

A photograph of a large industrial facility, likely a petrochemical plant, featuring several tall distillation columns and extensive scaffolding. The sky is clear and blue. A yellow decorative bar is at the top left, and a blue banner with white text is overlaid on the bottom left of the image.

SUSTAINABILITY REPORT 2018

Sidi Kerir Petrochemicals Co. (SIDPEC)

We Consistently Demonstrate Business Excellence

In This Report

CEO Message **3**

SIDPEC Profile **5**

 **Part ONE**
Human Right **17**

 **Part TWO**
Labor **33**

 **Part THREE**
Environment **38**

 **Part FOUR**
Anti-corruption **47**

Disclosures alignment with **49**
UNGC Principles & SDGs



CEO Message



Dr. Mosaad Elkasaby

Chairman & CEO

At the beginning of my word, I would like to welcome you and invite you to review the progress mentioned in our sustainability annual report 2018.

SIDPEC commitment to sustainability begins with the policy statement, which is in line with [the ten principles of the UN Global Compact](#), as it includes continuous improvements towards performance, and commitment to meet the legal requirements, domestic legislation and international standards on human rights, labor, environment and anti-corruption covered by the principles of the Global Compact.

SIDPEC is keen to implement various and effective *management systems* by documenting procedures that enable it to make decisions on the issues covered by the principles of the Global Compact, identify action plans, time frames, responsibilities and resources to achieve predetermined improvements in line with the sidpec's strategic directions.

CEO Message

SIDPEC has set *strategic objectives* to implement its long-term vision and mission. Also, *key success factors* have been developed that can be quantified through periodically relevant *key performance indicators* as well as the implementation methods of annual and medium-term objectives and programs. We also have a way of prioritizing *risks and opportunities* for our current operations or when designing new processes or activities and assess our impact on issues covered by the principles of the Global Compact. We are monitoring our procedures to ensure that they are properly applied through internal audits of our management systems.

SIDPEC is focusing to maintain the leadership of the local market and presence in the international markets through maximizing value added, preserving the assets and interest of interested parties. In 2018, and compared to 2017, we achieved an increase in net profit by 14.7%, and earnings per share by 14.5%.

SIDPEC has taken in 2018 list of procedures to reach to our strategic objectives. On the *economic level*, the “new amine unit” has been successfully operated and its outputs have been utilized to feed the “Air Liquide's CO₂ liquefaction unit” which had economic and environmental returns. Also, the acquisition of 20 % of the Petrochemicals logistics services-PLS (Alexandria Company for sodium carbonate "Solvay") to complete our needs of imported feed gases in conjunction with the continuation of the progress in the implementation of propylene and polypropylene projects. We are proceeding in the implementation studies of “**process safety management system**” and the “**ORACLE ERP system**”. On the *environmental level*, we participated in the “**World Environment Day**” and launched an initiative to invite scientific research bodies to participate in research to combat pollution caused by plastic. On the *community level*, we have a positive contribution to the development of local society in the fields of education, training, culture and infrastructure development.

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 team work, taking into account the achievement of excellence in every task they perform and adherence to the highest ethical standards in all their dealings.

What are our main achievements in 2018?

