

ASPC Sustainability Report

The biennial of 1401-1400 SH
(From 21 March 2021 to 20 March 2023)





IN
THE NAME
OF
GOD



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Letter from the CEO and Vice Chairman of the BoD



Mohammad Reza Heydarzadeh
CEO and Vice Chairman of the BoD

From a long time ago, Iranian businessmen were so engaged in their business that they considered it the source of prosperity and blessing, both in their lives and for the people of the country. Such a view means that in Iran they did not see their businesses apart from the people and the nature. As a result, they worked as if they were involved in the long-term prosperity of their homeland with their work and service.

Now, we are following this tradition in ASPC. Believing in the integrated management of economic, social and environmental responsibilities related to our business has crystallized in various aspects of the company's activities and operations as well as being inherited in the behavior and approach of the organization's leadership. We believe that we can provide and distribute sustainable value in interaction with key stakeholders of the organization by benefiting from new business management methods and using specialized tools in the petrochemical industry.

We have considered "being human-oriented" as the basis of our interactions, programs and commitments regarding our employees and the local community. As a result, the arrangements that are defined and implemented in the organization related to human resources are followed with the aim of improving their quality of work life and having synergy in enriching the quality of their individual/family life. In the interaction with the surrounding community, we consider the improvement of the quality of life in this region to be the right of our compatriots and do our part in realizing it.

We know that having a healthy natural environment is necessary for a healthy and thriving human life. Businesses are no exception. As a result, we are serious about reducing the negative consequences of our activities on the environment and participating in the protection of natural resources by benefiting from the knowledge and expertise of our human resources, modern technology and effective cooperation with related stakeholders.

Finally, ASPC participates in national and local economic sustainability. Its approach in this filed is based on socio-economic empowerment, improving national/local resiliency and ensuring financial/operational accuracy in its all activities.

ASPC has made a long and influential path to integrate substantiality throughout the organization and its all interactions. First ASPC sustainability report is published to deepen the organization's communication with its key stakeholders and provide a comprehensive picture of responsible living in ASPC. It is a leaf from the proud book of the efforts of this company for the development of our beloved Iran and the well-being of all Iranians.

Sincerely,

Mohammad Reza Heydarzadeh
CEO and Vice Chairman of the BoD

ASPC Introduction

One of the first development projects of National Petrochemical Company (NPC) in Asaluyeh region in South Pars gas region was Olefin 9th project, which was created in order add value in gas resources. This project was entrusted to Arya Sasol Polymer Company.

The 9th Olefin project is actually one of the plans of the National Iranian Petrochemical Company, whose initial activity under the management of Pars Petrochemical Company began in early 1379 SH. In the following, matters related to executive contracts and providing financial resources were done through finance.

However, in line with the economic policies of the Iran's third development plan and due to the interest expressed by the Sasol Company from South Africa to participate and invest in the projects of the 9th Olefin project, On Farvardin 1381 SH (April 2002), a memorandum of understanding was signed between the NPC and Sasol Co. (German branch) was signed. Consequently, the Olefin unit as well as two units of light polyethylene and medium and heavy polyethylene were separated from Pars Petrochemical Co. and handed over to the newly established Arya Sasol Polymer Company (ASPC) as an independent complex.

ASPC is located on a land of 72 hectares in Asaluyeh region, in the easternmost part of the first phase of petrochemical projects region close to the export port of Pars Special Economic Energy Zone on the edge of Persian Gulf, 270 km southeast of Bushehr port and 570 km west of Bandar Abbas.

Ease of access to international waterways and the markets of the south of the Persian Gulf and Far East, existence of rich gas resources, accessibility of a well-equipped international airport and petrochemical export ports, and exemption from paying taxes, are among the features that make selection of the complex justified.

After the operation, ASPC has created about 938 jobs directly and at least 1500 jobs indirectly through continuous contracts in the region.



ASPC Sustainability Achievements

Establishing the sustainability committee of the BoD for the first time in Iran



Being rewarded the 5-star safety and process-safety certificates along with the golden sword from British Safety Council in 2017 and 2021



Receiving the golden sphere statue of the environmental management system and the 5-star certification of the environmental management system from the British Safety Council in 2017 and 2021



Being rewarded the 6-star badge (out of 7-star) in the 7th international best experiences competition in 2021



The amount of procurement from local suppliers (Million Rials)



104,622,049

94,758,787

1400 SH

1401 SH

The amount of Dollar deposited to NIMA system as a result of ASPC products export



722,683,524

640,653,052

1400 SH

1401 SH

ASPC Sustainability Achievements

Saving of 850,973 million Rials from 1397 SH to 1401 SH in cooperation with domestic suppliers and knowledge-based companies to manufacture equipment and parts



Supporting domestic economy by increasing the number of identified and evaluated domestic manufacturers of spare parts and chemicals to more than 700 companies by the end of 1401



Allocation of funds amounting to 45 billion Rials in support of the Gazelle Bennettii protection project since 1395 SH



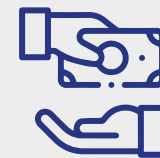
Increase in the population of the Gazelle Bennettii from 4 to 51 as a result of ASPC financial and technical support from the project of protecting the Gazelle Bennettii since 1395 SH



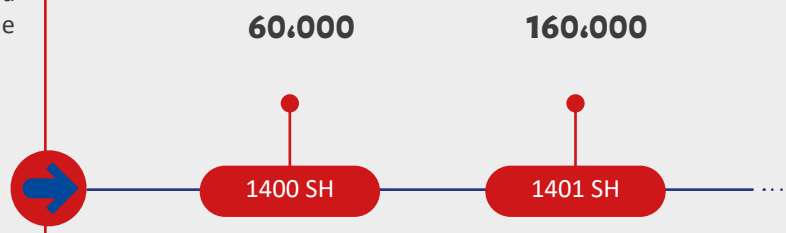
Releasing 16 heads of the Gazelle Bennettii in the natural area of Naiband National Park in 1401 SH



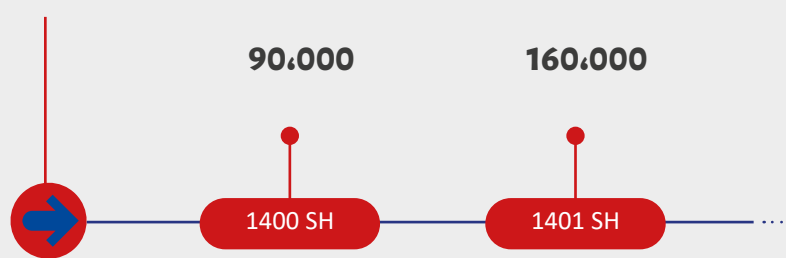
Paying the remuneration of environmental protection forces to increase the number of them from 5 to 10 since 1401 SH



Payment of CSR budget allocated to ASP by Strategic Council in the region (Million Rials)



Independent social and humanitarian contribution budget (Million Rials)



First
Chapter

Sustainability in ASP; From Responsible Leadership to Organizational Sustainability



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Responsible Leadership in the context of Sustainability

Leaders

ASPC believes in the common destiny of humanity and the permanent links between humans and other forms of life. Such belief is rooted in the common culture of the founders, managers and then the employees of ASPC. The company leaders consider themselves the trustees of the financial, natural and human resources that have been provided to them by gaining trust and legitimacy from the organization's key stakeholders. They pursue sustainability in the company through effective and intelligent use of these funds in order to create financial and nonfinancial value for the organization's stakeholders. This leadership and management approach in ASPC goes beyond the traditional view of business in making prosperity and considers the organization as a dynamic and integrated system, which respects the human presence in the workplace, considers the environment as a national and intergenerational capital, and pursues the production of wealth for the prosperity and well-being of the society.

Having this integrated view and approach means that ASPC defines its organizational development roadmap in the context of sustainable development. In such a context, the leaders of ASPC have always emphasized on maintaining and improving the performance of the organization in an integrated manner in the fields of economic, environmental and social sustainability. ASPC, under the guidance of its responsible managers who consider it as a corporate citizen in the industrial society and the surrounding community, has become a model of a leading Iranian organization in protecting the environment, having a favorable workplace for employees and being effective in the economic development of the country. Such an approach is in line with the motto of ASPC which is: Being a leader is not a dream, it is our belief! ASPC defines "being a leader" in the integrated framework of economic, social and environmental sustainability.

In order to concretely crystallize such a belief, the leaders of the organization have placed sustainability in the vision and mission of the company. As a result, the highest level of strategic and practical commitment has been established in this company. Undoubtedly, working on the basis of the most up-to-date managerial and specialized standards of the petrochemical industry at the international level has made ASPC a distinctive national model in the country's petrochemical industry. Being responsible and accountable for human safety and health (both in the workplace and in the society), protection of the environment and commitment to having a transparent, value-creating and empowering financial performance have been considered in the model that the managers of ASPC have made accompanied by the employees.



