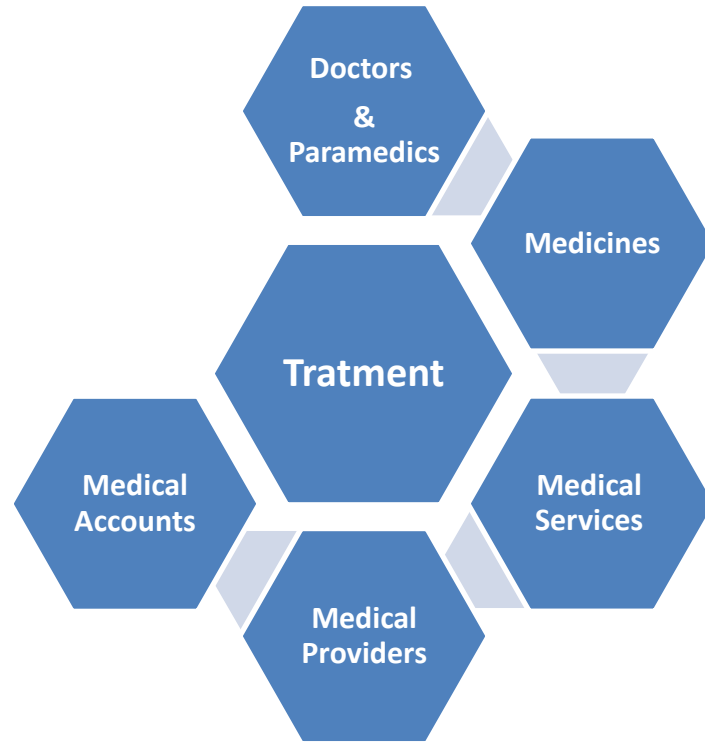




# Labor Practices *Cont.*

## Workforce Wellness

### Treatment



### 2023 OBJECTIVE

Maintain the health of employees by early detection of Digestive system's tumors for employees over 50 years old.

#### Actions Taken

Determine employees targeted for the examination, communicate with medical authorities to obtain the best offers, and perform the necessary examinations.

#### Doctors and Paramedics

Doctors and paramedics are available 24 hours a day, seven days a week.

They are always available to attend to the employees and contractors at the emergency clinic at any time.

#### Medicines

We provide medicines to employees and their families, ensuring that all medicines dispensed from pharmacies are reviewed for safety before delivery.

We managed to secure an increase in discount rates from contracted pharmacies of up to 12.5% on local and imported medicines, thereby reducing the cost of treating workers.

Safe disposal of expired medicines in a manner that preserves the environment is also ensured.

#### Medical Services

We prepare statistics and reports on chronic diseases such as high blood pressure, diabetes, and other diseases that may hinder workers from performing their duties, the results are analyzed to determine the causes and to implement preventive measures. Evaluate contracted medical agencies that provide medical services and terminate the contracts, if necessary. Additionally, study any complaints and take the necessary measures.

#### Medical Providers

Establish and maintain necessary contacts with medical providers to strengthen the relationship between the company and them, which will enhance the quality of treatment services received by employees and their families.

Monitor price offers, contracts, and updates, and conduct price comparisons to secure the best deals.

#### Medical Accounts

Reduce the documentary cycle time to improve work efficiency and speed of completion.

Transition transmittals to interested parties from paper-based to electronic formats.