Products

TON 218

Thousand

Of polyethylene production during 2018

Sales

TON 290

Thousand

Of petrochemicals sales during 2018

Revenue

EGP 5.7

Billion

Achieved during 2018

Net Profit

EGP 1.3

Billion

Achieved during 2018

GHGs Emissions

TCO₂ 5.1

Thousand

Reduction in emissions of polluted CO₂ since 2015

Energy Consumption

MWH 9.5

Thousand

Saving in electrical energy consumption since 2015

Waste Water

M³ 1,038

Thousand

Treated industrial water during 2018

Accidents

HOUR 1.5

Million

Without any injuries during 2018

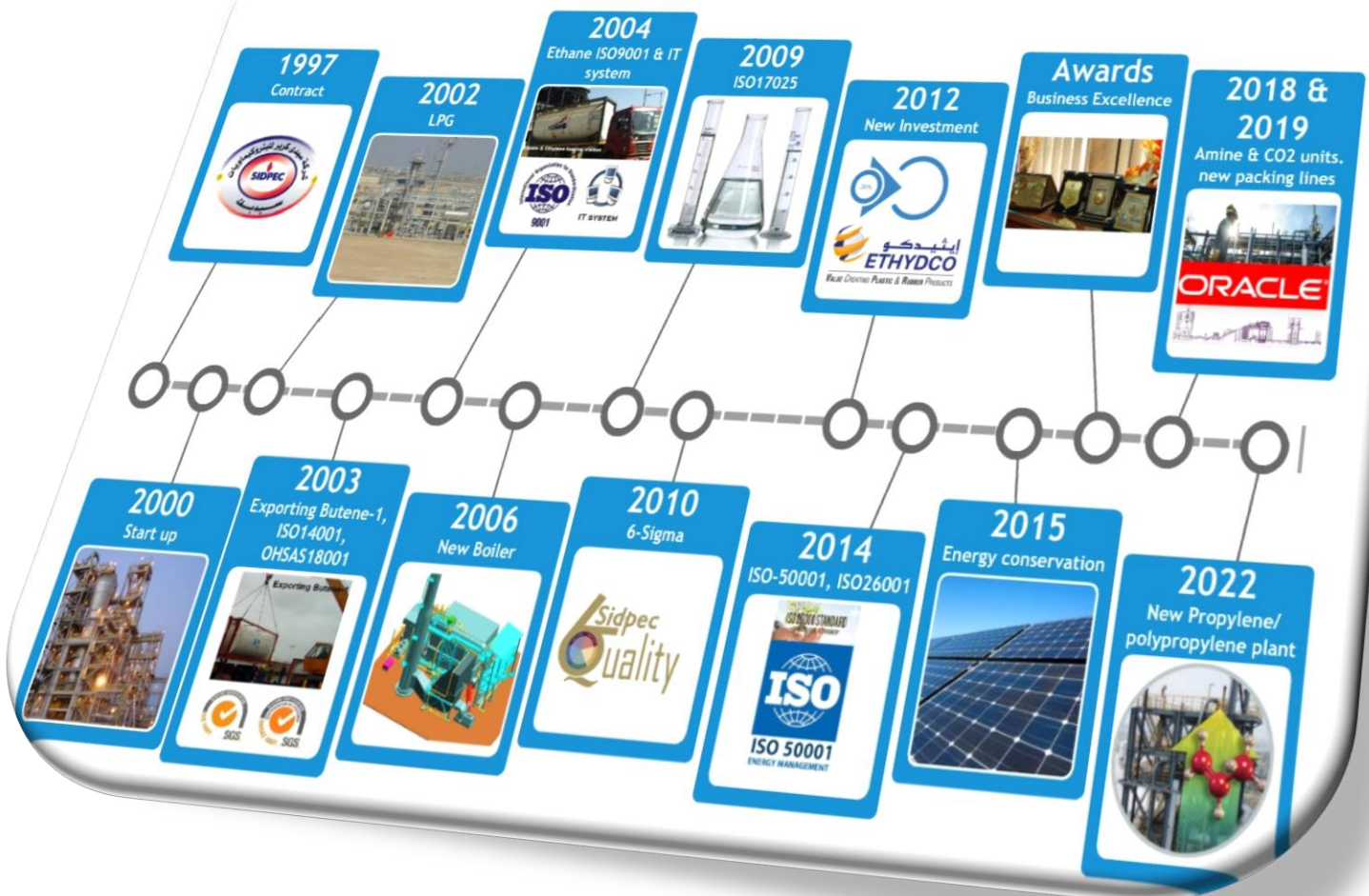
Local Community

EGP 11.3

Million

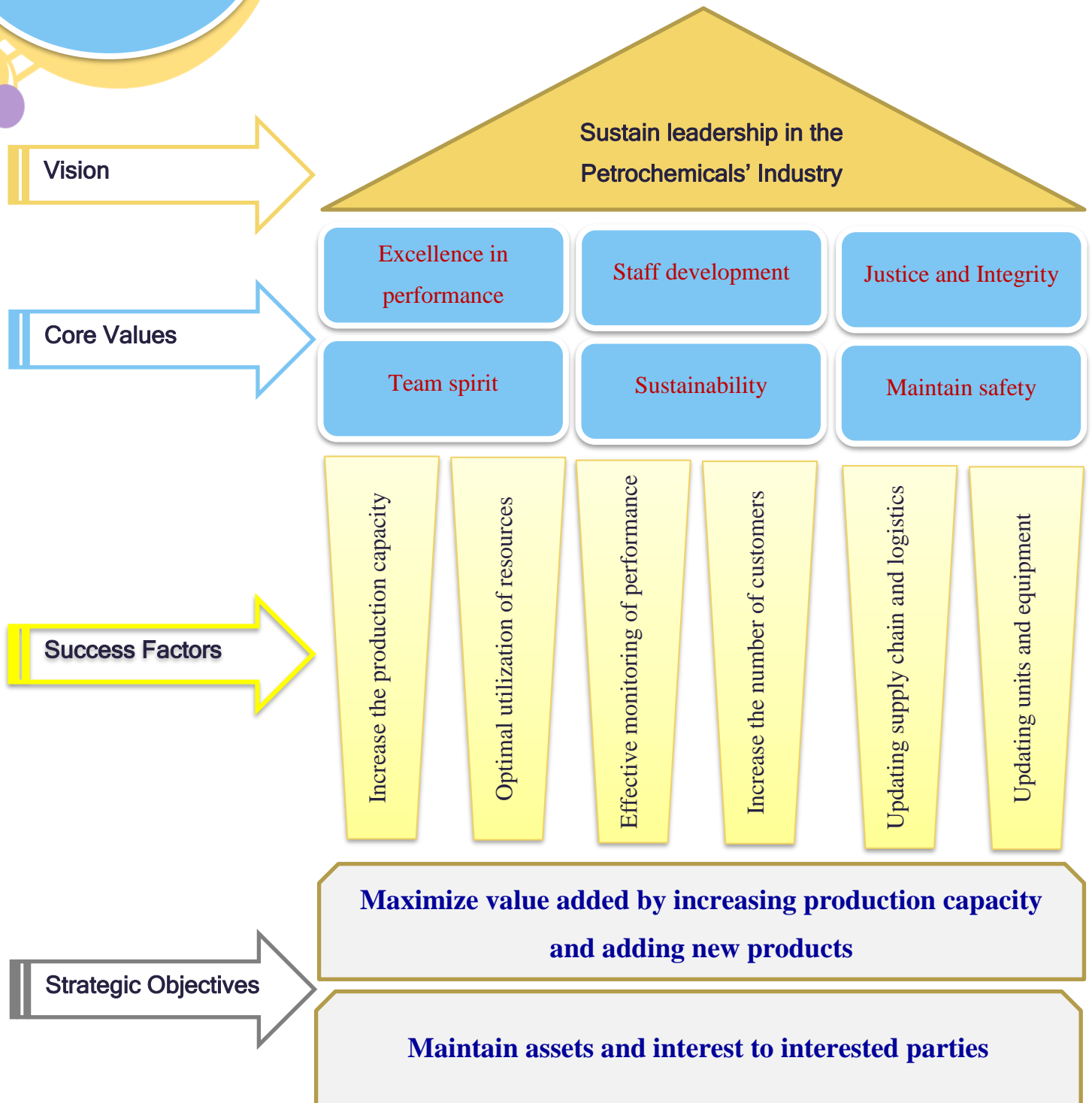
our social contribution during 2018

Sidpec journey toward excellence ...



SIDPEC PROFIL

strategy



SIDPEC PROFIL

strategy

SIDPEC seeks to activate its role in improving the quality of its services and aligning them with the vision of “*Egypt 2030*” and its use of features and advantages and keeping up with the visions.

Our **SWOT analysis** provides a foundation for developing strategy by the determination of strengths and weaknesses within SIDPEC as well as external opportunities and threats.

We establish annual targets, and their corresponding action plans to achieve the strategic objectives, a timeline for starting and ending the action, and how the outcome will be measured and evaluated.

The most important programs that implemented during last periods are stated below.

Upgrading *control systems*;

Implement no cost/low cost projects to reduce *energy consumptions and GHGs emissions*;

Prepare for implementing *process safety management*;

Prepare for implementing *ORACLE and MAXIMO* programs;

Qualify the *leadership cadres*.