Mission

Production of ethylene, polyethylene and other high-quality petrochemical products in a healthy, safe and environmentally friendly environment, based on optimal management of resources, promotion of human capitals, obtaining the satisfaction of all organizational stakeholders and achieving sustainable development



Vision

A world-class competitive organization with sustainable profitability and excellence in safety



Organizational Values

- Belief in safety, health and environment
- Effectiveness
- Respect and listen to employees' requests
- Honesty and integrity
- Effective planning, control and follow-up
- Focus on responding to society
- Stable quality



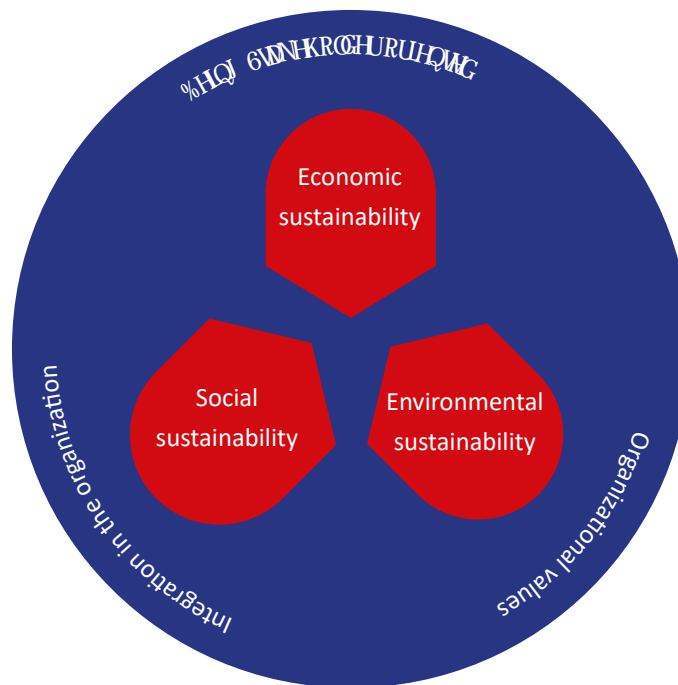
Organization's Motto

Being a leader is not a dream, it is our belief

Sustainability; From Strategy to Action

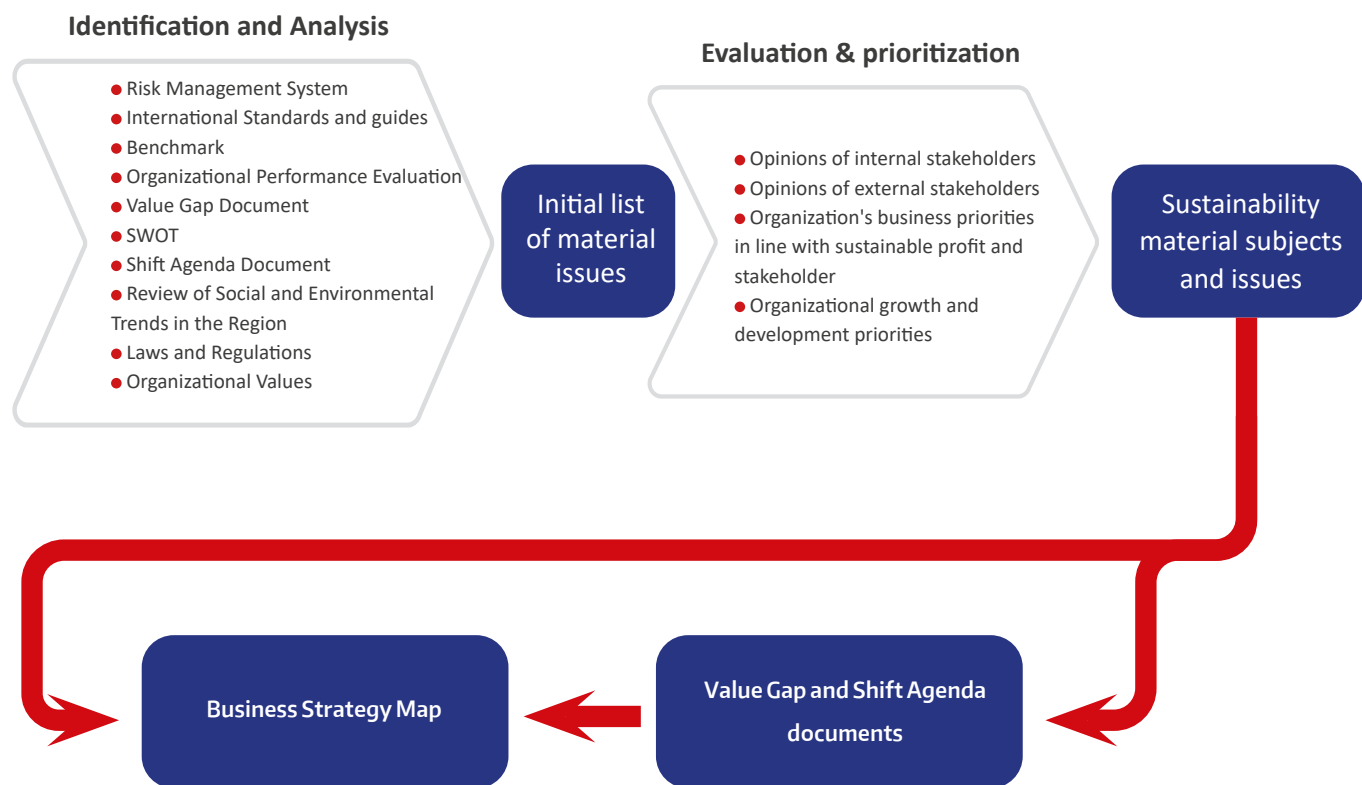
Sustainability in ASPC means creating value by making a connection between economic sustainability, environmental sustainability and social sustainability. ASPC considers the continuity and growth of its business in the framework of the industrial economic system as dependent on the stability and dynamism of life in social systems to which it is obliged to financial, human and credit capitals. On a wider scope, the environment and its complex ecosystems are considered as the main platform for providing and sustaining human life and social systems. So, in addition to managing the industrial impacts of ASPC activities on the environment, it is committed to participate in its preservation and restoration.

In order to accelerate this integrated and comprehensive view throughout the organization, the managers of ASPC have placed the three axes of economic sustainability, social sustainability and environmental sustainability as the main pillars of the organization's integrated movement in the context of sustainability. Also, they emphasize on determining the role and contribution of all organizational units in managing the impacts of the organization's activities in each of these three axes. In ASPC, the planning of the organization's direction and the determination of related sustainability plans and measures are carried out in interaction with its key stakeholders and in line with its organizational values. Organizational integration of sustainability approach in this company is followed on the basis of its comprehensive organizational planning system and its integrated management system. As a result, it is ensured to have alignment between organizational strategies, operational plans, management systems and organizational processes for long-term support of this approach.



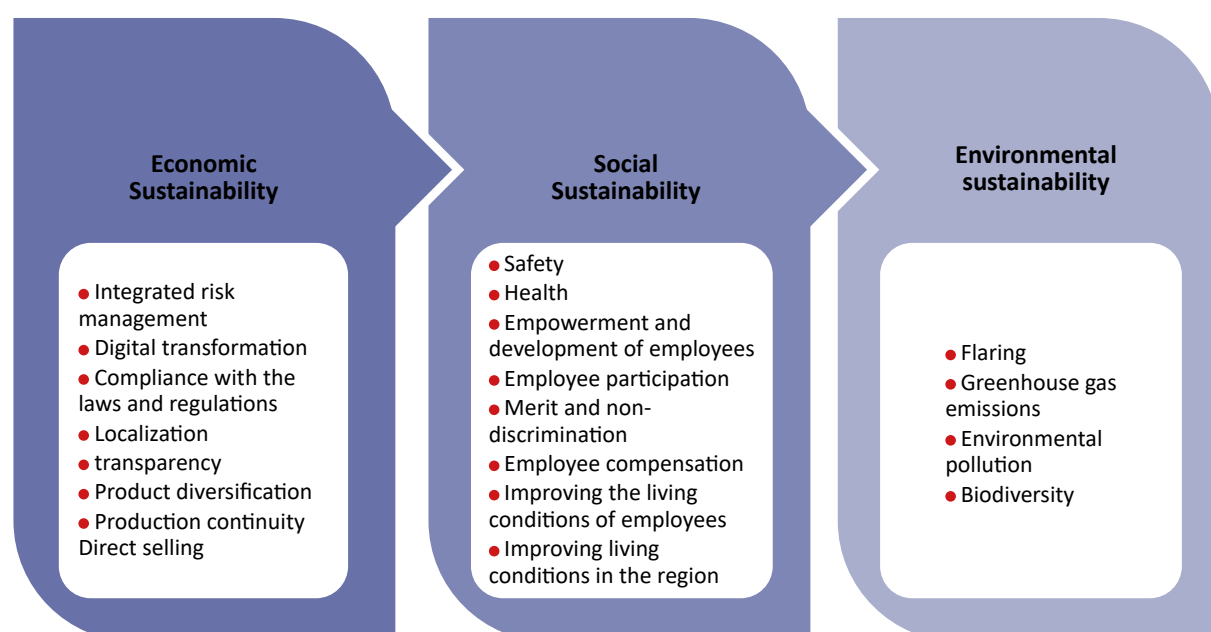
Sustainability approach in ASPC

In order to develop a growth and progress path of the organization in line with the explained approach in the field of sustainability, analysis and determination of “material subjects and issues” is done by relying on the process of comprehensive organizational planning. Determining the material issues of sustainability begins with the collection and analysis of information from various internal and external sources on the one hand and the interactions and opinions of key stakeholders on the other hand. In this way, it is tried to observe the principles of comprehensiveness, interest and decentralization in this process.



The process of determining sustainability material subjects and issues in ASPC

Based on this process, the material sustainability subjects in ASPC were determined in the three main axes of economic sustainability, social sustainability and environmental sustainability. In 1400 and 1401 SH, which is the time frame of this report, 20 material sustainability issues were identified.



Sustainability material issues in ASPC

Organizational Sustainability in ASPC

Corporate governance

Corporate governance is a system that an organization uses to make and implement decisions in order to achieve its goals. In the formation and balanced growth of corporate governance in this company, both formal mechanisms (including legal requirements, structures and processes) and informal mechanisms (that rely on organizational values and culture) have been taken into consideration. The Board of Directors of ASPC has the main responsibility in this area for fulfilling legal obligations, managing relationships with key stakeholders and maintaining transparency and health of organizational performance. In addition to compliance with current laws and regulations, necessary systems, procedures and organizational documents are implemented. On the other hand, integrated and intelligent management in ASPC supports and encourages behavior and performance that is in line with organizational values and culture for sustainability and social responsibility.

In this regard, the goal of the corporate strategy in the field of creating value for the customers is to comply with governance and ethics requirements in business. The degree of compliance with legal requirements can be claimed from two aspects in the ASPC; 1) Complaints raised in the field of compliance with legal requirements that have not been raised in the reporting period. 2) Open cases in the legal field that are being pursued.



Board of Directors

Board of Directors Selection & Appointment

ASPC is managed by a board of directors consisting of seven main members; who are selected by Ordinary General Assembly, on behalf of the shareholders, and all of them can be dismissed and re-selected. The shareholding structure in this company has a different form from common models. The two major shareholders, which are Pars Petrochemical Company and Pars Tamin Majd Company, each has equal shares of 47% of the company's shares, and the remaining shares of 6% are held by small shareholders in Tehran Stock Exchange. It is worth noting that, in addition to the laws of the country and the upstream requirements from the supervisory institutions, one of the most important documents that determines and regulates the shareholder relations and leadership / management in this company is the important document of the shareholders' partnership letter agreement. According to ASPC's shareholders' partnership letter agreement, the chairman of the Board of Directors and the vice-chairman of the Board of Directors and the CEO are proposed by Pars Petrochemical Company and Pars Tamin Majd Company for 4 years each (two consecutive 2-year terms). It means that if the vice-chairman of Board of Directors and the CEO are proposed by Pars Petrochemical Company, the chairman of Board of Directors is proposed by Pars Tamin Majd Company. This requirement is one of the most effective issues in promoting transparency, managing conflict of interest and maintaining accountability to key stakeholders of the organization.