# ENVIRONMENT

Environmental Impact  
Management

Water  
Management

Energy Management  
and Climate Change



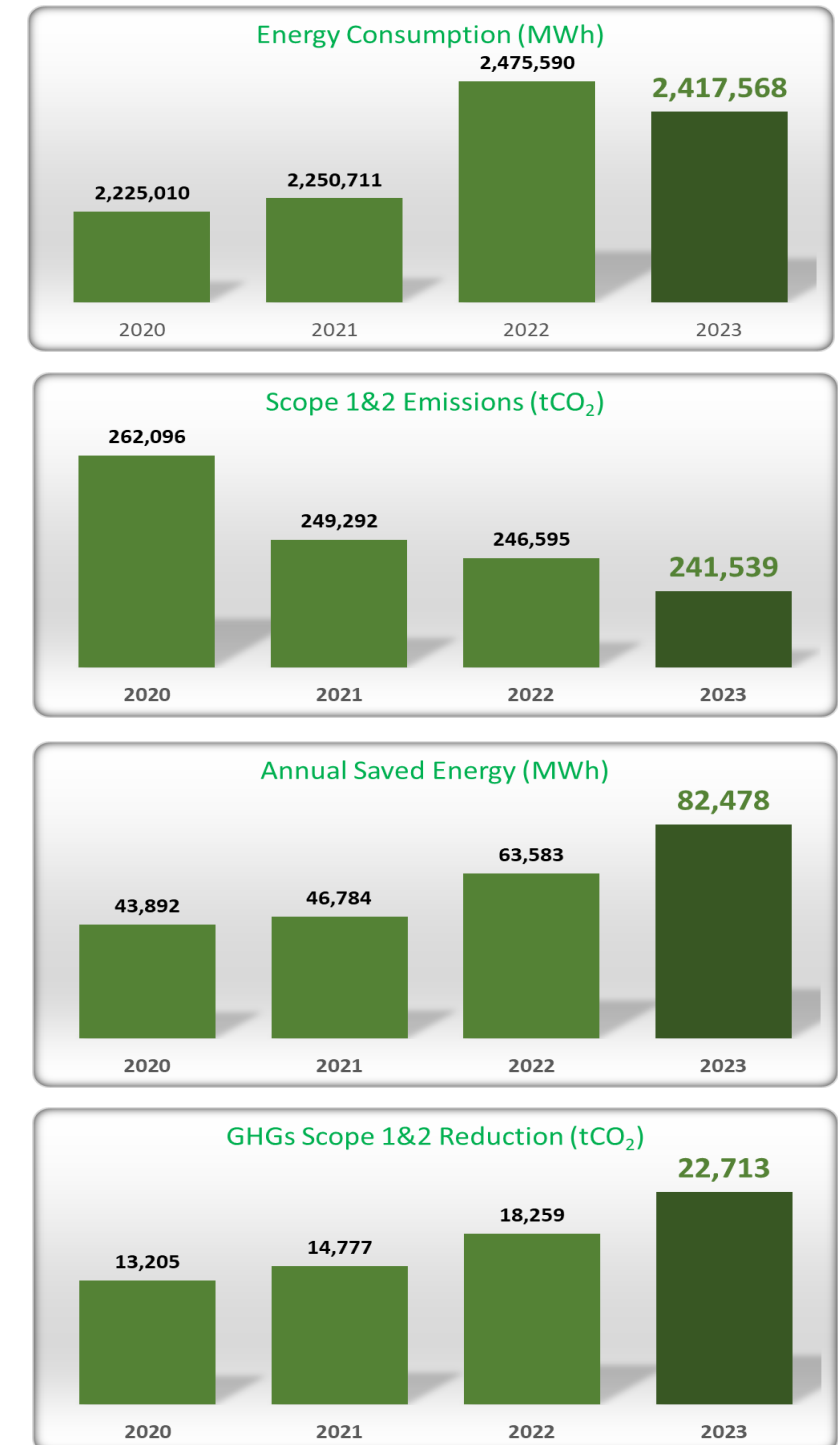


# Environmental Performance

## Key Highlights

<b>Energy Consumption</b> <b>2,418</b> 1000 MWh	<b>Specific Energy</b> <b>9.710</b> MWh/Ton Product	<b>Total Scope 1&amp;2 Emissions</b> <b>242</b> 1000 tCO <sub>2</sub>
<b>Energy Consumption Saving</b> <b>82</b> 1000 MWh	<b>Energy Cost Saving</b> <b>41</b> M EGP	<b>GHGs Reduction</b> <b>23</b> 1000 tCO <sub>2</sub>
<b>CO2 Emissions per unit polyethylene</b> <b>1.15</b> tCO <sub>2</sub> /Ton Polyethylene	<b>Water Consumption</b> <b>4,813</b> Cubic Meter	<b>Waste Disposal</b> % of Hazards <b>95</b> <b>84%</b> Ton

## Key Performance Indicators





# Environmental Impact Management

## Environmental Product Declaration (EPD)

In alignment with the national direction towards climate governance as outlined in EGYPT Vision 2030, demonstrated by the launch of "National Strategy for climate change in EGYPT 2050" and the issuance of the second updated Nationally Determined Contributions (NDCs), SIDPEC continued its efforts regarding its decarbonization strategy and took the appropriate actions towards environmental disclosure and assessing the Environmental footprint of our product.

We began to contacting "EPD Egypt" to arrange an awareness training session for "LCA- EPD practitioner" aiming to learn how to issue reports that provide detailed information on the environmental impacts of our products throughout their life cycle. This includes resources used, energy consumed, pollutants emitted, and waste generated during production, use, and disposal, as well as the extent to which the product affects other environmental elements, such as resource depletion. This information will be used to optimize manufacturing processes and reduce environmental emissions.

This insightful action enables us to be prepared to meet the requirements of EU Carbon Border Adjustment Mechanism (CBAM) which will impose a carbon tariff or price on carbon intensive products imported into the EU.

## Waste Management

Our waste management procedure outlines the approach for controlling various sources of waste resulting from production units or maintenance operations in accordance with HSE management systems.

### Procedure and Practices:

We have a "Waste management" procedure.

We obtain the permits for handling and disposing hazardous waste within the company.

SIDPEC monitors the types and quantities of waste produced, including tracking where and how waste is recycled, treated, or disposed of.

We have contracted with the "Nasiriyah landfill" authorized by the Ministry of Environment to bury hazardous waste.

### Initiatives:

We also contracted with others to recycle waste rubber, wastepaper, and empty barrels, all in line the Ministry of Environment's regulations, to reduce GHG emissions.

### 2023 OBJECTIVE

Disseminating knowledge to reduce errors resulting from a knowledge defect regarding EMS.

#### Actions Taken

Conducted awareness sessions regarding environmental issues and waste management systems.

## Air Pollution

Most air pollutants are generated from fuel combustion in equipment that uses fuel to produce thermal energy. Air pollutants are controlled by the selection of good design stack height, ensuring complete combustion, using clean burning fuel and environmentally friendly burners, and deploying gas detectors.

### Procedure and Practices:

Direct communication with the Environmental Affairs Agency via CEMS to monitor environmental measurements in real time.

Weekly reports from our laboratory on stack emissions measurements.

Monthly reports on laboratory results are presented to senior management for discussion and decision making.

SIDPEC holds the necessary permits for air emissions and complies with legal requirements.

Conduct annual environmental measurements of stacks emissions through an external party.

Environmental inspections are conducted through the Geographic Committee's mobile environmental monitoring laboratory vehicle.

### Initiatives:

Planting 1,100 Ficus trees.





# Water Management

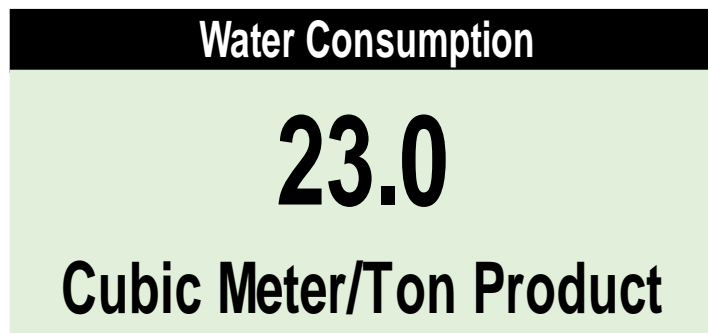
## Procedures and Practices

SIDPEC holds the necessary permits to obtain the required water from the public water supply and to manage any wastewater discharges.

SIDPEC has targets for reducing water consumption and/or increasing the amount of water reused or recycled in various operations and processes.

Our water usage and wastewater discharges do not negatively impact the sustainability of water resources. We actively engage with our stakeholders to address water sustainability issues related to affected water resources.

We treat wastewater before discharge to minimize adverse environmental impacts, and monitor the types, limit values and quantities of pollutants in the wastewater.



### 2023 OBJECTIVE

Installation of a new industrial wastewater treatment unit to treat 50 m<sup>3</sup>/h with relevant local laws & regulations.

#### Actions Taken

- Issued bid package with our requirements.
- Invited bidders to submit their offers.
- Ongoing technical and financial studies.



## Industrial Water Treatment

SIDPEC sources raw water from the Nubarria Canal (located approximately 2 KM from the site).

Water treatment units are designed to remove biological contamination, suspended solids, and dissolved salts. Recycling technologies are used to fulfill the requirements of production sites with process water, cooling water, demineralized water.

## Wastewater Control

Wastewater materials generated from all production and maintenance activities include oils and hydrocarbons, process water used in operations, alkalis and acids, fluids used in cooling and heating processes and consumed catalyst materials. SIDPEC operates THREE industrial wastewater treatment units one at each site (Ethylene, Polyethylene, and utilities), along with one neutralization basin in the utilities complex. Treated wastewater is collected in a final effluent water sump in the utilities complex before being disposed of externally. Pollutants are measured and monitored weekly in accordance with environmental laws.