Core Markets

8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



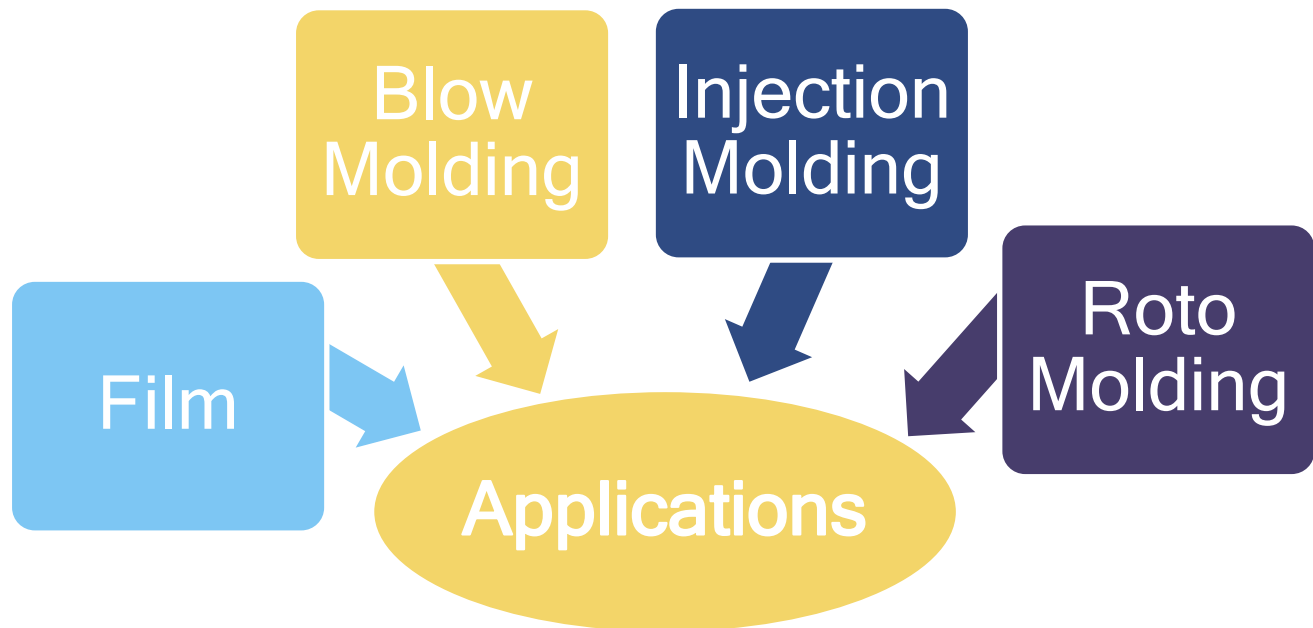
1st Step

*towards integration in
petrochemicals' industry in Egypt*

SIDPEC can produce Polyethylene (high-density & linear low-density grades) using Ethylene which is produced by the processing of Ethane/Propane as a raw material. SIDPEC utilizes the finest technologies in production which are also environment-friendly and energy saving.

Egyptene® as the trade name of SIDPEC polymers, is one of the finest well-known products in polyethylene industry worldwide as well as the local market.

Product and Applications





SIDPEC keeps through its corporate governance to achieve *transparency* and *justice*, grant the right of *accountability* to the management of the company, considering the interests of labor and workers, developing investment, maximize profits, create new jobs, maintaining minority rights and small investors.

SIDPEC accounting control adopted by *corporate governance* takes two directions:

1. Accountability from *higher administrative levels* to *lower administrative ones* as:
 - a) Different **committees** like Marketing, Energy management system, customer complain, safety committees....etc.
2. Accountability that *shared between the board of directors, shareholders and stakeholders* as:
 - a) The existence of **audit committees** which is one of the main entities for evaluating the levels of governance applied in our business organization.
 - b) Reporting of **External auditors** on their impartial technical opinion on the veracity and fairness of the prepared financial statements.
 - c) **General Assembly** held annually.
 - d) Our existence in **stock market**.



SIDPEC PROFIL

Stakeholders Engagement

List of stakeholder groups engaged by SJDPCC who affect or can be affected by the sidpec's activities and services

Identification and selection of our stakeholders are based on two parameters: *influence* and *dependability* (both parameters range from 1-4) to develop the corresponding matrix scale from 1-16.

External

- Customers
- Neighbor Companies
- Government Authorities
- Surrounded Community
- Service Providers
- Investors
- Suppliers/ Vendors

Internal

Board of Directors

Internal

Manpower

Managers

SIDPEC

•regularly engages in dialogue with stakeholders to keep up-to-date with stakeholder expectations.

SIDPEC

•is reporting the key topics and concerns that have been raised to its stakeholders

External Engagement

Financial Statements

Web Site

Customer Feedback

Sustainability Report

SIDPEC Policy

Internal Engagement

Ideas Bank

Services Survey

Sustainability Awareness & Messages

Code of Conduct

HSE Competitions

Ethics and Integrity

SIDPEC Code of Conduct

SIDPEC commits to encouraging a safe, supportive and reproductive work environment through cooperative and sustainable principles of conduct and ethical behavior. We envision added 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.



1- 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 demonstrating through their actions, the importance of this code.



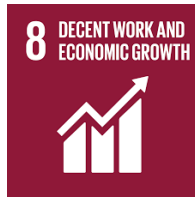
2- Human Rights:

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.

Ethics and Integrity SIDPEC Code of Conduct



3- Labor Practices:

We endeavor to invest in our employees by providing them with the best possible skills and abilities in order to develop their individual potential to the maximum, and thereby contribute to a sustainable success and competitiveness of our enterprise. We provide specific training to the employees as regards to 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.



4- 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 regulation. 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 the 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 future as a zero liquid discharge, zero pollutants emission and zero wasted energy company.

Ethics and Integrity SIDPEC Code of Conduct

8 DECENT WORK AND
ECONOMIC GROWTH



5- 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.

6- Consumer Issues:

We are keen to provide products, which achieve our customers' satisfaction.

We provide our customers with fair and transparent information of our products.

We review our customers' complaints and improve practices in response to them.

We offer adequate and efficient support and advice system for our customers.

We always take adequate measures to protect our customer health, safety and business.

7- Community Involvement and development:

We consider ourselves as 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 on our community health care projects.

We support research and development projects in cooperation with governmental institutions and universities.

“

IT IS EASY TO SAY WHAT WE MUST DO,

”

BUT THE PROOF IS IN OUR ACTIONS

Accountability For Goals

Strategic Plan refers to certain *strategic objectives* over the future. In order to achieve them, different goals shall be performed. Below is an account of the most important actions in 2018 and other going steps in 2019:



2018 Actions	2018 Status	2019 Steps
Improve energy efficiency and performance		Establish new projects, transition EnMS into 2018 edition and train Energy team
Upgrade the control system of equipment		Complete 2018 action, upgrade others
Achieve Zero mechanical failure which can cause total production loss		Complete 2018 action
Upgrade VSD of some equipment		Implement 2018 actions
Maximize the efficiency of civil preventive maintenance plan		Complete 2018 action
Enhance the performance of information system network		Upgrading the data collection systems, Enhancing Web System information
Implement EAM systems		Implementation phase of Maximo and Oracle system
Provide the require technical manpower		Implement the new evaluation form regarding employees
Provide training programs on sustainability		Conduct series of other training programs
Improve KPIs for all processes		Complete 2018 task, publish KPIs on Power BI dashboard

SIDPEC PROFIL

Economic Performance



Operate "new amine unit".

Feed the "Air CO₂ unit" Liquide's liquefaction with 7,400 Ton/year

Processes tie in with **Ethydco**: Receive butadiene returns to LPG unit and send C3/C4 and Butene-1

Acquisition of 20 % of the logistics company for Petrochemicals

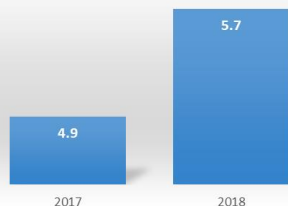
Acquisition of 20 % of **Ethydco**

Tender to establish **PDH project** (500,000 T/Y) and **PP project** (450,000 T/Y)

Sidpec signed the final contract to purchase Alexandria Fiber Company's land plot to expand its new PDH and PP projects.