In selecting and appointing the members of Board of Directors, all legal requirements and responsibilities are observed which the most important such legal requirements are; compliance with conditions for the composition of Board of Directors, the majority of members to be non-executive, not being a member of Board of Directors of more than 3 companies, presenting the relevant affidavits based on the conditions of the members of Board of Directors. Also, at least one member of Board of Directors should be major in financial education.



Shareholders	Types of Shares	Number of Shares (1400 SH)	Number of Shares (1401 SH)	Percentage of Shares
Pars Petrochemical Co. (public cooperation)	Ordinary	3026189787	3062876326	22
Pars Tamin Majd Co. (private cooperation)	Ordinary	3035366787	3037365111	22
Pars Petrochemical Co. (public cooperation)	Preference	3437880000	3437880000	25
Pars Tamin Majd Co. (private cooperation)	Preference	3437880000	3437880000	25
Others	Ordinary	814203426	775818563	6
Total		13751520000	13751520000	100

Composition of shareholders of ASPC at the end of fiscal years 1400 & 1401 SH

Name	Representative	Membership Type	Position
Nader Ghorbani	Pars Petrochemical Co. (public cooperation)	Non-executive	Chairman of Board of Directors
Mohammad Reza Heydarzadeh	-	Executive	CEO & Vice-Chairman of Board of Directors
Saeed Sadeghi	Pars Tamin Majd Co. (private cooperation)	Non-executive	Board member
Siavash Mir Haji Moghan Jooghi	Pars Petrochemical Co. (public cooperation)	Non-executive	Board member
Hossein Panahian	Pars Petrochemical Co. (public cooperation)	Non-executive	Board member
Gholam Reza Jamshidi	Pars Tamin Majd Co. (private cooperation)	Non-executive	Board member
Mohammad Reza Yazdani Kashani	Pars Tamin Majd Co. (private cooperation)	Non-executive	Board member

Board members of ASPC at the end of the fiscal year 1401 SH

The members introduced in this chapter have been members of Board of Directors of ASPC at the end of the financial year 1401 SH and at the time of holding Ordinary General Meeting to present the performance of Board of Directors to the shareholders for this period.

Board of Directors' remuneration and performance

Approving the amount of remuneration of the Board of Directors is within the authority of Annual General Meeting. The procedure for paying right to attend Board of Directors in this company is quarterly based on the minimum attendance of one meeting per month, and the calendar of Board of Directors is approved at the last meeting of board of Directors every year and is communicated to the members of the board at the beginning of the new year. It should be noted that it is not allowed to delegate the approval of the amount of bonus and right to attend Board members to the company managers. The amount of monthly payment for right to attend Board of Directors in 1400 and 1401 SH are 30,000,000 Rials and 35,000,000 Rials per month before tax deduction respectively.

From the beginning of 1400 to the middle of 1401 SH, the Financial Affairs Director of the company carried out the position of the secretary of the BoD. After this time, Director of the Development Plans was in this position. In 1400 SH, the Board of Directors of Aria Sasol held a total of 22 ordinary and extraordinary meetings and in 1401 SH a total of 20 ordinary and extraordinary meetings.

The role of Board of Directors in Organizational Sustainability

Board of Directors is considered one of the participants and the main pillars of corporate governance, which has an effective position and contribution in the sustainable management of the organization and the realization of sustainability goals. In 1400 and 1401 SH, the formation and effective activity of Board Committees, as an official organizational mechanism for the management and strategic supervision of Board of Directors on the company's performance, was seriously pursued in ASPC. Currently, there are four board committees in this company, which are: audit committee, risk committee, appointment committee and sustainability committee. The formation and activities of the first three committees were based on the legal requirements and the formation of the sustainability committee of Board of Directors, as a result of optimal analysis of the performance of successful international companies. ASPC is proud to be the first Iranian company that has formed a sustainability committee of Board of Directors with the responsible support of the organization's leaders.

In line with the sustainability approach in ASPC for integration in economic sustainability, social sustainability and environmental sustainability, Board of Directors implements a formal and effective mechanism for sustainability management in this company by attending and supervising the activities of the four committees formed under it. Such a mechanism, on the one hand, has provided the platform and necessary tools to maintain and improve the effectiveness and efficiency of organizational activities in the integrated management of economic, social and environmental impacts, and on the other hand, it has facilitated transparency and purposefulness in interactions with key stakeholders for the creation of shared value.

Audit Committee

The Audit committee of ASPC was formed in 2015 before entering Capital Markets and being required to form it legally. It plays important role as supervisory arm of Board of Directors in the field of corporate governance.

Helping to fulfill the supervisory responsibility of Board of Directors and improving it in order to obtain reasonable assurance of these things: the effectiveness of the processes of management system, risk management and internal controls; health of financial reporting; effectiveness of internal audit; the independence of the independent auditor and the effectiveness of the independent audit; and compliance with laws, regulations and requirements.



Number of meetings held in 1401 SH:

6 meetings



Number of meetings held in 1400 SH:

12 meetings



Committee members:

A member of Board of Directors as a chairman of the committee, two independent members and the director of internal audit and integrated control as the secretary of the committee



Appointments Committee

Appointment committee of ASPC was formed on 15th March 2023 in response to the legal requirements and the fulfillment of the company's obligations in this field, with the approval of the board of directors

The main goals of Appointments committee are as follows: review and meet the conditions stipulated in the corporate governance guidelines regarding the independence of candidates, proposing the appointment and dismissal of the CEO and senior managers of the company; proposing candidates for membership in specialized committees to Board of Directors; adopting the necessary policies in order to justify the duties of Board of Directors for its new members; and the proposal of the training program



In 1401 SH, the structure of the committee has been formed and the first meeting will be held in 1402 SH.



Committee members:

one member of Board of Directors as the chairman of the committee, two independent members and the director of human resources as the secretary of the committee.

Risk Committee

Risk committee of ASPC was formed on 19th Feb. 2023, in response to legal requirements, in line with the establishment of a comprehensive risk management system in the company and fulfilling the company's obligations in this area, with the approval of the board of directors

The important goals of this committee are: ensuring the identification of the main components and factors of creating risk and establishing a risk management system in the company; Ensuring the realization of goals and moving in the direction of the company's vision; Monitoring the identification of risks and determining important and effective internal controls; Monitoring of reports regarding the status of various risks threatening the company's activity, annual review of the company's risk management policies, macro-monitoring of risks in line with other regulatory bodies, including strategic and operational risks; Ensuring the creation of integrity in the methods of identification, documentation, assessment, exposure, planning and implementation of risk management plans at all levels of the organization; and improving the organizational culture and level of awareness of the concept of risk management among employees



Number of meetings held in 1401 SH:

1 meeting



Committee members:

one member of Board of Directors as the chairman of the committee, two independent members and the Planning Director as the secretary of the committee

Sustainability Committee

Sustainability committee of ASPC was formed on 19th Feb. 2023 in line with the company's leading approach in sustainability, and despite the absence of legal requirements, with the approval of Board of Directors

The supervision of Board of Directors in the field of sustainability is officially formed through the sustainability committee. The most important goals of this committee are: evaluating stakeholders' expectations regarding sustainability issues and proposing necessary changes in the company's policies; A comprehensive evaluation of the compliance of the company's actions with the approved policies in the field of sustainability, the principles of the company's professional conduct, health and safety policies of the workplace, transparency, sustainability and public interest measures; Supervising the compilation of the company's sustainability report and approving its official publication; Monitoring the establishment of the company's sustainability policies and requirements in its value chain



In 1401 SH, the structure of the committee has been formed and the first meeting will be held in 1402 SH.



Committee members:

A member of Board of Directors, Planning Director, HSE Director and Head of Business Systems and Processes as the secretary of the committee

The Role of Senior Managers in Organizational Sustainability

Progressing the organizational approach and goals in the field of sustainability and responsibility requires the participation and effective role-playing of senior managers at the executive and operational level. The approach and performance of the senior managers of ASPC is in line with the responsible attitude of the organization's leaders. Managing Sustainability material subjects in this company can be considered as having two distinct and complementary levels.

At the first level; relying on the comprehensive planning system in ASPC, which determines material sustainability issues, a macro business strategy roadmap and a strategy roadmap for different units including the themes and strategic goals of sustainability are made. As a result, programs and projects related to economic sustainability, social sustainability and environmental sustainability are defined and included in the development of operational plans for all units of the organization.

In ASPC, one of the solutions for monitoring and evaluating the organization's performance within the framework of operational plans in all three areas of economic sustainability, social sustainability and environmental sustainability is preparing and presenting a comprehensive performance report in continuous BRM meetings. BRM (Business Review Meeting) is held monthly and the CEO, along with all senior and middle managers attend this meeting. In these meetings, the performance of various fields, including HSE, production control and energy, commercial affairs, development plans, finance, planning and etc., are presented by the managers of the units, and the progress and realization of the goals of the units are reviewed. If there is a bottleneck in the implementation of the organization's processes, it is carefully examined. Also, important operational risks that have the possibility of making threatening conditions for the company and stopping production are reviewed in this meeting. In addition, important internal and external issues are raised in order to advance the goals of the organization. These meetings help senior management to make necessary decisions at the right time. After the meetings, necessary approvals and agreements are communicated to the related units so that all issues are considered in line with the organization's mission and goals.

At the second level; the foundation and necessary arrangements have been provided to create integration, synergy and inter-departmental partnerships between different organizational units. Its official crystallization can be seen in the formation and activity of the "Sustainability Steering Committee" in ASPC. The Sustainability Steering Committee in this company gives Sustainability Committee of the Board of Directors necessary management and executive power. The members of this committee are managers and specialists in the organization from related units. In addition to defining and monitoring the implementation of sustainability and social responsibility projects that require the cooperation of several organizational units, this committee is responsible for continuous monitoring of the organization's performance in achieving the goals and performance indicators set in this field. Facilitating the provision of financial and non-financial resources for sustainability and social responsibility projects, providing continuous reports to the Sustainability Committee of the Board of Directors, supporting the development of organizational systems for the more integration of economic, social and environmental sustainability in ASPC and promoting a culture and action based on sustainability among the key stakeholders inside and outside the organization are the most important tasks of Sustainability Steering Committee in this company.