# Energy Management and Climate Change

## Digital Energy Management System (D-EMS)

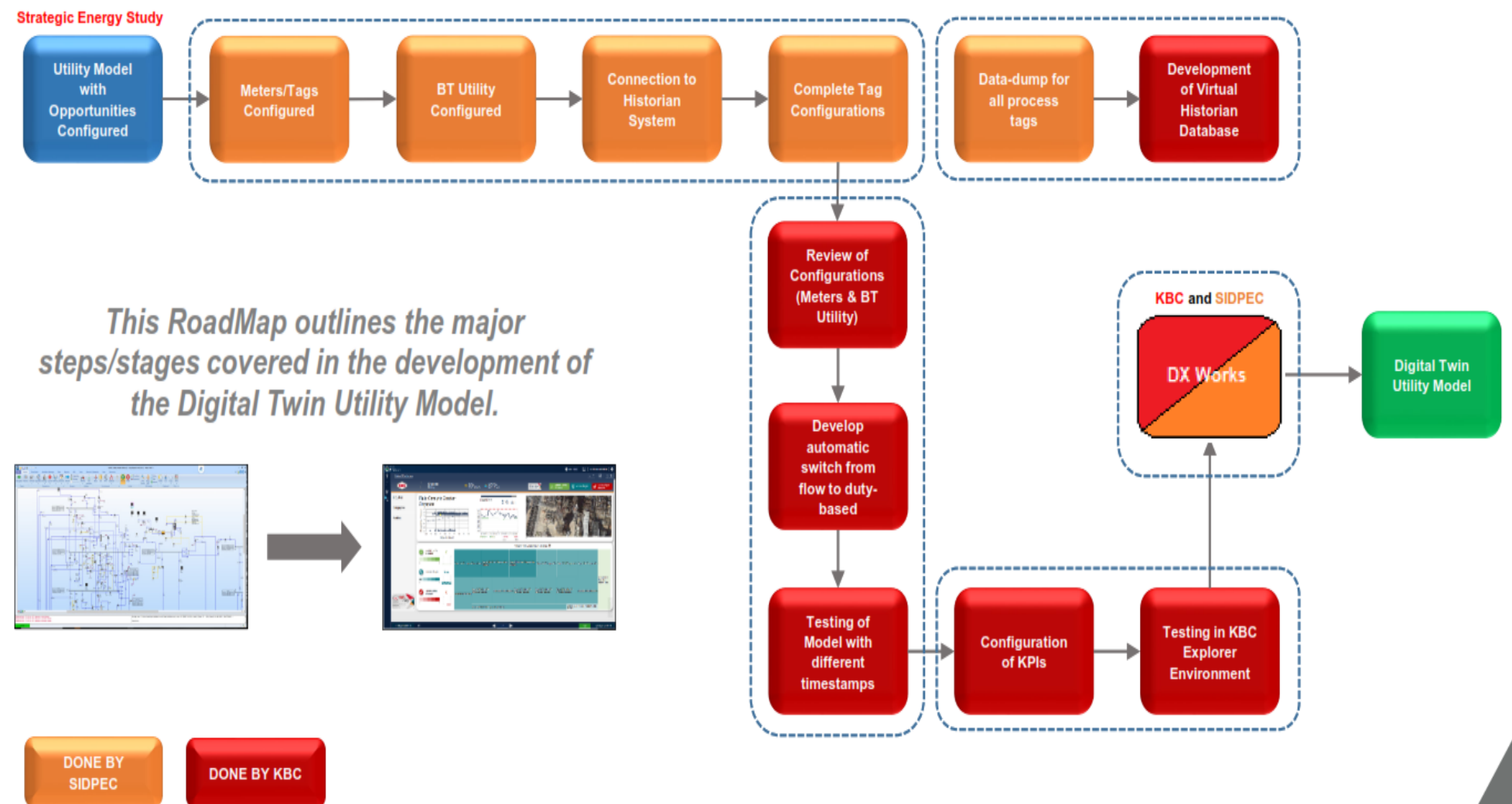
Utilization of SIDPEC Digital Twin Utility Model in the development of a scalable pilot Digital Energy Management System (DEMS).

### Objectives

- Upgrade of SIDPEC Utility Model to be "online" friendly.
- Configuration of Key Energy KPIs.
- Development and Configuration of Digitalization Infrastructure.
- Capability Development.

### Next Steps: Extension to Full D-EMS

- Configuration of the OpEx and CapEx opportunities.
- Develop supporting process models.
- Monitoring and reporting quick win opportunities.
  - Monitoring relevant KPIs.
  - Tracking accumulated savings.
  - Measuring emissions reduction.
- CapEx opportunities dynamic RoadMap.
  - Realtime benefits, cost, and payback evaluation.





# Energy Management and Climate Change *Cont.*

## Energy Efficiency and Emission Reduction

Our decarbonization strategy is based on improving energy efficiency to reduce both GHG emissions, thereby protecting the environment, and operating cost which increases economic growth. Energy efficiency improvement has been a continuous journey since 2013, with ongoing efforts to have an effective impact on climate action.

We continued to implement to opportunities outlined in the roadmap developed from Strategic Energy Review (SER) report issued by our international consultant (KBC-Yokogawa) as follows:

Five quick win opportunities and one minor/medium Capex opportunity were completed, resulting in actual savings of **221,027 MMBtus**, equivalent to **24.2 M EGP**, and an emission reduction of **13,082 tCO<sub>2</sub>**.

One Major Capex opportunity - Combined Heat and Power (CHP) plant is **currently** in the engineering phase.

Additionally, another high capex project initiated by SIDPEC team involves the replacement of old air compressors with new energy-efficient ones. The project is also in the engineering phase.

The expected GHGs emission reduction of both the CHP installation and the new air compressors replacement projects is approximately **45-50 KtCO<sub>2</sub> per year**.

2023 OBJECTIVE

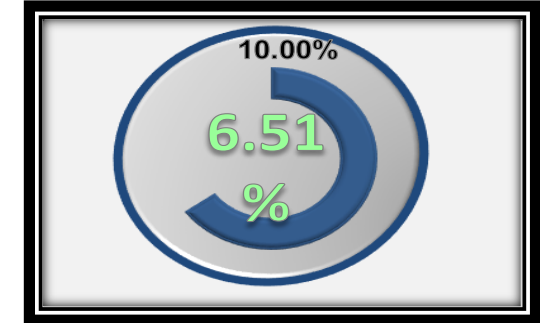
Reduce electricity consumption by about 2% and firing fuel gas consumption by about 2% compared to the energy baseline.