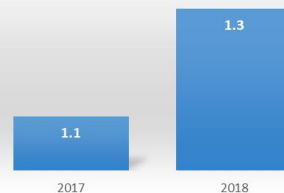
15.7%Δ

Revenues (Billion)



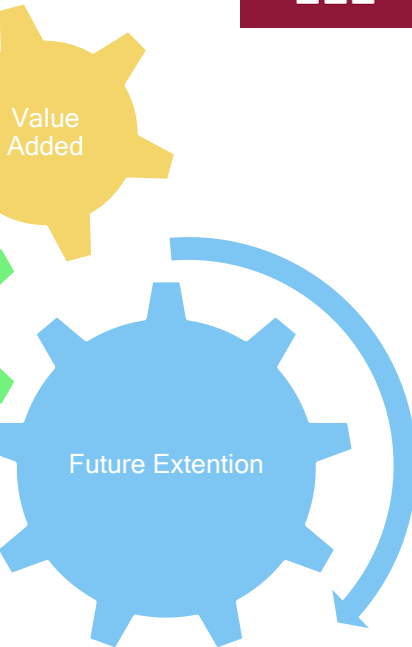
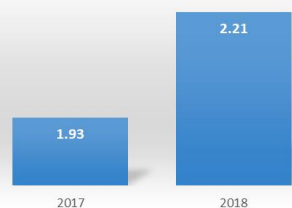
14.7%Δ

Net Profit (Billion)



14.5%Δ

Earnings per share (EGP)



HUMAN RIGHT



Part ONE

In This Section



HEALTH AND SAFETY **18**

Health and Safety Systems.
Protective Equipment and Training.
Employee Involvement.



EMPLOYMENT **22**

Hours, Wages and Leave.
Labor Practices.
Training and Education.
Medical Care.



LOCAL COMMUNITY **26**

Training and Education.
Knowledge Sharing.
Social Contribution.





HUMAN RIGHT

HEALTH AND SAFETY

Health and Safety Systems

49 Test

Of fire drills had been performed during 2018

8 DECENT WORK AND ECONOMIC GROWTH



SIDPEC is committed to provide a safe, suitable and work facilities to its employees and develops an *emergency response procedure* to measure the level of preparedness and response to emergency situations:

- Conduct **training about the emergency response plan** for all employees;
- Perform **fire drills** for emergencies;
- Identification of **risks, environmental aspects** and;
- Formation of a committee to follow up and manage the **crises**.

Issue “**live saving rules**” and publish it to all employees in additions to sharing *educational videos* about working in safe conditions.

Preventive inspection is carried out on different sectors every three months to avoid accidents and injuries and to identify the risk areas.



First Aid Trainees



Fire Drill No.



Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

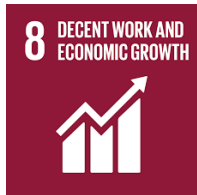
HEALTH AND SAFETY

Protective Equipment and Training

474

Employees

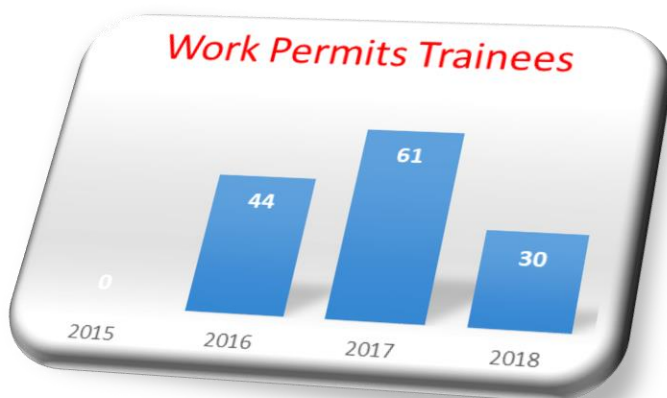
Had been trained on HSE programs during 2018



SIDPEC keeps to provide all employees with the *protective equipment* and conducts the necessary training required to perform their tasks safely:

- Establish a “**Personal Protective Equipment (PPE)**” procedure designed to create a barrier against workplace hazards and describes the methodology for ensuring proper selection, usage, storage and maintenance of PPE.
- Training is carried out and, if appropriate, demonstrations in **wearing/using PPE** had been conducted in order to verify that each affected employee had received and understood the required PPE.

There are series of **work instructions** had been developed like work permits, chemicals handling, ergonomics, and forklifts...etc.



Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

HEALTH AND SAFETY

Employee Involvement

SAFETY WEEK

335

Employees

Participated in HSE
competition 2018

8 DECENT WORK AND
ECONOMIC GROWTH



Under the sponsorship of the Minister of Petroleum, **SIDPEC** organized an Event “**Safety Week**” from 2-4 December 2018.

The program of this event contained:

- **HSE introduction & Awareness** for new employees;
- **Safety walk down** in production and service sites conducted by CEO, top managers and senior employees aimed to ensure the commitment of employees regarding *safety rules* and *personal protective equipment (PPE)*;
- **Awards Ceremony** regarding *HSE competitions* (Fire extinguisher; PPE)
- Discuss the **HSE survey** submitted from employees;
- Conduct an **Ergonomics** awareness;
- Another Safety walk down conducted by safety sub-committees.



Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

HEALTH AND SAFETY

Employee Involvement

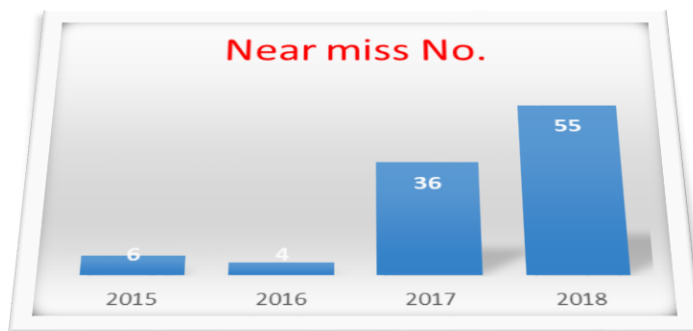
1,499,304
Hours

Without any injuries during
2018



SIDPEC actively involves workers in health and safety work as follow:

- Provide a procedure and instructions for the **Near miss** report, which provides in a clear manner about the risks to which the workers may lead to the occurrence of injuries or accidents;
- Provide a procedure regarding **incident investigation report** in order to record, investigate and analyze any incidents; hours lost as a result of injury or illness compared to total working hours; determine the week points and needs for corrective action and opportunities for improvement.
- Accessibility to employee' representative(s) to attend the periodical monthly **safety committee** and **sub-committee meetings**.



Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

EMPLOYMENT

Hours, Wages and Leave

1,060

Employees

As work force in 2018



Skilled Work force (Employee)



SIDPEC keeps to take the appropriate actions to maintain the rights of employees regarding *working hours, wages and leave* according to the laws.

Normal **working hours** are 40 per week (5 days/week) for staff working on daily basis, and 48 hours per week (4 days/week) for staff working on shift basis considered break time and taken into consideration the compensation of that time difference.