In 1400 and 1401 SH, Sustainability Steering Committee was active with the presence of managers and specialists from the following organizational units:

- Program management
- Safety, health & environment management
- Human capital management

Hamed Zanjani	Planning Director
Mahsa Esmaeel Nejad	Head of Business Systems & Processes
Jafar Saat Loo	HSE Management
Mohsen Omrani Khoo	Labor Relations & Social Work Specialist

Members of the Sustainability Steering Committee in 1400 & 1401 SH



In order to build a culture of sustainable and responsible management in the entire organization, the members of Sustainability Steering Committee held several meetings with managers and experts of different organizational units. Among the most important of these meetings in 1401 SH was to hold three meetings of the organization's senior management with a special focus on sustainable development and organizational social responsibility to determine the roadmap and make macro policies in this direction.

One of the most important projects approved and implemented in Sustainability Steering Committee in 1401 SH is development of the first sustainability report of ASPC. Compilation of this report was followed by the approval of the CEO of the company and the approval of Board of Directors. In this regard, the executive working group for compiling the sustainability report was formed by inviting the representatives of different units of the organization. It is worth noting that developing ASPC's sustainability report has been followed at two levels. At the first level, this report was compiled and published in compliance with the requirements of the latest edition of the Tehran Stock Exchange's corporate governance guidelines under the title of sustainability report and as a part of the report of Board of Directors to Annual General Assembly. The presentation of this level of report was approved by the organization's official auditor and was also accepted in Annual General Meeting. At the second level, the sustainability report was compiled with the benefit of the GRI Standards: 2018 reporting guide to be published and presented to all organizational stakeholders at the domestic and international level. Developing sustainability report was associated with a stakeholder approach and maximum employee participation. In 1401 SH, a number of 18 meetings were held at the level of supervisors and middle managers in order to collect, consolidate and confirm the necessary information for this report.

Organizational Mechanisms for Sustainability Integration

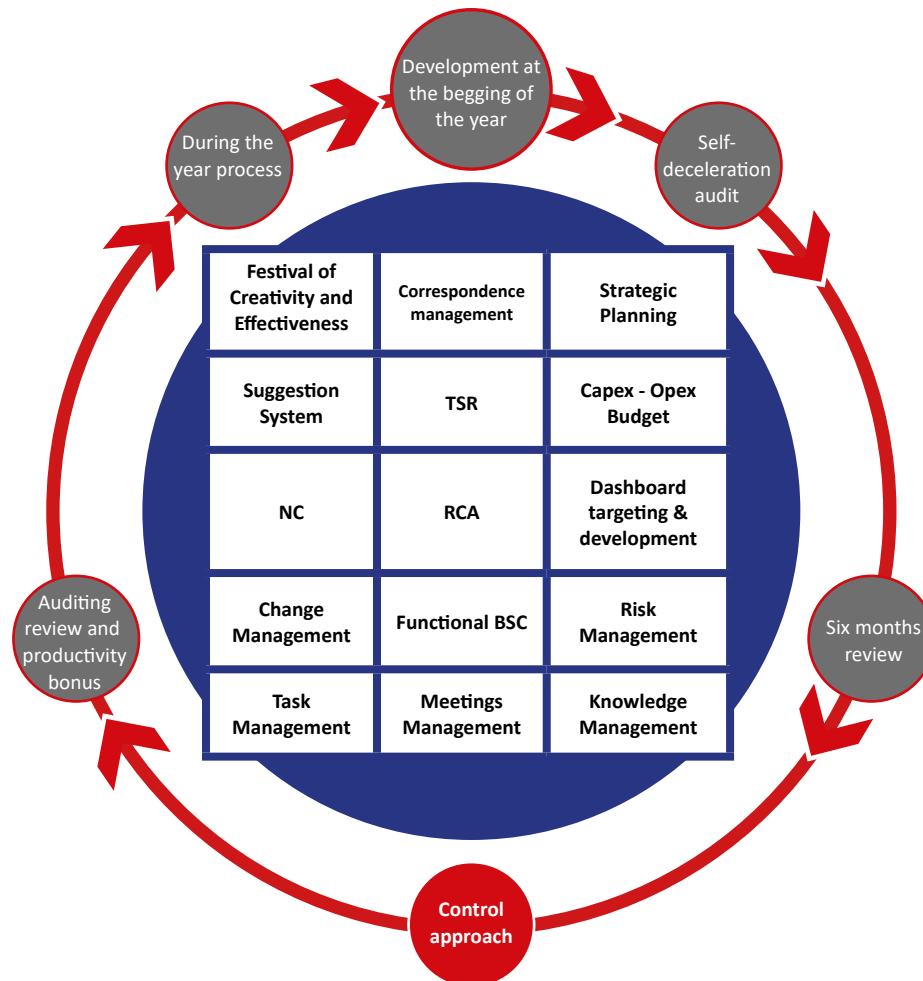
Organizational mechanisms that have been established in this company are considered as a necessary and vital platform for moving from the material sustainability issues and the strategic goals related to them towards the expected impacts and results of the organization. With the knowledge and awareness of the integration and mutual effects of the material sustainability issues in social, economic and environmental dimensions, the supporting / management systems and mechanisms also have the necessary synergies for alignment in creating value for the key stakeholders of the organization in all three axes of economic, social and environmental sustainability. The most important mechanisms that guarantee integrity in analysis, planning and action in the field of sustainability in the entire organization are: comprehensive organizational planning system, stakeholder management system, integrated management system, risk management system and internal control system.

Comprehensive Organizational Planning System

Undoubtedly, the comprehensive system of organizational planning in ASPC can be considered as one of the productive, effective and comprehensive mechanisms in the company, which provides the necessary platform for creating integration and connection between the strategic approaches and goals of the organization with executive actions in different areas of the company. It is worth noting that the comprehensive system of organizational planning in this company competed with world-class companies in the seventh edition of the Best International Experience Competition in 2021 and was honored. ASPC won 6 stars (out of seven stars) in this international event.

The current processes and procedures in the comprehensive organizational planning system have transformed the sustainable and responsible management of the organization in ASPC from words to actions. In the first step, ensuring the inclusion of various issues and topics in social and environmental dimensions, along with economic and production issues, is achieved by increasing the scope of information gathering and determining the current situation for SWOT analysis. Along with other information and documents, the opinions of various internal and external stakeholders are considered for the analysis of important sustainability issues. As explained in the previous section, in this step, material issues in economic sustainability, social sustainability and environmental sustainability are determined. The insight obtained through such a level of comprehensive analysis and review in the organization determines the main areas of organizational value creation in ASPC by compiling two upstream documents, Value Gap and Shift Agenda. These two documents reflect the beliefs of the organization's leaders to create value for all stakeholders and the path of organizational transformation to achieve the desired goals. In the following, by making the corporate macro strategy roadmap, the strategic goals and themes that can well crystallize the material sustainability issues and the macro goals of the organization to create integrated value in organizational functional form are determined. Then, the strategy roadmap of different units of the organization are compiled. Using these practical documents at the strategic level (strategy roadmaps of the company and different units), the short-term operational planning stage is followed. Every year, the operational planning of the company is compiled in a systematic way at the beginning of the year, and it is revised and updated in the second half of the year, based on the changing needs, priorities and requirements of the organization. As one of the stages of implementing macro strategies, this procedure plays a central role in realizing expected organizational results, empowering organizational resources, and continuous improvement.

Relying on a comprehensive planning system, it is sure that the material sustainability issues are fully included in the organization's strategies and macro goals to create value for its key stakeholders in ASPC. On the other hand, in the context of this comprehensive system, strategic and operational goals for managing the company's social, environmental and economic impacts have been determined in such a way that all organizational units are aware of their role and contribution in their realization. As a result, dealing with issues of sustainability and corporate social responsibility is not only the duty of an organizational unit or committee, but also determining the executive roles and responsibilities of all departments and units in improving the position of the organization in this approach, is done by defining related operational plans and measures in this company. Finally, it should be mentioned that the continuous control and evaluation of the implementation plans, through monthly monitoring, quarterly audits and six-monthly review of the plans, assures the organization of its commitment and progress towards the realization of the set sustainability goals.



The outline of comprehensive organizational planning system in ASPC

Stakeholder Management System

The role of stakeholders as individuals/groups or organizations that are in interaction with ASPC and have the potential to influence the actions and goals of the organization is especially important in the fields of quality, occupational health and safety, environment, energy, training, laboratories, road traffic safety, communication with customers, risk, information security and continuity of Fava services. Meeting the needs and expectations of stakeholders and interacting with them is an inseparable part of the process of creating shared value in the path of organizational sustainability. Implementing stakeholder approach in ASPC has started from determining the key issues of material sustainability issues, formulating value creation areas in the Value Gap document and drawing the business strategy map to the daily interactions in the implementation of programs and projects in different organizational units.

The purpose of the process of managing and interacting with stakeholders is to firstly identify the stakeholders and then understand their present and future requirements, needs and expectations in order to improve the effectiveness of interacting with the stakeholders and recognize the impact they have on the organization and vice versa. Also, according to the determined position of each stakeholder, the best strategy to manage expectations and needs should be defined. The stakeholder management system in ASPC is implemented in six stages:

1. Identification of stakeholders
2. Grouping and determining the position of stakeholders
3. Extracting and understanding stakeholders' needs and expectations
4. Determining the risks and opportunities of stakeholders' requirements and expectations
5. Policymaking and definition of operational actions and plans
6. Informing and responding to stakeholders' expectations and information needs

Stakeholder management system in ASPC has overlaps and synergies with other current management systems that support the integration of sustainable and responsible management throughout the organization. Stakeholderism is an inseparable part of the comprehensive system of organizational planning (in determining the key issues of sustainability, strategic planning and operational planning), integrated management system (in the development and establishment of standards and management systems) and risk management system. Thus, one of the most important principles in sustainability management, which is utilitarianism, has been realized in a practical way at different levels in ASPC.