**Actions Taken**

- Reduce the operating hours of recycle gas compressor in the polyethylene plant and the raw water intake pump in the utilities complex.
- Reduce the pressure of air compressors by (1) bar when applicable.
- Improve steam usage by reducing steam losses and LP steam and recovering condensate.

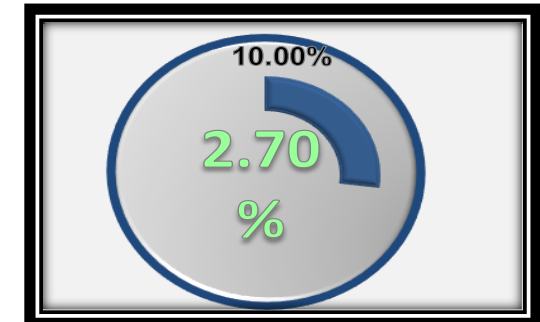
**2015-2020**

Achieved Annual Electricity Saving



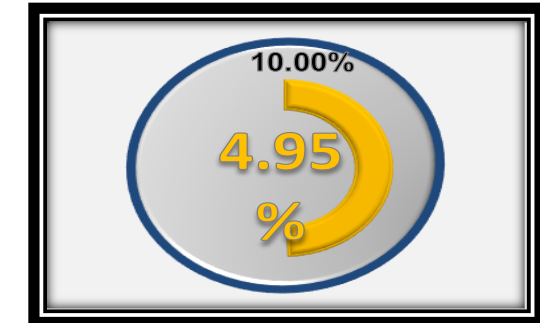
**2021-2023**

Achieved Annual Electricity Saving



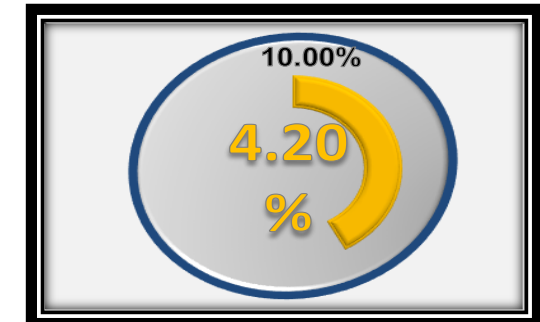
**2015-2020**

Achieved Annual Fuel Gas Saving



**2021-2023**

Achieved Annual Fuel Gas Saving



# COMMUNITY

Community

Community

Engagement

Investment

Development

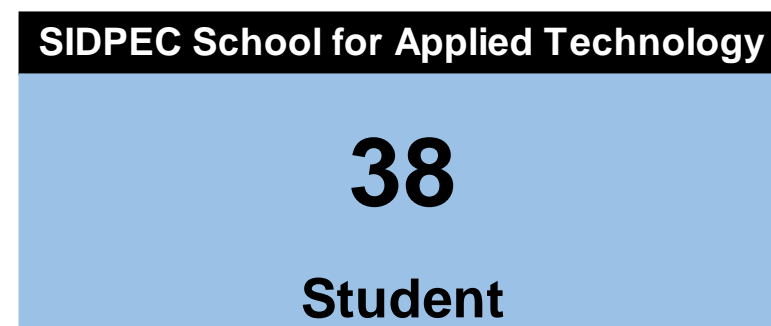
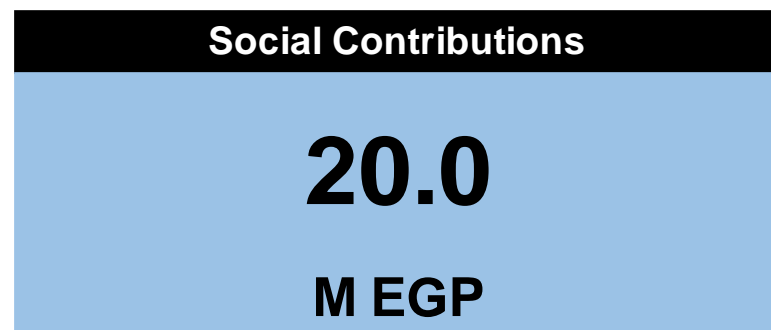
and Collaboration