Overtime if it is needed, is remunerated at premium rate.

SIDPEC has a system to *record and monitor hours* worked by each employee, and it is appeared to each one on the intra information system.

Employees are provided with a **wage** enough to living requirements and it *paid regularly* and it *appeared in detail* to each employee on the intra information system.

Linking remuneration to performance & seniority & a degree of equitable distribution of variable pay tied to our business annual results.

According to the laws, employees are **granted of paid holiday leave** per year, entitled to **paid sick** and females are entitled of **paid maternity leave** per child.

Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

EMPLOYMENT

Labor Practices

115 %

of hiring plan was achieved
in 2018

8 DECENT WORK AND
ECONOMIC GROWTH



All employees receive **employment contracts** before starting work and have a clear **job description** including their responsibilities towards assigned job and towards HSE and quality systems.

Each employee has **access** to all his *personal data*, including data concerning disciplinary decisions.

Measurable contributions to HR performance including **lower employee turnover**, **lower absenteeism**, **improved employee well-being** and **increase employee engagement**.

Career development policy aims to assist employees to focus on their **skills and abilities** and to identify future **staffing needs**.

SIDPEC seeks employees, who are enthusiastic about their work and eager to make positive contributions that propel product innovation and improve business operation through their **ideas**, **surveys** and **suggestions**.

The competitive **retirement plans** enhance employee's involvement and belonging also increases retention and longer stays within the company:

- 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**;
- Qualified *deferred compensation retirement plan* offered to all employees; this plan provides a retirement reward at the age sixty.

Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

EMPLOYMENT

Training and Education

749

Employees

Trained during 2018



SIDPEC have invested heavily in *training courses* which promote understanding of how efforts made at the local level can improve environment & quality of life. Our range of training & short courses provide *opportunities for promoting sustainable development and social responsibility*.

SIDPEC have also launched several *leadership development programs* including advanced training for seasoned leaders & intensive rational programs for those early in their careers.

SIDPEC offers training courses covering the areas of *finance, operations, safety & marketing*. The programs enable *recent graduates & young leaders* to accelerate their careers by gaining hands-on experience in multiple role.

SIDPEC *transfer valuable knowledge* from the most experienced, high performing employees to others through internal training courses. When essential knowledge is captured & shared we touch an improved result across the range of cost saving, time on task, error rates and innovative solutions.

SIDPEC organized two internal programs regarding new edition of *EnMS (ISO 50001:2018)* and *risk management (ISO 31000:2018)* guideline and awareness.

Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

EMPLOYMENT

Medical Care

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



SIDPEC provides a [Health Insurance Program](#) for employees and their families through direct contracting with medical specialties (physicians, hospitals, laboratories, prosthetic devices, etc.).

Employees enroll in and get their medical benefits from a Medical care plan, employees can only go to doctors, specialists, or hospitals that are part of the predetermined plan.

SIDPEC [health plan brochure](#) explain how they coordinate benefits with Medical care, where are lists of all physicians, hospitals & laboratories which an employee and their family can choose. Also, there is a new [mobile application](#) had been launched.

SIDPEC raised its contribution in the medical provision [by renewal of medical regulation](#) in addition to an advantage point has been added allowing [employee's parent](#) to use the medical care employees program.



SIDPEC participated in the “100 million healthy lives” campaign under the directive of the Egyptian President, which aims to eradicate hepatitis C across EGYPT as part of the strategic plan 2020. It also aims to stymie the growth of chronic diseases such as high blood pressure, diabetes and obesity.

SIDPEC organized this campaign during **November 2018**.

Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

LOCAL COMMUNITY

Training and Education

261

Students

Trained in Sidpec during summer 2018

4 QUALITY EDUCATION



SIDPEC encourages the sharing of knowledge across the **academic community** and contributes in relating conferences organized or held by the faculties of science and engineering whether by monetary funds or papers and presentations prepared by volunteering employees.

SIDPEC offers a wide range of **internship opportunities for students** and provide students with the opportunity to do “real work” alongside our talented full-time employees and to gain first-hand experience with a leading petrochemical company.

Also, SIDPEC provided training on its processes for **14 students of E-JUST**. SIDPEC provided technical support to other **relevant petrochemicals companies** in all fields of management system like **EMS, EnMS and QMS**.

SIDPEC provided training on its processes for **TWO employees of ECHEM**.

Summer training (students)



Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

LOCAL COMMUNITY

Knowledge Sharing

6

Events

We shared our knowledge and success story



17 PARTNERSHIPS FOR THE GOALS



SIDPEC participated in “HSE Champion of the year” award to highlights our contribution in Environment Protection by reducing Greenhouse Gases Emissions through the *Energy Efficiency Improvement*.

SIDPEC keens to share its *knowledge and success story* regarding EnMS and sustainability:

- SIDPEC participated in the “Final Event for IEE project in EGYPT” organized in September 2018 by UNIDO. Our representatives have actively participated in two *discussion panels* to share *its success story regarding EnMS in sidpec and peer to peer network in petrochemicals*.
- SIDPEC participated in “1st Energy Efficiency conference” organized in May 2018 by Egypt’s Petroleum Sector Modernization, program (4B) Improve Energy Efficiency unit and submit *its success story in EnMS*.
- SIDPEC participated in the “8th Egypt CSR forum” held in April 2019 under the patronage of several Egyptian ministries. SIDPEC representative participated in one of *interaction panel* to submit an open discussion regarding the *benefits of GRI reporting of sustainability*.
- SIDPEC participated in the “EU Climate Week Conference” held in September 2018 and submit *its success story in EnMS*.
- SIDPEC participated in the “EE systems in industrial organization workshop” organized by Arab Industrial Development & Mining organization and submit *its success story in EnMS with UNIDO*.



Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

LOCAL COMMUNITY

Community Engagement

11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



SIDPEC keeps to communicate with local communities before, during and after the start of activities to prevent, reduce and mitigate impacts.

SIDPEC is taking steps to address the legitimate concerns of local communities regarding any adverse impacts of the Company's operations on access to resources or livelihoods.

SIDPEC organized in June 2019 a “Community Consultation Session” regarding its *future propylene and polypropylene projects*.



Principle 2

make sure that they are not complicit in human rights abuses



HUMAN RIGHT

LOCAL COMMUNITY

Social Contribution

Under the patronage of *His Excellency the Minister of Petroleum and Mineral Resources*, the petroleum Sector initiative regarding “**Blood Donation**” was launched in June 2019 in cooperation with the Ministry of Health and organized by the Ministry of Petroleum and Egypt Oil & Gas. **SIDPEC** participated in this initiative by encouraging employees to donate blood, clarifying the importance of donating blood and the benefits to donors.