The main classification of stakeholders in ASPC is carried out in four categories and positions, where the strategy and policy of communication and interaction with each category of stakeholders have been determined. At the macro level, each of these main stakeholder groups has its own characteristics and information sheets including the subgroups of each, main needs and expectations, the position of stakeholders and different methods of interaction. At this level, the collection and analysis of information and interactions in the field of stakeholders mainly takes place in the framework of both the comprehensive system of organizational planning system and risk management system. In this process, both executive and strategic committees actively participate in the process of strategic and operational planning on the one hand, and risk executive committees on the other hand.

Relying on this macro level of stakeholder analysis, each organizational unit is required to prioritize and more accurately determine the position and stakeholders' expectations related to their work and duties at the executive and operational level in their unit. In fact, it can be acknowledged that the six main stages in the stakeholder management system in ASPC are also implemented independently in different units.

Finally, developing operational plans which takes place with a collaborative approach in the process of comprehensive organizational planning, might be considered as the connecting link of two important levels in the company's stakeholder management system. It means that on the one hand, at the macro level and from top to bottom, organizational goals and expectations are drawn to create value in interaction with stakeholders, on the other hand, at the executive level and from the bottom up, expectations and operational actions are defined to promote interactions and meet stakeholders' expectations. The meeting place of these two levels is in the operational plans of different organizational units.

Key Stakeholders	Prioritization method	How to get information	Main levels of analysis & interaction
Shareholders Employees Customers Suppliers Governing & legislative institutions Society	Drawing influence-power grid	interviews with process owners, survey, receiving notices and laws, negotiations, agreements, contracts, complaints	Macro level in line with comprehensive planning system & risk management system Executive level in line with the formulation of operational plans of the units and implementation of management standards

General information of the stakeholder management system

Integrated Management System

The integrated management system in ASPC has been formed based on the establishment of management system standards. Establishing, maintaining and promoting these standards is one of the important platforms to move towards the realization of the goals of economic sustainability, social sustainability and environmental sustainability in ASPC. In fact, the implementation of various standards of management systems in economic, social and environmental dimensions has made it possible that strategies and strategic goals for value creation in the context of sustainability to be linked to operational and operational areas using official support mechanisms (including specific and transparent work processes and procedures). In ASPC, there is a very positive approach towards implementing, maintaining and upgrading management system standards from the senior management and all levels of employees. This has led to the implementation of integrated management systems and has made this company a leading company in this field. The standards which the company is utilizing in the areas of product quality, environmental, occupational health and safety,



energy, risk, competence management, information security, handling customer complaints and measuring customer satisfaction, and road traffic safety are implemented every year and audited internally and externally:

- Quality management system based on ISO 9001:2015 standard
- Environmental management system based on ISO 14001:2015 standard
- Occupational health and safety management system based on ISO 45001:2018 standard
- Energy management system based on ISO 50001:2018 standard
- Competency management system based on ISO 10015:2019 standard
- Risk management system based on ISO 31000:2018 standard
- Information security management system based on ISO 27001:2013 standard
- Complaints Handling management system based on ISO 10002:2018 standard
- Customer satisfaction management system based on ISO 10004:2018 standard
- Road traffic safety management system based on ISO 39001:2012 standard

Also, laboratory qualification system based on the ISO / IEC 17025:2017 standard and Conformity Assessment (proficiency test) based on the ISO 17043:2013 standard are in place in ASPC. In December 2022, the re-certification audit of the aforementioned management systems was conducted in an integrated manner with the presence of a nine-member external audit team from one of the companies with a valid qualification in this field, with the effective cooperation and participation of all units of the organization, successfully and without any non-compliance in the organization level.

In the end, it could be point to the fact that the presence of stakeholder and risk management approaches in established standards has created an effective synergy between the integrated management system of the organization with both stakeholder and risk management system. On the other hand, the results and findings of internal and external audits to maintain and improve the integrated management system in the organization are directly included in the company's strategic and operational planning process, which has provided an effective link between the comprehensive organizational planning system and the integrated management system.

Risk Management System

The adoption of an integrated management approach of economic, social and environmental impacts in ASPC is supported by the implementation of an integrated and comprehensive risk management system based on the COSO framework. Based on this framework, the identified risks are divided into four groups: operational, financial and reporting, strategic and compliance. The existing principles are derived from the 2017 COSO ERM framework. These principles help ASPC's Board of Directors and management meet their overall responsibilities for risk management and gain insight into those risks that can be used for sustainable and responsible strategic advantage. The ERM framework also helps organizations embed an integrated approach to risk management across the organization. In order to evaluate and control risk, HIRA method is used. The risks identified in ASPC are recorded and evaluated in the framework of the risk management system software. All the risks defined in ERM module of ASPC are more than 13 thousand risks, which are monitored monthly, seasonally, six-monthly and annually. In order to continuously improve and ensure the path taken, ISO 31000:2018 risk management guide has been established in the organization and its certificate has been received from a valid certification company. This standard is also spread throughout the organization and every year all organizational units identify, evaluate, prioritize and report the risks related to their work area. In this way, it is ensured that the risks of economic sustainability, environmental sustainability and social sustainability are comprehensively included in this system. The monitoring operation in each area is to check the measures taken to reduce the probability and intensity of risk. As a result, risks with level 1 and 2 which are unacceptable for the company, need to be converted to a higher level taking defined measures. Among the monthly monitoring are the risks of light polymer, medium and heavy polymer, offsite and olefin plants. Actions defined to reduce the probability or severity of risk can be determined as an action plan for the relevant unit in the action plan system or as a task in task management system. The progress of operational plans and defined tasks are monitored and audited on a monthly basis.

In order to assess and measure the upcoming risks, ASPC defines key risk indicators (KRI) and these indicators act as an early warning system and help managers and stakeholders to be aware of the existence of risks and act to manage them in order to prevent possible problems and losses. These indicators provide the necessary information



for informed and timely decisions about risks; They also help to reduce the probability and effectiveness of risks with preventive measures.

The key risk indicators are defined in two types: leading and lagging. Some examples of key risk indicators are:

- Customer bounce rate; which is used to measure the risk of losing customers.
- Number of safety incidents; which is used to measure the risk of accidents in the workplace.
- Product return rate; which is used to measure the risk of customer dissatisfaction with products.

Internal Control System

Ensuring the effectiveness and efficiency of the company's operations, being aware of the level of achievement of goals, ensuring the reliability of financial reporting, and finally complying with laws and regulations are all the most important goals pursued by the development of an integrated internal control system in ASPC. This is followed by an integrated control and internal audit management activity. The mission of internal audit management and integrated control is to provide independent and impartial assurance and consulting services to Board of Directors and the CEO of ASPC to add value and improve the company's operations. By creating a regular and methodical approach, internal audit helps the company to evaluate and improve the effectiveness of management processes, risk management and control with the intention of achieving its goals. Also, based on the objectives of the internal controls' framework, one of the organizational missions defined for this unit is to deal with the compliance of the company's activities and operations with internal and external rules and regulations. In this regard, the internal audit has designed programs to control compliance with the laws at the level of all the organization's activities, which are mainly applied by means of the company's integrated supervisory and control structure.

In a distinctive and effective action, ASPC has defined the organizational position of internal control expert in each organizational unit. This organizational position can be seen as an extension of the implementation / supervisory part of internal audit management and integrated control in other organizational units. This organizational position is directly under the senior management of each unit; However, the tasks, responsibilities, limits of authority and accountability of this organizational position have been determined in matrix form. This means that employees in this organizational position advance the implementation plans and actions related to integrated control in the organization, which are determined by the internal audit management and integrated control in the unit where they work. In terms of creating system integration throughout the organization, all the supervisory activities that are defined for the organizational positions of internal control expert are under the supervision and guidance of internal audit management and integrated control. Also, operational plans and related actions are defined and monitored as an independent module from other company departments in the company's BPMS platform.



Business Ethics

Compliance with high-level standards of business ethics is very important, and it is expected that these standards will be applied at all levels of the company in ASPC. Leaders in this company have always been considered as role models committed to organizational values. The promotion and explanation of ethics has been pursued through the compilation and publication of reference documents that clarify and define the limits of behavioral and performance expectations and responsibilities. And it is strengthened by supporting the organizational culture that supports performance based on ethics and organizational values among the employees and key stakeholders of the organization.

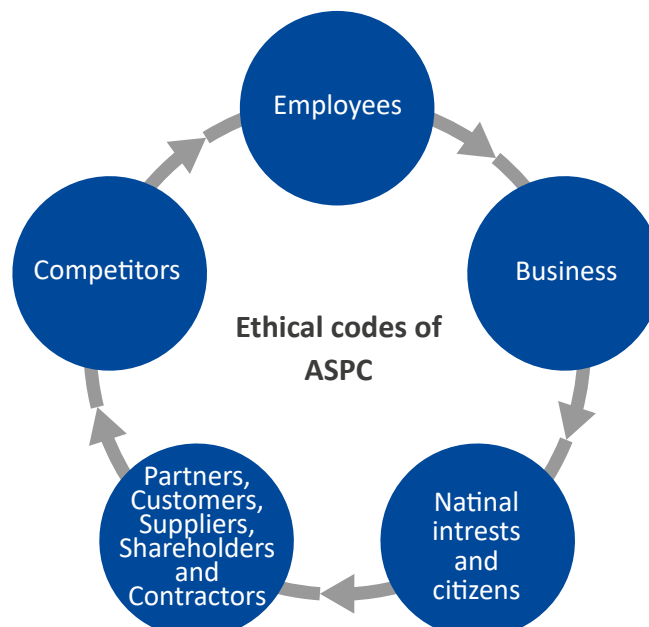
Leaders as Ethical Performance Role model

The members of Board of Directors in ASPC are committed to their legal responsibilities in complying with the requirements of conflict of interests, disclosure of information and confidentiality. The declaration of conflict of interests is signed by Board members of the company with the aim of covering the requirements of the corporate governance guidelines of Securities and Exchange Organization of Iran (SEO). Board of Directors of ASPC consider itself responsible for the development and implementation of ethical principles and business ethics in the company. The approval and communication of the document of organizational values and the document of ethical and behavioral codes was done by the CEO. It should be stated that all managers and employees of the organization consider themselves committed to its principles and requirements.