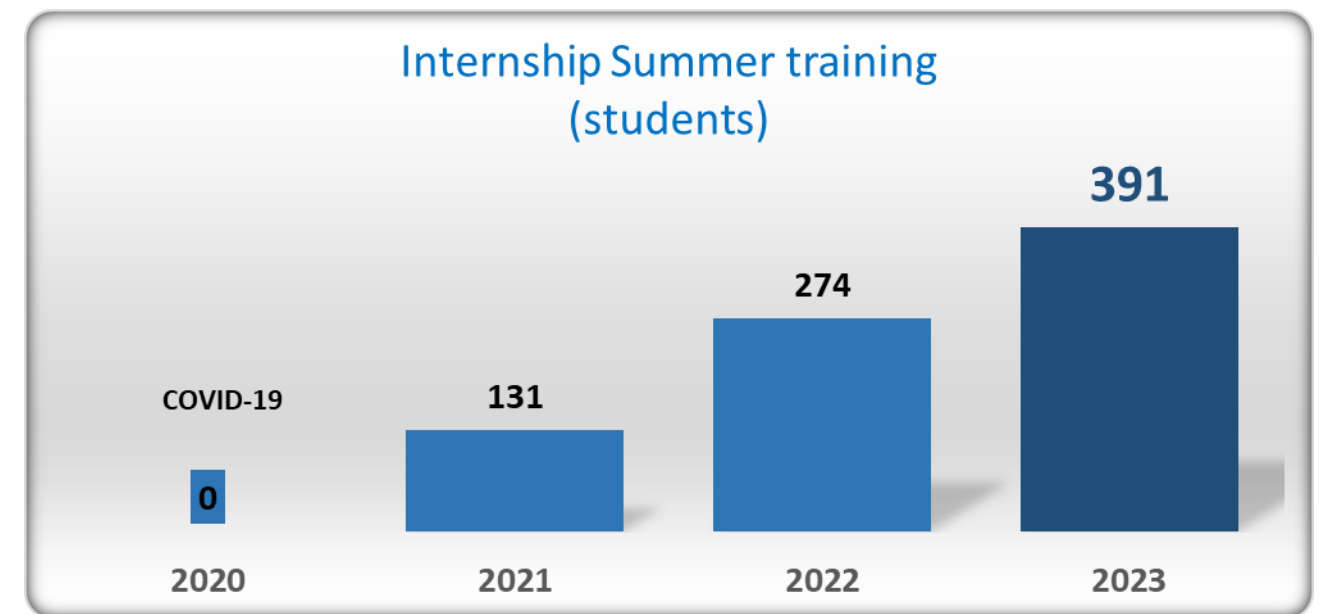
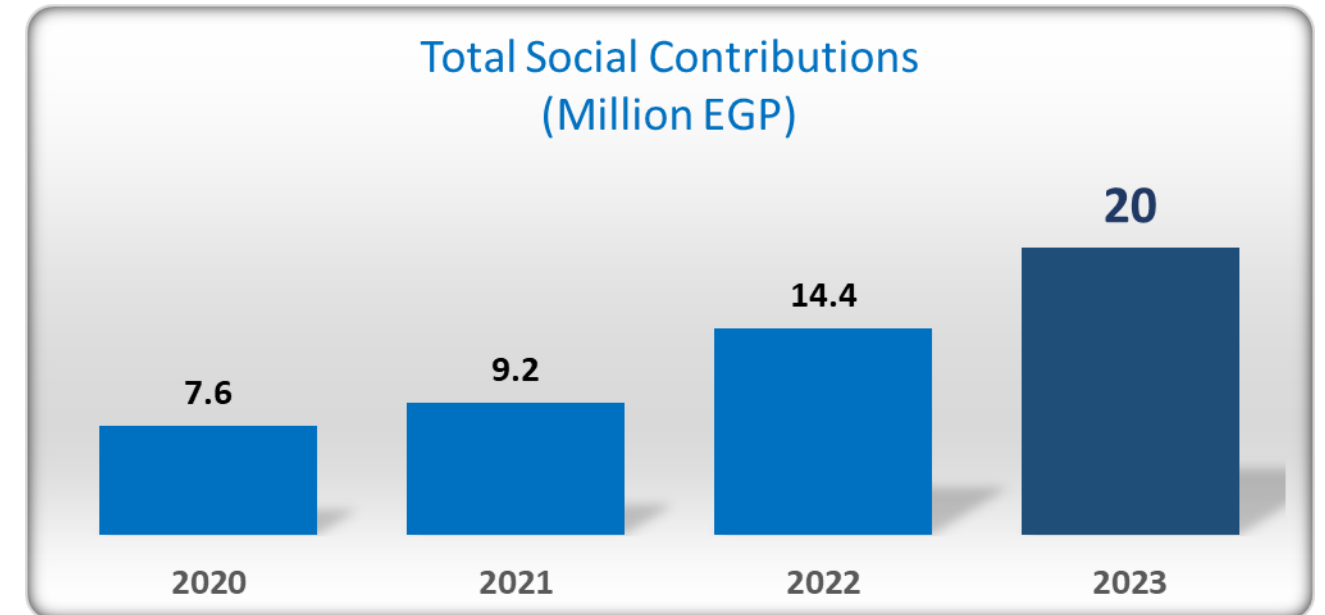


# Community Performance

## Key Highlights



## Key Performance Indicators



# Community Investment

## National Projects

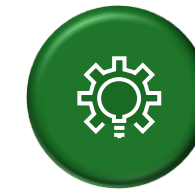
### SIDPEC School for Applied Technology

A cooperation protocol was signed between SIDPEC and the Ministry of Education and Technical Education to operate and develop “SIDPEC School for Applied Technology” for a period of six years. We began selecting students, providing teachers and professors as well as enhancing the efficiency of laboratories equipment and classrooms. We also provided uniforms and school buses to transport students. The academic year began in 2023/2024. An integrated training program was developed by SIDPEC, including weekly practical and academic training in various production sites, and conducted by SIDPEC’s staff.

**38**  
Students



**30**  
Training Days



**180**  
Training Sessions



### Our Vision and Objectives

We aim to provide the labor market with qualified and trained technical personnel to serve the petrochemical sector in Egypt, in line with the country’s 2030.

Furthermore, we seek to change the societal perception of technical jobs and restore their pioneering role in building a competitive economy. Our objective is to contribute to encourage and develop technical education and vocational training to prepare distinguished technical cadres who can actively participate in the production process.

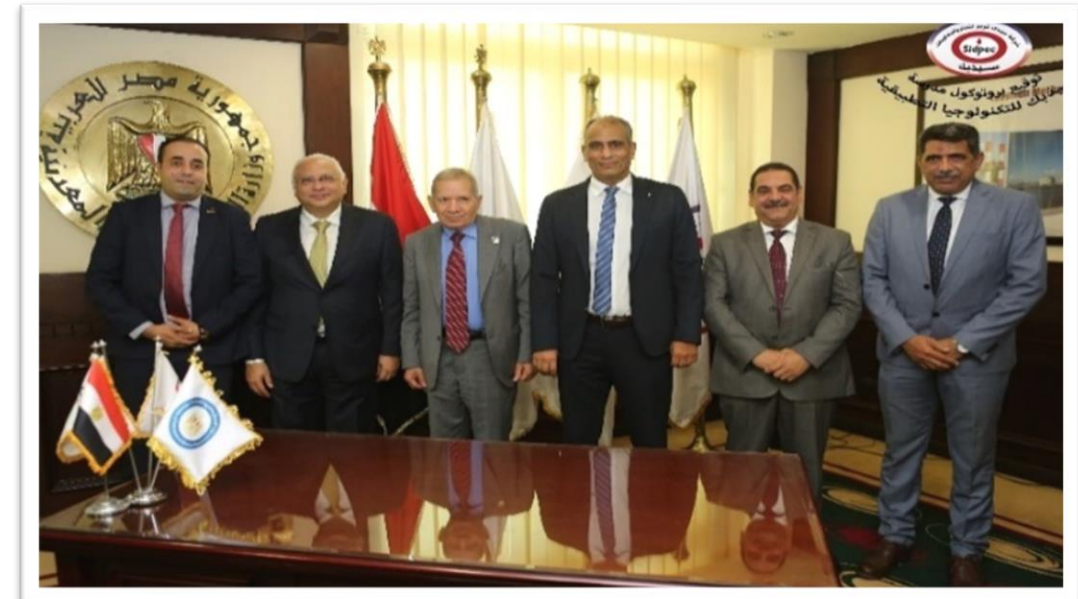
The duration of study is three years, including the following:

1. Fundamental and cultural sciences.
2. Technical sciences in:
  - a. Petroleum and petrochemicals.
  - b. Industrial automation.
3. Practical training.