3 GOOD HEALTH
AND WELL-BEING



تحت رعاية السيد
المهندس / طارق الملا
وزير البترول والثروة المعدنية

يتشرف السيد الدكتور الكيميائي / مسعد القصبي
رئيس مجلس الإدارة والعضو المنتدب
بدعوة جميع السادة العاملين
للمشاركة في مبادرة قطاع البترول للتبرع بالدم

وذلك يوم الخميس الموافق ٢٠١٩/٦/٢٠
بمقر الإدارة الطبية
مع تحيات الإدارة العامة للعلاقات العامة

مبادرة قطاع البترول
للتبرع بالدم

قطر واحد بفرق

بالشراكة مع

تقديم

EGYPT OIL & GAS
OIL DISCOMMITTEE

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

LOCAL COMMUNITY

Social Contribution

11.3 EGP Million

social contribution in 2018



SIDPEC realizes that its activity affecting on a better life provision. From this point, we contribute to building a flexible and healthy communities by providing our support to the **local neighbor's communities** through the donations and charitable contributions.

One of the most important events is the “**joint cooperation protocol**” which is signed between the Petroleum Sector, represented by SIDPEC, ETHYDCO and GASCO and the water sector represented by the drinking water company in Alexandria to **supply drinking water and Sewage system (12 Km length)** to the **FOUR** disadvantaged areas and poor families in the El-Nahda district – Alexandria governorate.

Lighting lamps were installed with an estimated cost of **EGP 4 million** for El-Nahda main road (5 Km) according to international standards.


Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

LOCAL COMMUNITY

Social Contribution

1 NO POVERTY



4 QUALITY EDUCATION



17 PARTNERSHIPS FOR THE GOALS



SIDPEC organize the “Orphan Day” attended by **1200** children from more than **30** associations and charitable organizations.

SIDPEC keens to improve the quality of education in *neighbor villages*.

Therefore, SIDPEC provided **tuition fees** for over **5000** students to prevent school dropouts.

In addition, we have made a *partnership with the government* to develop “Donshowai School”.



Principle I

Businesses should support and respect the protection of internationally proclaimed human rights



HUMAN RIGHT

LOCAL COMMUNITY

Social Contribution



In the field of **healthcare**, **SIDPEC** has made a *medical protocol with the local hospitals* to pay the cost of surgeries and medication, as well as providing the needed medical devices to the general hospitals.

In 2018, over **40** medical cases benefited from that medical protocol and we are looking forward to treat **400** cases by the end of 2019.



SIDPEC collaborates with **84** *local social organizations* through **charitable activities, events and giveaways**.

As our attention is focus on the *women empowerment*, **SIDPEC** have provided them with **3** workshops to insure them a better life style.

Principle I

Businesses should support and respect the protection of internationally proclaimed human rights

LABUOR



Part
TWO

*In
This
Section*



FREEDOM OF ASSOCIATION **34**



FORCED LABOUR **35**



CHILD LABOUR **36**



DISCRIMINATION **37**





LABOUR

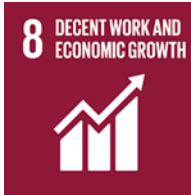
FREEDOM OF ASSOCIATION

Employees Engagement

490

Suggestion

posted in ideas bank till June 2019



SIDPEC launched “SIDPEC Ideas Bank (SIB)” in 2014 on SIDPEC intranet, in which all employees can use it as a channel for *demonstrate their suggestions and ideas* NOT ONLY regarding innovation, improvement but also subjects related to employee’ interests like medical care, transportation, periodical appraisal...etc.

HSE survey is conducted in November 2018 by all employees to evaluate *how SIDPEC concerns about HSE system affected on the employees.*

Our chairman keens to *conduct periodical meeting* whenever possible with employees to *hear their suggestions and claims.*

Accumulative No. of suggestions in Ideas Bank



Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining



FORCED LABOUR

8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



SIDPEC ensures to avoid all forms of *forced or compulsory labor*:

- We have a [salary advancements committee](#), and has its fair regulation stated clearly to all.
- All wages or [bonuses paid on time](#) and regularly.
- The company [does NOT keep any personal original copies](#) owning the employees.
- All employees are [allowed to leave](#) its location once they have finished their working time. Employees have [access to leave](#) during working time with a suitable permission.
- [Overtime is paid](#), voluntary and NOT forced by threat of wage deduction.
- There is [NO deductions from wages](#) for disciplinary measures contrary to the law.



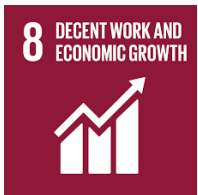
Principle 4

The elimination of all forms of forced and compulsory labour



LABOUR

CHILD LABOUR



SIDPEC does *NOT use child labor* internally or among its contractors or labourer.

We are working in very dangerous industry, so each employee appointment is based on his/her **competent**, **qualification** and have a related **certificate to the assigned job**. This is illustrated in the **job description**.

According to HR procedure, each employee submits his/her **birth certificate**, and **ID card**.



LABOUR

DISCRIMINATION

128

Women

honored during international women's day



As mentioned in [Code of Conduct](#), **SIDPEC** is committed to providing a *workplace that is free of discrimination* of all types of abusiveness, offensiveness or harassing behavior. Any employee who feels discriminated against should report the incident to either his/her supervisor or manager, or even to the chairman.

SIDPEC ensures that the procedures regarding employment, remuneration, promotion, training, and termination are based solely on unbiased criteria and are not related to any of the discriminatory characteristics.

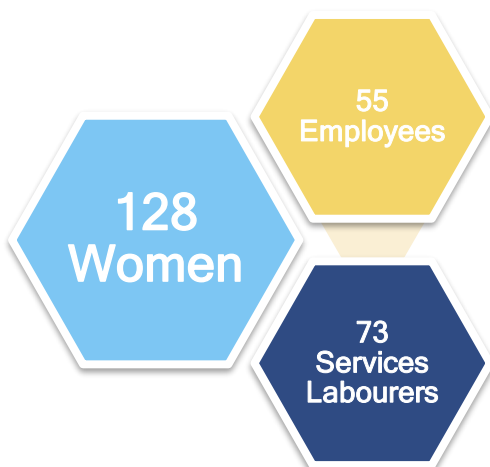
Each task has [its job description](#) and maintained as documented information and showing the level of qualifications required.

SIDPEC took the appropriate actions to enable persons with [disabilities or health conditions](#) to obtain employment opportunities in **SIDPEC**.

International Women's Day

SIDPEC celebrated the "**International Women's Day**" in March 2019, as It recognizes the women's achievements without considering any other divisions such as nationalism, ethnicity, language, culture and the economic or political environment.

SIDPEC honored all females who are working in **SIDPEC** either employees or external services.



Principle 6

The elimination of discrimination in respect of employment and occupation

ENVIRONMENT



Part THREE

In This Section



PRECAUTION 39

Precautionary approach
Emergency Response



RESPONSIBILITY AND PERFORMANCE 41

Energy consumption and climate change
Water and Waste Water
Waste Management
Air Emissions
Noise Control



TECHNOLOGY 46

Environmentally friendly technologies





ENVIRONMENT

PRECAUTION

Precautionary approach



14 LIFE
BELOW WATER



15 LIFE
ON LAND



SIDPEC participated in “World Environment Day” ceremony organized in 2018 by The Arab Academy for Science, Technology and Maritime Transport (AASTM), which was held under the slogan “Beat Plastic If you cannot reuse it, refuse to use it”.