Ethical Performance Guides

It worth noting that both organizational values and ethical and behavioral codes documents in ASPC include the two main pillars in the organizational sustainability. First, being stakeholder-oriented and paying attention to the principles and standards of ethical behavior and performance in all employees' interactions with stakeholders (including customers, competitors, suppliers, local community and etc.) are included in these two important documents and organizational references. Second, responsibility and accountability for the company's impacts on the environment and society have been recognized as an inseparable part of organizational behavior and performance in ASPC. All employees are committed and obliged to pay enough attention to the requirements and expectations set in these two areas in their organizational behavior and work performance. Ethical and behavioral codes of the company are a summary of expected behaviors in situations that people mostly face. Obeying such codes is the method that determines how and in what direction working groups continuously proceed based on organizational values, and it can be considered that unethical, incorrect and questionable behavior will never be accepted.

After approving codes of ethics and behavior, they have been communicated to all senior managers of the company, and they undertake to implement these codes in the first place during their employment with ASPC, and they assume to give their full support to the employees who they follow these codes and appreciate.



Ethical Training & Supervision in the Organization

The company's Board of Directors supervises the existence of the organizational culture and appropriate formal mechanisms to implement the company's organizational values and ethical & behavioral codes. The main guarantee of compliance with ethical and behavioral codes of ASPC is first the awaken conscience and sense of responsibility of the employees and the commitment to the future of the organization. The next guarantee is the support of the company's senior management of ethical and behavioral codes. In the third place, related duties and responsibilities are defined in the labor relations and social work unit and the disciplinary committee of the company.

The employees of ASPC are representatives of the organization in keeping the commitment and organizational culture in line with the organizational values. As a result, they have an important role in taking care of the work culture and behavior in the organization to align it with the requirements specified in the code of ethics document. They can confidentially report cases of violations of ethical and behavioral codes to the labor relations and social work unit. Registering a request in the BPMS system or making a direct phone call to the head of labor relations and social work are official and confidential channels designated for reporting violations of organizational ethics. On the other hand, the necessary commitments in the field of ethical compliance and especially in the field of conflict of interest and disclosure of information are taken from the employees. The declaration of non-conflict of interests of the company's employees, the non-disclosure agreement for employees and the periodic review of Article 129 of the Commercial Law, both from the internal audit and integrated control and from the legal inspector, are among the most important arrangements of the organization in this field. Respecting the labor rights of all employees is one of the basic principles in this company. The Disciplinary Code of ASPC is one of the most complete codified work regulations among Iran's oil, gas and petrochemical companies. The first edition of this regulation has been compiled since 2010 which was taken from the Labor Law of the Islamic Republic of Iran, the law on the establishment and administration of special economic zones of the Islamic Republic of Iran, human rights laws, and the conventions and recommendations of the International Labor Organization (ILO). ASPC's disciplinary code has been predicted and approved in order to protect the general interests of the organization and rights of employees, create a peaceful environment for employees, and improve the quality of employees' work. This company has always been interested in updating this regulation with national and international laws. So far, it has been revised 6 times during the last 12 years. And after having the approval of legal authorities and institutions, the most up-to-dated version has been utilized in the organization.

In this regulation, employees are strictly prohibited from disrespecting the ethnic and racial rights of colleagues and doing any act that causes protest and inconvenience to colleagues and stakeholders of the company in this field (such as sharing content that leads to anger or religious, racial and gender discrimination among other employees) are prohibited. Employees are assured that they have enough opportunity to defend themselves in disciplinary hearings and are supported by the company against anomalies and violent behavior that may happen in the workplace. Participating in "An Introduction to the Disciplinary Code in ASPC course" is mandatory for the employees. In 2018, at the same time as completing, correcting and editing the text of the Disciplinary Code and the different design of its new booklet (after the approval of its content by the labor management and employment services of Pars Special Economic Energy Zone Organization), the necessary measures and coordination with the training unit for starting virtual training of special Disciplinary Code of the company was carried out. Currently, these courses are held virtually (online) and all personnel must participate in the training course at least once every two years and obtain an acceptable grade.



Second
Chapter

Safety and Health; A Value-creating Priority for the Organization



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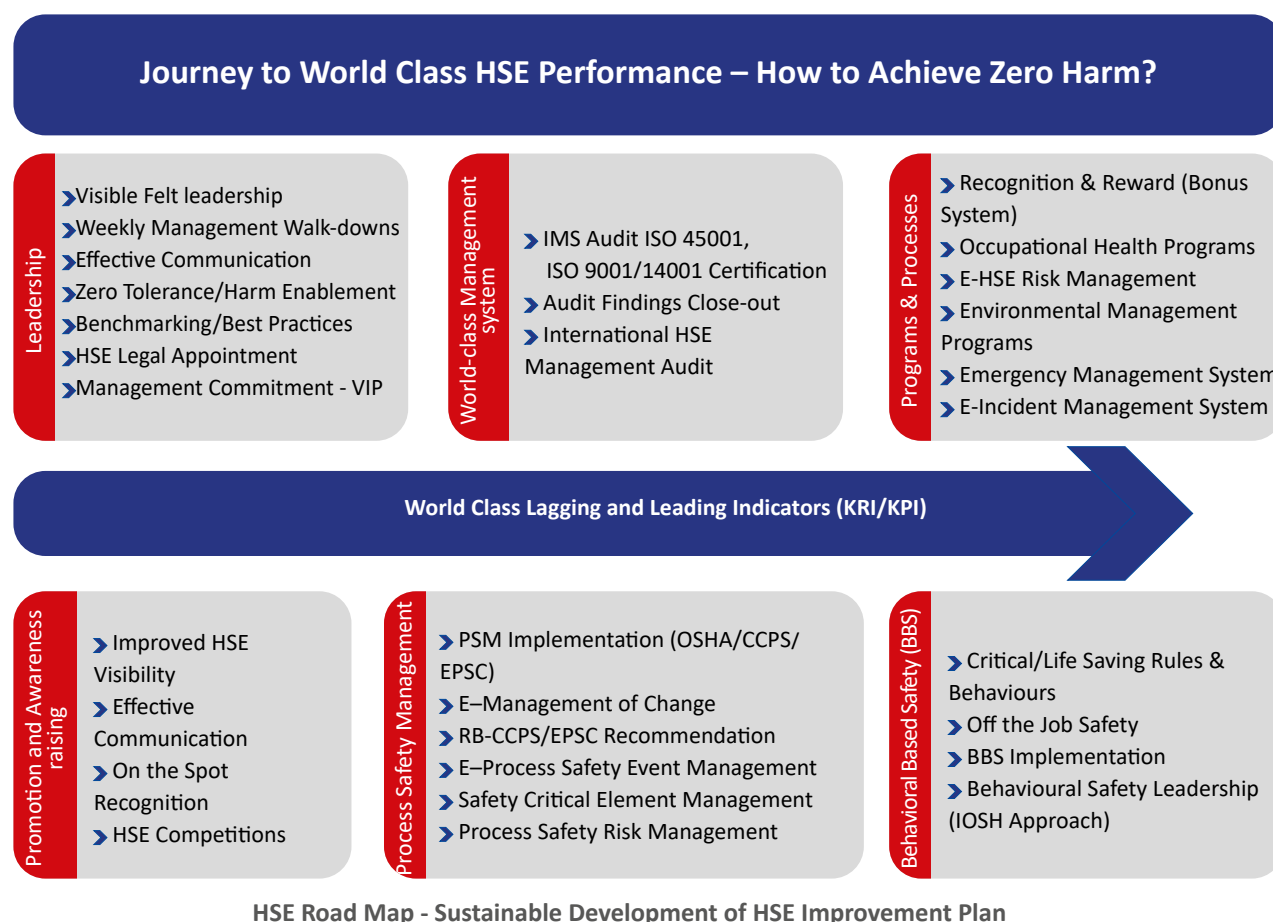


A Road Map to Occupational Safety & Health Excellence at ASPC

In the analysis and determination of material sustainability issues, safety and health has been emphasized as one of the important issues for Arya Sasol Polymer Company and its key stakeholders. Safety and health and their impacts on the organization's ability to fulfill its responsibilities in other areas are of such high importance that they are directly mentioned in the company's vision and mission statement as well as in organizational values.

According to the current procedure in the comprehensive organizational planning system, the safety and health related strategic goals at macro and functional levels are determined by making the business strategy map and the functional strategy map of safety, health and environment management. Finally, the executive programs are compiled for each of the areas of safety & health. "HSE roadmap in ASPC" was provided in line with the safety, health and environment management strategy map and with the aim of creating unity in planning and taking actions in dealing with important issues in the field of HSE interacting with all the key stakeholders of the organization. It should be noted that the ultimate goal in this direction is to achieve conditions where Arya Sasol's performance does not cause any damage (to employees, environment, society and physical assets). This goal is defined as "zero Harm". Making and modeling this road map has been done since 2006 at this company. Those topics and programs that are determined in the six main axes of this model are reviewed according to the progress of the organization in managing the important and key impacts of its activities in the fields of social and environmental sustainability. The content and thematic framework of this model is consistent with the safety, health and environment management strategy map.

Focusing on safety excellence is at the heart of this model. So that having a safe performance is considered as the basis and prerequisite for reducing and minimizing any damage to employees, environment, society and physical assets.



Relying on this model, which has made an integrated and sustainable development roadmap for safety, health and environment at Aria Sasol Polymer company at the strategic level, functional models has been developed independently in each of the fields of safety, occupational health and environment. These functional models which are introduced at the next parts of this report, have provided an operational platform for realizing the goals of the sustainability strategy and progress in the company's HSE roadmap.

One of the most important management systems established at Aria Sasol Polymer Company is HSE comprehensive risk management system, which supports moving in the direction of the HSE roadmap. In the last two decades, the managers and expert employees of the company have implemented various standards and methods to manage safety, health and environmental risks. One of the important achievements of such an approach is that these standards and methods are used in a complementary way in the company; consequently, they have highly covered the scope of HSE risk management.

Process risk analysis by PHA	Risk assessment and hazard identification using the HIRA method	Job hazard analysis by JHA method
Quantitative risk assessment by QRA method	Studying hazards and operability using HAZOP method	Determining the level of safety integrity by SIL method
Simultaneous operations risk assessment by SIMPOS method	Hazard identification by HAZID method	Analysis of possible deviation by PDA method
Identification of key safety factors by Bow Tie method	Risk assessment of chemicals using the COSHH method	

Different methods utilized in the management of HSE risks at Arya Sasol

At the level of coverage and deployment of the HSE risk management system at Arya Sasol Polymer company, one of the manifestations of effectiveness can be seen in the improvement of total HSE risks identification from 10,600 risks in 1400 SH to 11,309 risks in 1401 SH.