### Challenges

We face the challenge of ensuring the preparedness of students at behavioral and intellectual level, helping them understand new curricula, and fostering a high level of commitment.

Additionally, there are issues related to the poor condition of the school infrastructure, the status of the classrooms, and the lack of adequate educational tools.





# Community Investment *Cont.*

## Develop the Coptic Hospital

We established a Hearing and Balance Unit at the Coptic Hospital to serve disabled patients in Alexandria.

Additionally, we prepare a fully equipped intensive care unit with (6) beds.

## Homes Rehabilitation and Furnishing

The Rehabilitation and Furnishing of homes were completed through a cooperation protocol between SIDPEC and the "Orman Association" including four stages that began in 2019 culminated in the delivery of 100 homes to their owners in 2023.

## Social Services Provision

We Renewed the Medical Treatment Protocol for incapable patients from the surrounding area residents (including surgical operations, providing free medical services and medications).

We also distributed food supplies to residents of surrounding area in ElNahda and ElAmriya regions.

SIDPEC conducted a "Medical Convoy" at its headquarters to provide medical services to patients as a part of the "100 Mellion Health" campaign following the instructions of the Mr. President of Egypt.

Additionally, we distributed quilts to incapable residents as part of the Winter Warmth campaign in 2023.

English language courses were provided for students from the surrounding area on the sidelines of the annual Holy Quran Competition activities, along with seminars on social behavior and women's awareness.

### 2023 OBJECTIVE

Raising our social role in developing the surrounding community through social activities and contribution.

#### Actions Taken

Assigned 20 M EGP for social activities.

Signed protocols with related stakeholders.

Supported initiatives related to sustainability topics.



## Conferences and Events Support

We participated as a Platinum Sponsor in the "Luxor Conference for Sustainable Development", which is held annually by the Orman Association.

We also participated as a Platinum Sponsor in the "Differently Capable Conference", organized annually by the "Union of Intellectual Disabilities", with presence and care of the Mr. President of Egypt.

## Scientific Research Support

We supported the "5th Students Conference" at the faculty of science, Suez University held during the period (8-9 May 2023).

## Disabled People Support

We contributed to providing disabled People with artificial limbs in co-operation with "Hand in Hand" Foundation.





# Community Development

## Internship Training Program

In the context of maximizing our pioneering role in fulfilling our societal responsibility towards university and institute students, SIDPEC executed a summer training program for college and institute students. The content of the training program was updated and developed to achieve the maximum possible benefit for the students, enabling them to complement their theoretical studies with practical and industrial applications.

## Site Visits

SIDPEC hosted students from the College of Engineering and Technology - Arab Academy for Science, Technology, and Maritime Transport (AASTMT) in March 2023.

The students visited production sites and learnt detailed process description of production units in control rooms.

We agreed to nominate some of these students to attend the summer training in 2023.

### 2023 OBJECTIVE

Fulfill our social responsibility by implementing a summer training program for students at universities and institutes to transfer practical knowledge.

#### Actions Taken

Communicated with universities and institutes to nominate the students as trainees.

Prepared the program, followed up on the implementation, supervised and coordinated with other interested parties to nominate the trainers.

Provided encouragement rewards for students, along with attendance certificates.

Provided universities and institutes with evaluations of the trainees.







# Engagement and Collaboration

## “Continuous Partnership with UNIDO” Industrial Motors Efficiency Program (IMEP) Project



## Peer-to-Peer Networking to Foster Energy Efficiency in the Petrochemical and Plastic industries Project (P2P-EEPPP)

As mentioned in our previous sustainability report 2023, we started to provide services related to promoting the deployment of energy-efficient motor driven systems (EE MDS) and solar thermal applications (STA) in the petrochemical sector and plastic industry sectors companies among our local customers, in cooperation with UNIDO.

All steps required within the framework of the contract between SIDPEC and UNIDO to implement the project have been completed. The closing ceremony of the project was held on 18<sup>th</sup> September 2023, with the attendance of all participating companies from the plastic, petroleum and petrochemical sectors, and representatives from UNIDO. During the ceremony, the successes achieved during the project were presented, and the companies that successfully applied the proposed opportunities were honored with on the ground reports.

**1,500** MWH  
**2.0** M EGP  
**800** t CO<sub>2</sub>

**Achieved Annual Saving and Emissions Reduction**

The representative of UNIDO in Egypt, [Mr. Patrick Gilabert](#) visited SIDPEC on December 20, 2023. During the visit, we showcased success stories and highlighted the cooperation between SIDPEC and UNIDO since 2013 culminating in the successful implementation of the IEE project. Mr. Gilabert also inspected some of our energy efficiency improvement projects.



On the sidelines of the P2P project, we are cooperating with “[Abu Qir Petroleum Company](#)” in the field of EnMS by providing them with the technical support required to obtain their EnMS compliance certificate in accordance with the requirements of ISO 50001:2018.

Our technical support involves the implementation of EnMS step-by-step, reviewing all relevant documented information, and providing awareness sessions and EnMS training programs during planning, operation, and checking phases.

## Engagement and Collaboration *Cont.*

### “Continuous Partnership with UNIDO”

#### Industrial Motors Efficiency Program (IMEP) Project



### Energy Services Companies (ESCOs)

The “Industrial Motors Efficiency Program - IMEP” held a meeting on Thursday 24<sup>th</sup> August 2023 to discuss the proposed contractual framework for Energy Services Companies (ESCOs) with relevant stakeholders. The meeting aimed to support the development of the local market for ESCOs in Egypt, promote best practices for various ESCO business models, and establish a pool of measurement and verification local calibers.

SIDPEC attended the meeting, which included more than 30 attendees representing various ministries, organizations, companies, and several consultants.

During the meeting, the UNIDO team presented the project’s achievements and progress in creating the energy services market. They also proposed contract models for different business models that govern the relationship between energy service companies and factories, along with arbitration protocols and dispute resolution mechanisms.

Our energy experts attended the first session of the “ESCOs” training held from 17-19 Sep. 2023 and delivered by UNIDO’s international consultants.

The objective of the ESCOs training course is to support the development of the Energy Service Companies (ESCOs) market in Egypt.

The training sessions covered a broad-spectrum of topics including financing options for ESCOs, financial analysis and lifecycle costing calculations, the different types of Energy Performance Contracts (EnPC) for project implementation, a technical introduction to Energy Management Systems (ISO50001) and Energy Systems Optimization, a Measurement and Verification (M&V) concept overview, and an overview of the four IPMVP framework options for determining energy savings.

Additionally, our energy experts attended the first session of “Measurement and verification (M&V)” training, held from 10-13 Sep. 2023 and delivered by UNIDO’s international consultants for energy experts in Egypt.