SIDPEC submits a presentation regarding this topic. We demonstrate the importance of plastic in our life, comparison between plastics and other alternatives, its advantages and environmental effect. Also we outlined the most important researches in the production of biodegradable polyethylene.

Our Initiative A Campaign

#Beat Plastic Pollution

We will do it our own way....

“Beat Plastic Pollution by Research and Innovation”



This campaign submits an invitation to scientific researches to participate in research to combat pollution caused by plastic.

We keen to *maximize sustainable development, promote scientific research align with Egypt's 2030 strategy and establish a model for cooperation between industry and research institutions.*

Principle 7

Businesses should support a precautionary approach to environmental challenges



ENVIRONMENT

PRECAUTION

Emergency Response

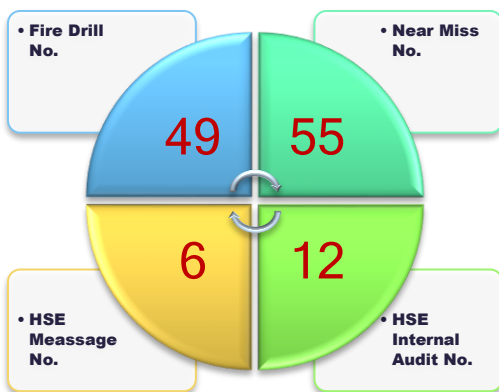
114

Employees

Trained on Waste management and chemicals handling in 2018



2018 Highlights



SIDPEC Policy aims to identify the **environmental hazards** arising from its activities, assess and control the associated **risks** and the **impact** of its operations which may have effect on the environment.

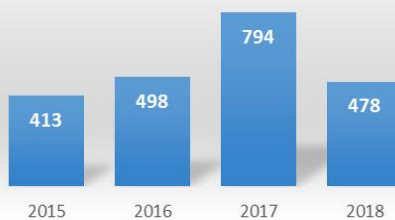
Results from identifying and ranking aspects and their impacts are directly associated other elements like objectives and targets, training/awareness, operational control, emergency preparedness, monitoring and measuring, corrective action and auditing.

The objectives of established **environmental aspects & impacts procedure** are to define the process by which the environmental aspects are identified, assessed and controlled; and to identify the significant environmental aspects addressed.

The **Environmental Aspects register** updated whenever a new and/or significant environmental aspect is identified or an existing one altered. Last update was in September 2018.

Our new projects regarding *PDH and PP* have their **Environmental impact assessment**.

HSE trainees



First Aid Trainees



Principle 7

Businesses should support a precautionary approach to environmental challenges



ENVIRONMENT

RESPONSIBILITY AND PERFORMANCE

Energy consumption and climate change

5.1 ktCO₂

GHGs emission reduction



SIDPEC focuses its efforts significantly on improve its **energy efficiency** by aligning with the *requirements of Energy management system (ISO 50001)* as a systematic approach in order to achieve sustainable development and meet the *climate change mitigation goals (GHG emissions)*.

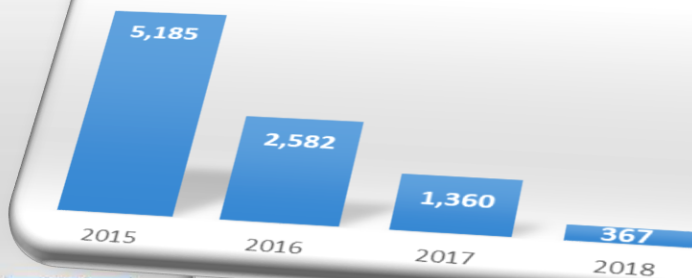
Our success story starting from 2014 and continued till now. Within **FOUR** years, we achieved about **4.8 %** savings in *energy consumption* equivalent to about **6.3 M EGP** using no cost/low cost opportunities equivalent to reduction in *GHGs emissions* for about **5,162 tCO₂**.

Our objective in 2019 is to *perform a transition of our ISO 50001:2011 to new edition (ISO 50001:2018)*.

Saved Electricity (M EGP)



Saved Electricity (MWh)



Principle 8

Undertake initiatives to promote greater environmental responsibility



ENVIRONMENT

RESPONSIBILITY AND PERFORMANCE

Water and Waste Water

1 M m³

Of treated industrial Water



SIDPEC keeps to maintain and develop the operating conditions in order to fulfil the requirements of water and other utilities to all processes according to the design specifications.

The most important initiatives achieved during 2018 are:

- Upgrade the control system regarding its operation;
- Evaluate the efficiency of cooling towers by external party and develop a new cooling water treatment program;
- Perform a performance test for raw water intake pumps;
- Periodical cleaning and maintenance of clarifiers, effluent water sumps;
- Renewal of boiler' license.

SIDPEC developed a "Quality procedure" to provide a system to control the operation of water treatment units and specifications of waste water produced from all processes according to the environmental law before discharge to external environment.

SIDPEC participated in "Conservation of Water consumption initiative" launched in all organizations in EGYPT.

We installed about 200 smart water saver and the estimated savings were about 50% of the amount of water.

Principle 8

Undertake initiatives to promote greater environmental responsibility



ENVIRONMENT

RESPONSIBILITY AND PERFORMANCE

Waste Management

315 Ton

Of disposed sludge (25 %
Conc.) during 2018

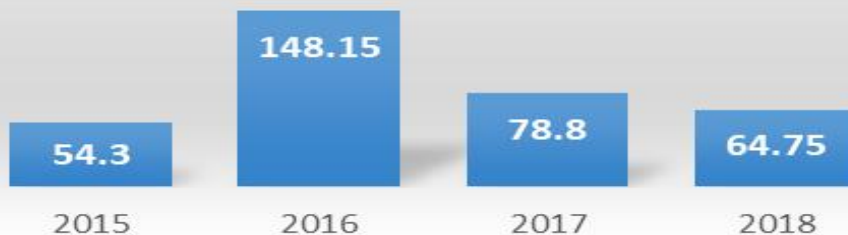
15 LIFE ON LAND



According to the “Waste Management” procedure, the industrial *solid wastes and oils* produced from the production and maintenance processes had been controlled as follows:

- Identify the types, sources and quantities of waste produced;
- Conduct training for employees on the safe handling, and way of hazardous waste collection;
- Determine area for storage of waste and who is responsible for;
- Determine the contractors responsible for the transport of waste to the licensed area.