Continuous monitoring of various safety, health and environmental risks throughout the operations is done by providing timely reports in meaningful time intervals to senior managers and related units. For example, risks are monitored monthly in the form of HIRA, JHA and operational risks. Then, based on Risk Assessment Action Progress index, they, as monthly reports, are sent to process owners. Also, due to the establishment of a comprehensive risk management system at ASPC, the Board of Directors, CEO and senior managers receive regular and continuous reports on the key indicators of risk management and the progress of plans and executive actions. It is worth noting that currently the comprehensive HSE risk management system is managed and used electronically on the basis of BPMS at Arya Sasol Polymer company.



Safety

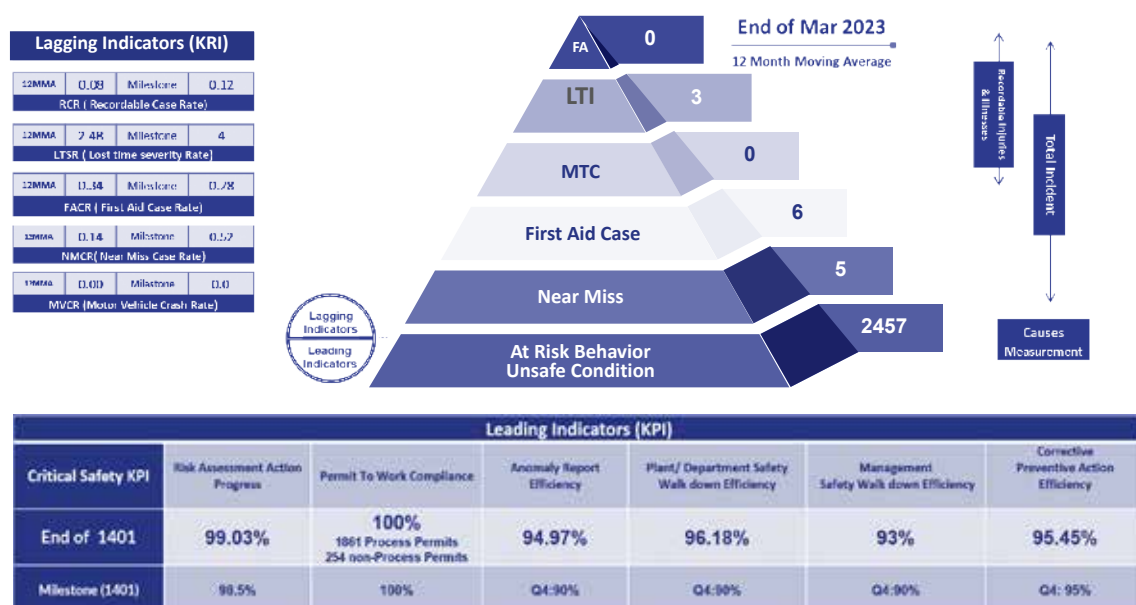
Safety is one of the material sustainability issues in Arya Sasol, which is of the highest importance for both the organization and its stakeholders. The commitment to safety at Arya Sasol means being committed to the safety of human resources in workplace, maintaining safe living conditions for residents living in this area, and the existence of a safe habitation for the continuation of life in the environment of the area. This integrated and comprehensive view can be seen as the driving engine of the organizational commitment to safety in this company; which has made it an important pillar in the vision and mission of the organization.

ASPC is considered as a leading company in the field of safety, both internationally and domestically. Due to the emphasis on the existence of performance at the global level and in line with the vision of the organization as well as the continuous improvement in the field of safety, this company has a comparable performance and even in some indicators, better than the world-renowned companies in the oil industry.

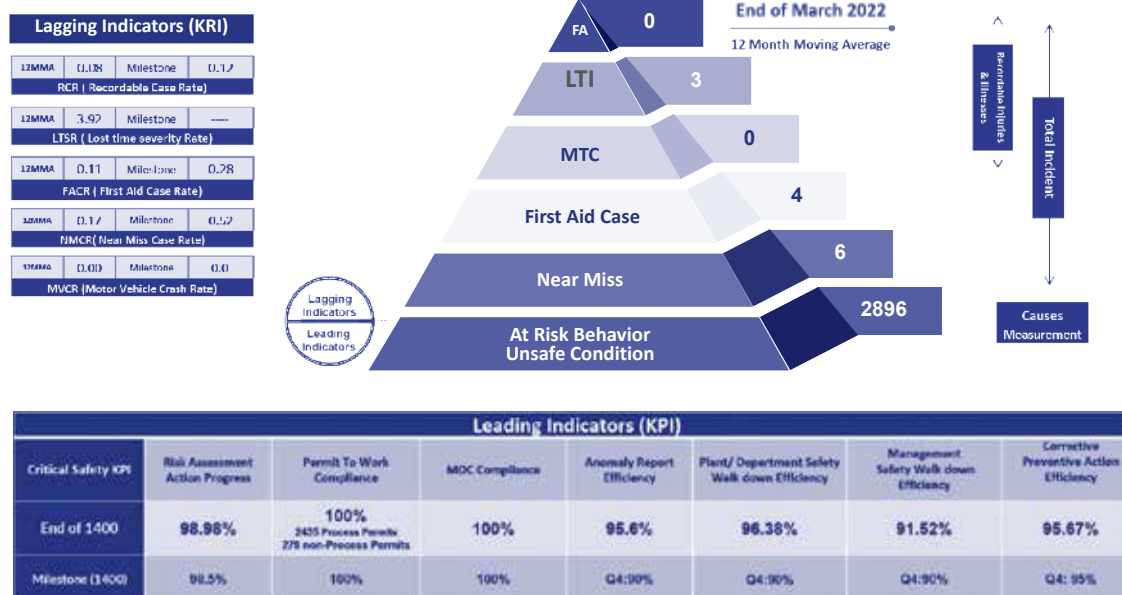
Aligned with the ultimate goal set in Arya Sasol Polymer company's HSE roadmap, which is defined as "Zero Harm"; the safety field has also set two strategic goals of "Zero incidents" and "Zero injuries". Determining these strategic goals in the framework of the comprehensive organizational planning system is connected to the functional plan of the safety field in order to ensure the existence of a pragmatic and committed approach to safety at the level of the entire company. Undoubtedly, the commitment and participation of the leaders and managers of Arya Sasol can be considered as the main support and driving force of the path of safety excellence in this company.

The field of safety in Arya Sasol Polymer Company is defined in safety, health and environment (HSE) management. Based on the HSE road map model at ASPC, safety strategic development model is provided. According to HSE road map, the safety unit has developed a "safety road map" in this company; So that it can be used as an executive platform in complying with legal requirements, meeting the expectations of stakeholders, implementing specific safety standards and finally realizing occupational, process and behavioral safety goals as well.

Safety Leading & Lagging Key Indicators



Safety Leading & Lagging Key Indicators



Safety Roadmap Model in ASPC

Using a long-term program to improve the safety level according to the available capabilities and opportunities and with the latest global tools is one of the missing links in Iranian companies in the oil industry. The "Safety Roadmap" model at ASPC was codified and implemented in six operational areas based on global learning and needs assessment of this company in 2017. This model is updated every year according to achievements, organizational studies and identification of points that can be improved, and new goals are determined in each area by promoting leading and lagging indicators in both quantitative and qualitative types. In general, this project includes annual operational strategic plan of safety and in a more comprehensive view is a part of the strategic plan of the organization. Also, it specifies an implementation path to achieve the goals. By creating an active and proactive atmosphere, moving within the framework of this road map in the past 15 years has played an effective role in reducing the rate of human and process accidents and creating a safer and healthier environment for all employees. At the same time, safer and more sustainable production have led to more trust among customers and other stakeholders towards the company.



Sustainable Continuous Development of Safety Improvement Plan (SIP)



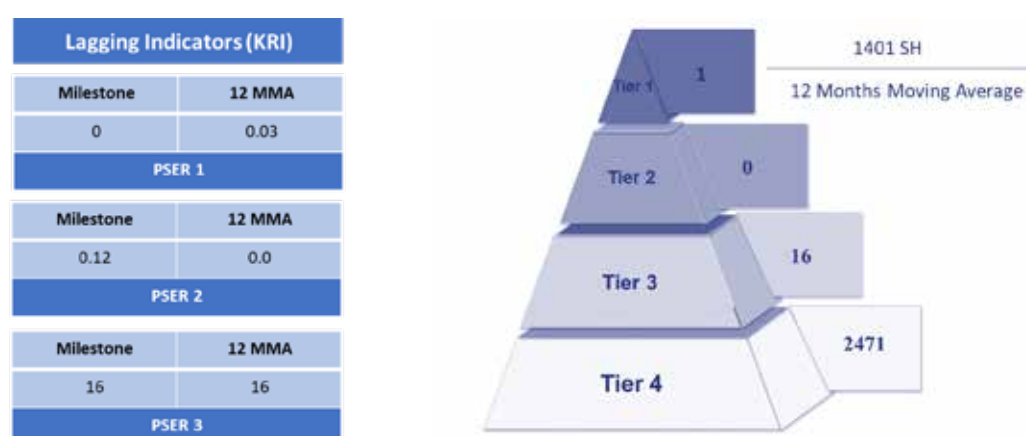
It should be noted that continuous commitment to fulfill organizational responsibilities in the field of safety, effective and timely interaction and response to relevant key stakeholders, and finally having a targeted model that has also provided the ability to measure the impacts and results obtained from programs and improvement measures have been monitored and appreciated through external evaluations and audits by reliable and third-party institutions at ASPC. In this case, ASPC, as the first and only Iranian company, succeeded in obtaining two excellent 5-star safety & safety process certificates, along with "Sword of Honor" in 2017 and 2021, from the British Safety Council which is one of the top three audit institutions in the world in the field of safety.