This training is one of the main activities within the context of ESCOs market creation in Egypt.

The objective of the training is to create a pool of qualified experts who can carry out the role of potential “verifiers” to undertake the process of planning, measuring, collecting, and analyzing data for reporting energy savings within any facility. These savings result from the implementation of energy conservation measures (ECMs).

## Engagement and Collaboration *Cont.*

### CSR & Sustainable Development Forum

In the context of our commitment to participate in the events that support sustainable development principles and maximize sustainable growth, considering social and environmental dimensions, SIDPEC participated as a silver sponsor in [14<sup>th</sup> CSR & Sustainable Development Forum](#) held in Sharm El-Shiekh.

We also spoke in one of the conference sessions titled: "Sustainability Talk: ["Experiences from the Egyptian Market"](#)". We highlighted our efforts regarding the decarbonization strategy and EnMS in SIDPEC since 2014, as well as the promotion of the deployment of energy-efficient motor driven systems and solar thermal applications in the petrochemical sector and companies of plastic industry sectors from our local customers through the cooperation with UNIDO.



### Egyplast Exhibition

SIDPEC participated in the [2024 Egyplast Exhibition](#) held in Cairo.

SIDPEC experts delivered various lecture on polymer-related topics, including:

- [The plastic raw materials Market in Egypt and the features of the petrochemical industry.](#)
- [Laboratory Tests Necessary for Determining the Quality of Raw Materials Used in Plastic Manufacturing.](#)
- [The Impact of Antioxidants on the Thermal and Mechanical Properties of Polyethylene Raw Material.](#)
- [Opportunities for Improving Energy Efficiency in the Plastic Industry.](#)



### International Exhibition for Industry

SIDPEC keen to actively participate in the [2<sup>nd</sup> Annual International Forum and Exhibition for Industry](#) held in Cairo, where it includes companies representing about (18) industrial sector from petroleum and mining sector, private sector, business sector, and several international companies. During event, SIDPEC communicated with investors, specialized regional and international institutions, and representatives of specialized sectors from brotherly and friendly countries as part of the company's plan to support its investment partnerships in a way that contributes to increasing national income.



# Appendices CONTENTS



- A** Alignment to UNGC
- B** Alignment to SDGs
- C** GRI Content Index
- D** KPIs Summary



# Appendix A

## Alignment to

### UN Global Compact (UNGC) Principals



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION

UNGC Principles	UNGC Topic Alignment
<p><b>Principle 1:</b> (Human Rights) Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>Health and Safety work Environment Process Safety Management (PSM) Participation and consultation Employees Relations workforce Development Workforce Wellness Community Investment Community Development Engagement and Collaboration</p>
<p><b>Principle 2:</b> (Human Rights) Make sure that they are not complicit in human rights abuses</p>	<p>Employment and Labor Rights Work conditions</p>
<p><b>Principle 3:</b> (Labor) Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>Employment and Labor Rights</p>
<p><b>Principle 4:</b> (Labor) The elimination of all forms of forced and compulsory labor.</p>	<p>Employment and Labor Rights</p>
<p><b>Principle 5:</b> (Labor) The effective abolition of child labor.</p>	<p>Employment and Labor Rights</p>
<p><b>Principle 6:</b> (Labor) The elimination of discrimination in respect of employment and occupation.</p>	<p>Employment and Labor Rights Diversity, inclusion, and equity</p>
<p><b>Principle 7:</b> (Environment) Businesses should support a precautionary approach to environmental challenges.</p>	<p>Water Management Waste Management Air Pollution</p>
<p><b>Principle 8:</b> (Environment) Undertake initiatives to promote greater environmental responsibility.</p>	<p>Environmental Product Declaration (EPD)</p>
<p><b>Principle 9:</b> (Environment) Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Energy Efficiency and Emission Reduction Digital Energy Management System (D-EMS)</p>
<p><b>Principle 10:</b> (Anti-corruption) Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Corporate Governance Code of Conduct and Ethics</p>



# Appendix B

## Alignment to Sustainable Development Goals (SDGs)



SDGs Topic Alignment	
<p><b>01 No Poverty</b> Community Investment</p>	<p><b>10 Reduced Inequalities</b> Employment and Labor Rights Diversity, inclusion, and equity</p>
<p><b>02 Zero Hunger</b> Community Investment</p>	<p><b>11 Sustainable Cities and Communities</b> Our Strategy Community Investment Community Development</p>
<p><b>03 Good Health and Well-being</b> Community Investment Health and Safety work Environment Workforce Wellness</p>	<p><b>12 Responsible Consumption and Production</b> Water Management Energy Efficiency and Emission Reduction</p>
<p><b>04 Quality Education</b> Workforce Development National Projects Internship Training Program</p>	<p><b>13 Climate Action</b> Energy Efficiency and Emission Reduction Continuous Partnership with UNIDO</p>
<p><b>05 Gender Equality</b> Employment and Labor Rights Diversity, inclusion, and equity</p>	<p><b>14 Life Below Water</b> Wastewater Control</p>
<p><b>06 Clean Water and Sanitation</b> Industrial Water Treatment Wastewater Control</p>	<p><b>15 Life on Land</b> Waste Management</p>
<p><b>07 Affordable and Clean Energy</b> Digital Energy Management System (D-EMS) Energy Efficiency and Emission Reduction</p>	<p><b>16 Peace and Justice Strong Institutions</b> Corporate Governance</p>
<p><b>08 Decent Work and Economic Growth</b> Business Market Employment and Labor Rights</p>	<p><b>17 Partnerships for the Goals</b> Continuous Partnership with UNIDO</p>
<p><b>09 Industry, Innovation, and Infrastructure</b> Business Market</p>	



# Appendix C

## Global Reporting Initiative (GRI) Content Index

### Statement of use

SIDPEC has reported the information cited in this GRI content index for the period **January 2023 – December 2023** with reference to the GRI Standards.