Solid Hazardous Waste & Oils Quantities



Principle 8

Undertake initiatives to promote greater environmental responsibility



ENVIRONMENT

RESPONSIBILITY AND PERFORMANCE

Air Emissions

13 CLIMATE ACTION



According to the “Quality procedure”, the *industrial air emissions* produced from the production processes had been controlled as follows:

- Identify the sources and quantities of air pollutants;
- Control the flue gases by ensuring the specs of fuel used, complete the burning process and use the related detectors;
- Review flue gases analysis compared with the environmental law;
- Connect the boilers and cracker heaters’ stacks to the national network for monitoring industrial emissions of flue gases.



Principle 8

Undertake initiatives to promote greater environmental responsibility



ENVIRONMENT

RESPONSIBILITY AND PERFORMANCE

Noise control

17 Reports

Measure sources of noise during 2018

3 GOOD HEALTH AND WELL-BEING



SIDPEC established a “Noise control” procedure to prevent and/or reduce impacts on the surrounding environment from noise according to laws.

This Procedure describes the minimum mandatory requirements for managing noise hazards by:

- Identifying noise hazards (112 measurement source) and eliminating it at the source, where practicable;
- Minimizing risks associated with hearing loss;
- Ensuring that the noise at the workplace does not exceed the exposure standard for noise.

Noise limit measurements performed every **three** months to calculate the average exposure time to noise, determine the causes of noise to eliminate or reduce it and commit employees to use the suitable PPE.



Principle 8

Undertake initiatives to promote greater environmental responsibility



ENVIRONMENT

TECHNOLOGY

Environmentally friendly technologies

373 tCO₂

GHGs emission reduction by using LED lighting and Solar Cells since 2014

7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



All production plants in **SIDPEC** are designed to use **environmentally friendly technologies** and depending to *recover thermal energy, reuse waste heat and recycle disposal treated water*. One of evaluation criteria used when we study the offers of PDH/PP projects is to **use latest technology** in the **design** of production and products and to consider the **energy efficiency**.

One of another way of using environmental friendly technologies when we are going to procure any **motors** or **lighting fixtures**, we are heading towards last technologies like IE3 or LED fixtures.

Also, we installed **solar cells** during 2014 to reduce the emission of GHGs.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

ANTICORRUPTION

Part
FOUR



*In
This
Section*



CULTURE AND PROCEDURES 48

قونة السلوك الوظيفي للعاملين

شركة سيدى كرير للبترولوكيماويات

" سيدبك "



المبادئ والقيم الأخلاقية ومعايير السلوك
التي جزء من منظومة الشفافية والنزاهة

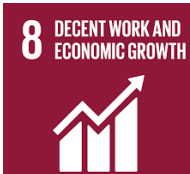


ANTICORRUPTION

CULTURE AND PROCEDURES

23 internal Audits

Conducted during 2018



SIDPEC keens to **appoint relevant departments** to be responsible for dealing with contracts, submitting orders, receiving goods, processing invoices and making payments.

All agreements with customers and consultants are fully documented in written and signed contracts.

SIDPEC provides **awareness about Social responsibilities** - ISO 26000 for all employees including human right and anti-corruption.

SIDPEC took advantage of the partnership with *global compact network Egypt* in attendance some workshops regarding **governance and COP reporting.... etc.**

SIDPEC developed an action plan about sharing a **sustainability messages**, including *UNGC TEN principles, SDGs and our annual sustainability report.*

SIDPEC issued “**Code of Job Ethics**” for employees based on the principles of fairness, equality of opportunity, transparency and accountability, and the fight against ethical, administrative and financial corruption.

SIDPEC conducts **internal audits** based on the review of all *financial and administrative systems, the efficiency and economic use of the resources, extent of compliance with policies, regulations, laws and legislation to judge the strength of the supervisory system, the efficiency and effectiveness of performance.*

Number of observations are (86) resulted from (23) internal audit reports, about (57) observations and (10) reports have been responded.

External auditors permitted to *monitor and review all warnings and irregularities to be addressed by board of directors.*



Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery



We are committed to 10 principles of UN global compact and aligned with the SDGs.

Global Compact Principles	Section Alignment	UN SDGs
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	HEALTH AND SAFETY Health and Safety Systems	 P. 18
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	HEALTH AND SAFETY Protective Equipment and Training	 P. 19
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	HEALTH AND SAFETY Employee Involvement	 P. 20,21
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	EMPLOYMENT Hours, Wages and Leave	  P. 22















Global Compact Principles	Section Alignment	UN SDGs
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	EMPLOYMENT Labor Practices	 P. 23
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	EMPLOYMENT Training and Education	  P. 24
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	EMPLOYMENT Medical Care	  P. 25
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	LOCAL COMMUNITY Training and Education	 P. 26
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	LOCAL COMMUNITY Knowledge Sharing	  P. 27










Global Compact Principles	Section Alignment	UN SDGs
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	LOCAL COMMUNITY Social Contribution	      P. 29,30,31,32
Principle 2: make sure that they are not complicit in human rights abuses	LOCAL COMMUNITY Community Engagement	  P. 28
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	FREEDOM OF ASSOCIATION Employees Engagement	  P. 34
Principle 4: The elimination of all forms of forced and compulsory labour	FORCED LABOUR	  P. 35
Principle 5: The effective abolition of child labour	CHILD LABOUR	 P. 36



Global Compact Principles	Section Alignment	UN SDGs
Principle 6: The elimination of discrimination in respect of employment and occupation	DISCRIMINATION	  P. 37
Principle 7: Businesses should support a precautionary approach to environmental challenges	PRECAUTION Precautionary approach	  P. 39
Principle 7: Businesses should support a precautionary approach to environmental challenges	PRECAUTION Emergency Response	  P. 40
Principle 8: Undertake initiatives to promote greater environmental responsibility	RESPONSIBILITY AND PERFORMANCE Energy consumption and climate change	    P. 41
Principle 8: Undertake initiatives to promote greater environmental responsibility	RESPONSIBILITY AND PERFORMANCE Water and Waste Water	  P. 42



Global Compact Principles	Section Alignment	UN SDGs
Principle 8: Undertake initiatives to promote greater environmental responsibility	RESPONSIBILITY AND PERFORMANCE Waste Management	 P. 43
Principle 8: Undertake initiatives to promote greater environmental responsibility	RESPONSIBILITY AND PERFORMANCE Air Emissions	 P. 44
Principle 8: Undertake initiatives to promote greater environmental responsibility	RESPONSIBILITY AND PERFORMANCE Noise Control	 P. 45
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	TECHNOLOGY Environmentally friendly technologies	  P. 46
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	CULTURE AND PROCEDURES	   P. 48



KM 36 Alexandria/Cairo Desert Road El-Amerya -
El-Nahda Territory – Alexandria – Egypt



info@sidpec.com



(+203) 4770131

Further information shall be available on the web site



ABOUT THIS REPORT

This report includes SIDPEC sustainability activities starting from January 2018 to June 2019.

This report is published on UN Global Compact web site in August 2019.

The preparation of this report depends on at what extent we commit to the ten principles through four pillars of UN Global compact and their indicators.

All disclosures mentioned in this report illustrate the alignment with Sustainable Development Goals (SDGs).



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.