GRI Standard	Disclosure Topic Alignment	Page/Location
<b>Universal Standards</b>		
<b>GRI 1:</b> Foundation	Used	-
<b>GRI 2:</b> General Disclosures	About this Report	3
	Business Market	7
	Stakeholders Engagement	10
	Structure and Composition	12
	Policies, Responsibilities, and practices	12
	General Assembly 2024	13
	Code of Conduct and Ethics	14
<b>GRI 3:</b> Material Topics	Context of the organization	9
	ESG Materiality Topics	11
<b>Sector Standards</b>		
<b>GRI 11:</b> Oil & Gas	Used	-
<b>Topic Standards</b>		
<b>GRI 201:</b> Economic Performance	Business Market	7
	Economic Performance	8
<b>GRI 202:</b> Market Presence	Business Market	7
	Business Market	7
<b>GRI 203:</b> Indirect Economic Impacts	Context of the organization	9
	Strategic Objectives	9
	Digital Energy Management System (D-EMS)	34
	Financial Statement 2023	www.SIDPEC.com
<b>GRI 204:</b> Procurement Practices	General Assembly 2024 - MoM	www.SIDPEC.com
	Governance	12
<b>GRI 205:</b> Anti-corruption	Financial Statement 2023	www.SIDPEC.com
	General Assembly 2024 - MoM	www.SIDPEC.com
<b>GRI 206:</b> Anti-competitive Behavior	Code of Conduct and Ethics	14
<b>GRI 207:</b> Tax	Financial Statement 2023	www.SIDPEC.com



GRI Standard	Disclosure Topic Alignment	Page/Location
<b>GRI 301:</b> Materials	Products	www.SIDPEC.com
<b>GRI 302:</b> Energy	Digital Energy Management System (D-EMS)	34
	Energy Efficiency and Emission Reduction	35
<b>GRI 303:</b> Water and Effluents	Industrial Water Treatment	33
	Wastewater Control	33
<b>GRI 304:</b> Biodiversity	Environmental Product Declaration (EPD)	32
<b>GRI 305:</b> Emissions	Digital Energy Management System (D-EMS)	34
	Energy Efficiency and Emission Reduction	35
<b>GRI 306:</b> Waste	Waste Management	32
<b>GRI 308:</b> Supplier Environmental Assessment	Purchasing Bylaw Vendor Evaluation Procedure	- Our intra Web Site

GRI Standard	Disclosure Topic Alignment	Page/Location
<b>GRI 401:</b> Employment	Employment and Labor Rights	21
<b>GRI 402:</b> Labor/Management Relations	Employees Relations	22
<b>GRI 403:</b> Occupational Health and Safety	Health and Safety work Environment	18
	Participation and consultation Workforce Wellness	20 27
<b>GRI 404:</b> Training and Education	workforce Development	24
<b>GRI 405:</b> Diversity and Equal Opportunity	Governance	12
	Diversity, inclusion, and equity	23
GRI 406: Non-discrimination	Code of Conduct and Ethics	14
	Employment and Labor Rights	21
<b>GRI 407:</b> Freedom of Association and Collective Bargaining	NA	-
<b>GRI 408:</b> Child Labor	Code of Conduct and Ethics	14
	Employment and Labor Rights	21
<b>GRI 409:</b> Forced or Compulsory Labor	Code of Conduct and Ethics	14
	Employment and Labor Rights	21
<b>GRI 410:</b> Security Practices	NA	-
<b>GRI 411:</b> Rights of Indigenous Peoples	NA	-
<b>GRI 413:</b> Local Communities	Community Investment	38
	Community Development	40
	Continuous Partnership with UNIDO	41
GRI 414: Supplier Social Assessment	Purchasing Bylaw	-
<b>GRI 415:</b> Public Policy	NA	-
<b>GRI 416:</b> Customer Health and Safety	Code of Conduct and Ethics	14
<b>GRI 417:</b> Marketing and Labeling	Code of Conduct and Ethics Products	14 www.SIDPEC.com
<b>GRI 418:</b> Customer Privacy	Code of Conduct and Ethics	14



# Appendix D

## KPIs Summary

KPI	Unit	2020	2021	2022	2023
<b>Economic Performance</b>					
Products	1000 Ton	444	468	540	514
Sales	1000 Ton	255	240	340	360
Revenues	Million EGP	3,467	5,134	8,658	13,192
Net Profit	Million EGP	26	535	1,238	2,459
Earnings per share	EGP	0.03	0.75	1.76	2.75
<b>Workforce</b>					
Skilled Work force	Employee	1,098	1,091	1,079	1,076
HSE trainees	Employee	179	334	1038	958
Safe Worked Manhour	Man Hour	2,181,224	2,083,916	2,147,648	2,120,288
<b>Environment</b>					
Imported Electricity Consumption	MWh	185,418	181,378	185,532	179,193
Produced Fuel Gas Consumption	MWh	798,596	746,074	721,537	713,564
Imported Fuel Gas Consumption	MWh	1,240,997	1,323,259	1,568,521	1,524,810
Total Energy Consumption	MWh	2,225,010	2,250,711	2,475,590	2,417,568
Specific Energy Consumption	MWh/Ton	-	10.396	9.515	9.710
Scope 1 Emissions	tCO <sub>2</sub>	161,284	150,677	145,722	144,111
Scope 2 Emissions	tCO <sub>2</sub>	100,812	98,615	100,874	97,427
Total Scope 1&2 Emissions	tCO <sub>2</sub>	262,096	249,292	246,595	241,539
CO <sub>2</sub> emissions (Scope 1&2)/unit Product	tCO <sub>2</sub> / Ton PE	1.30	1.24	1.09	1.15
Imported Electricity Improvement (*)	%	6.51	1.56	1.70	2.71
Annual Saved Imported Electricity	MWh	12,702	15,594	15,853	17,717
Annual Saved Imported Electricity	M EGP	10.0	13.6	13.9	16.6
Annual GHG Scope 2 Reduction	tCO <sub>2</sub>	6,904	8,476	8,617	9,631
Imported Fuel Gas Improvement (*)	%	4.95	0.00	2.07	4.20
Annual Saved Imported Fuel Gas	MWh	31,190	31,190	47,730	64,761
Annual Saved Imported Fuel Gas	M EGP	7.6	7.6	13.9	24.2
Annual GHG Scope 1 Reduction	tCO <sub>2</sub>	6,301	6,301	9,642	13,082
Total Annual Saved Energy	MWh	43,892	46,784	63,583	82,478
Total Annual Saved Energy	M EGP	17.6	21.2	27.8	40.8
Total Annual GHG Scope 1&2 Reduction	tCO <sub>2</sub>	13,205	14,777	18,259	22,713
Raw Water Consumption	1000 M <sup>3</sup>	4,357	4,992	5,678	4,813
<b>Community</b>					
Summer training	Student	0	131	274	391
Total Social Contributions	M EGP	7.6	9.2	14.4	20

(\*) Electricity and Fuel Gas improvement % during Y 2020 are compared to the corresponding Energy Base Year (Y 2013-2015), while improvement % during Y 2021, 2022, 2023 are compared to the corresponding Energy Base Year (Y 2020).



[www.SIDPEC.com](http://www.SIDPEC.com)



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.