Part One: Safety Leadership

Leadership and management commitment as one of the most vital and priority principles of implementing safety systems in any organization plays a decisive role in the success and effectiveness of any system. At ASPC, this commitment has started from very high levels of management; So that the safety roadmap program in its initial year (2007) was proposed and implemented as a strategic plan of the organization in the Board of Directors. The established belief in this company is based on being role models of managers in all safety approaches and processes; In such a way that the senior managers of the organization have an effective participation in all matters related to safety in a fully visible and involved manner. The most important of these approaches are effective participation in the operational risk assessment process, accident analysis process, weekly management safety visits, TBM morning meetings, annual review of safety strategy plans, HSE legal appointment, and compliance with safety rules in a visible to all employees.

In order to achieve the HSE goals of the organization and announce the participation and commitment of the management team in establishing the strategy of continuous improvement of safety, the CEOs of ASPC have planned and carried out management safety walk-down with the presence of senior managers of different units on Sundays every week. Since 2012, maintaining this approach and effective action in the last 10 years has strengthened safety as one of the most important values of the organization and considering managers as role models in commitment to the company's values. Also, it creates a common leadership culture in the field of safety for the organization and increases the effectiveness of managers' personal behaviors.

In addition to the fact that the CEO of ASPC considers himself as the direct safety officer, he introduced all the senior



Type of Measurements	Leading indicators (KPI)						
Critical Process Safety Indicators	HAZOP Revalidation Recommendation Process	MOC Task Process	PSSR Punch Process	Operational Risk Assessment Task Progress	Process Safety Audit Compliance	Other Process Risk Assessment (PDA, TRA, MOM, ...)	Process Safety CA/PA (# Tier 4)
# Findings	283	1108	128	751	25	176	2471
Efficiency end of year 1401	77.68 %	73.27 %	94.03 %	74.20 %	72 %	42.14 %	72.22 %

Process Safety Performance Indicators (API-RP-754) on 1401 SH

and middle managers as the safety officer of the specified area according to the instructions set in the company. Additionally, the relevant manager is accountable to him. This is one of the important approaches of the organization as the managers' support of the company's values and acting as role models in commitment to safety.

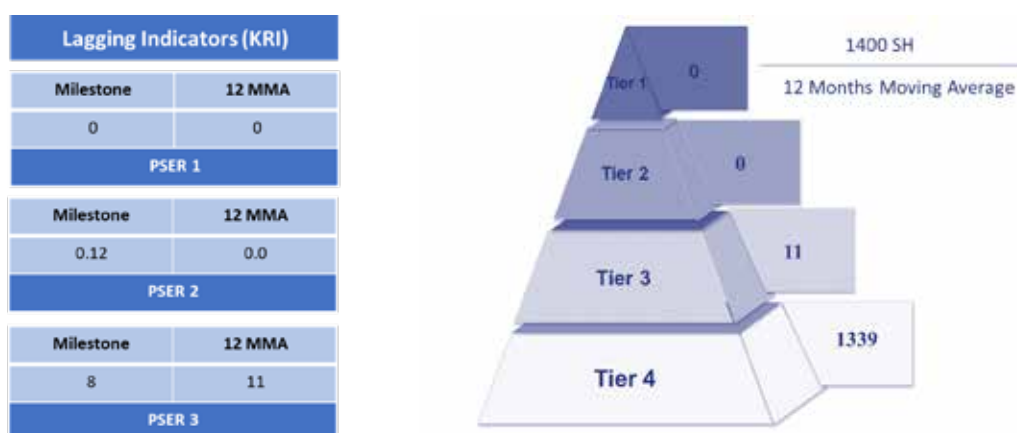
Part Two: Process Safety Management

In line with moving on the integrated path of "Zero Harm" and in order to reduce the rate of process accidents to zero, ASPC, as the first leading company in the country, started its activity in 2011 to plan and implement process safety management system (PSM) for the first time in Iran and with the help of domestic and foreign experts. The approach implemented at ASPC is based on OSHA-CFR-1910.119 standard. This standard specifies risk management requirements and provides a comprehensive process safety management plan to integrate technology, procedures and management measures. In the next step, relying on the risk-based process safety approach presented by the American Center for Process Safety Studies (CCPS) and using the results of an international audit in the company by Falck Institute of England, this system was improved and upgraded in 2017. Improving the level of safety, preventing and reducing process accidents and damages, maximum sustainable safe production, improving productivity, safe maintenance system and finally preserving organizational and human capital are among the most important impacts of the implementation of this process safety management system for the organization.

Currently, the monitoring index of the process safety management system at ASPC is based on a four-level model that is in accordance with the pyramid of process safety indicators of the American Petroleum Standards Institute (API-754). The four main levels of this pyramid are as follows:

- Level 4 (Tier 4): performance indicators related to the management system and operating rules
- Level 3 (Tier 3): partial accidents or quasi-process accidents (challenges to safety systems)
- Level 2 (Tier 2): LOPC process safety incidents with lower consequences
- Level 1 (Tier 1): LOPC process safety incidents with severe consequences

The continuous commitment to improvement in this field, the implementation of effective programs and the achievement of comparable results at the international level led to acquiring the five-star international process safety certification from the British Safety Council in 2021.



Type of Measurements	Leading indicators (KPI)						
Critical Process Safety Indicators	HAZOP Revalidation Recommendation Process	MOC Task Process	PSSR Punch Process	Operational Risk Assessment Task Progress	Process Safety Audit Compliance	Other Process Risk Assessment (PDA, TRA, MOM, ...)	Process Safety CA/PA (# Tier 4)
# Findings	146	456	66	474	25	172	1339
Efficiency end of year 1400	26.03 %	8.33 %	57.58 %	64.77 %	16 %	40.12 %	29.63 %

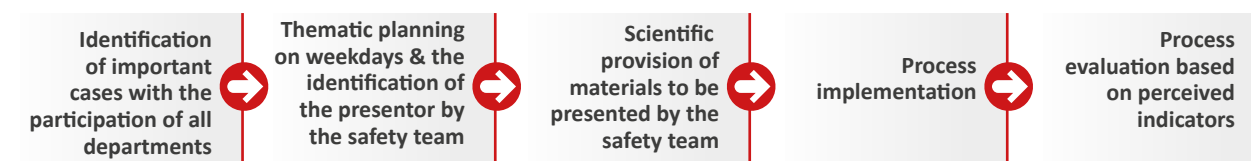
Process Safety Performance Indicators (API-RP-754) on 1400 SH



Part Three: Safety Campaign (7)

All promotional programs and tools for promoting employee safety awareness are included in this field. There has been an effort to create a safety culture in accordance with the degree of maturity of the organization's safety culture in different years using creative methods and tools at ASPC. In this way, promoting the concept and culture of safety, inviting employees to adhere to safety principles and approaches, and their participation in defined programs are followed. Also, the slogan "Stop, Think, Safety!" has been determined as the main slogan of the organization's safety. Then, the slogan-related logo has been designed and exposed to the public in all places of the company.

One of the effective and successful programs for promoting safety culture is holding short training sessions before starting work as "Tool Box Meeting". These meetings are held on a daily basis since 2019 at ASPC. In this approach, according to the weekly planning, one of the company's employees or the contractor's personnel talks about safety-related issues, sharing their experiences about accidents or daily risky activities. The continuous commitment to holding these meetings has had a significant impact on sharing information, knowledge and best experiences in the field of HSE, as well as creating effective communication between employees in order to improve the level of safety culture in the company. Tool Box Meeting is held every morning at 7:45 to 7:55 at the beginning of daily work and in all units of the organization. ASPC as the only company in Iran, implements this process on a daily basis in all units. This program has been defined and fulfilled by optimally exploring and learning from the experiences of the international oil companies Total and Sasol of South Africa and based on OSHA recommendations.



Executive structure of TBM in the field of HSE

It should be stated that continuous training and appropriate to the job description of employees can also be mentioned as an effective measure in maintaining and strengthening the culture and commitment to safety at ASPC. All training programs are based on the training matrix of employees in the field of safety and are implemented in cooperation with the training department. This training matrix is adjusted based on the job description of the employees. In addition, the required annually training program is created, developed and approved based on the identified improvement projects and opportunities. It is worth noting that the safety training needs analysis and training matrix compilation is done both for employees with direct contract with this company and for employees of partner companies.

In addition to the above, other programs and measures that are effective in the field of safety campaign are as follows:

- Participating in regional safety meetings and exchanging information in order to increasing safety awareness and enhancing interactions with other companies and key stakeholders.
- Informing production process risk assessments to neighboring companies.
- Using complex billboard, which is specific to HSE management and is mainly used to promote the safety culture.
- Continuous knowledge exchange meetings with contractors.
- Participation in the evaluation committee of bidders and contractors and informing based on safety requirements.
- Sending e-mails containing lessons learned, educational materials and information related to safety to all employees.
- Holding special events and programs with the presence of employees and their families.

Part Four: World Class Safety Management System (8)

The safety management system at Arya Sasol Polymer company has been developed based on international standards and benchmark from successful programs and actions of leading global companies in the oil industry. Also, to ensure the effectiveness of implemented safety systems, the organization has always used reputable international institutions and companies for its audits. The integrated management systems that have been established in the field of safety in this company include:

- Occupational health and safety management system based on ISO 45001:2018 standard.
- Process safety management system based on OSHA-CFR-S-1910119- and CCPS 20 Elements (4 Pillars) standards.
- Road traffic safety management system based on ISO 39001:2012 standard.
- Risk management system based on ISO 31000:2018 standard.

Continuous commitment and effort in the field of safety has been evaluated and commended by reputable and third-party organizations and institutions at ASPC. Among the most important honors, the following can be mentioned:

- International five-star certifications in health & safety management from IRCA Global South Africa in 2014.
- Five-star international certificates in health & safety management from the British Safety Council in 2017.
- “Sword of Honor” from the British Safety Council in 2017.
- Taking the second place in the 6th International Best Practice competition in 2018.
- International five-star certifications in health & safety management and process safety from the British Safety Council in 2021.
- “Sword of Honor” from the British Safety Council in 2021

Part Five: Programs & Processes

Key programs and processes including all safety processes and approaches that enable company to achieve leading and lagging indicators and lead to the strengthening of the safety management system are seen in this part. The most important of which are:

■ The comprehensive electronic management system of safety and operational risks in the context of BPMS with modern methods (PHA, HIRA, JHA, QRA, ORA, HAZOP, SIL, SIMOPS, HAZID, Consequence Analyzes, PDA)

Considering the nature of business in oil, gas and petrochemical industries and the existence of numerous safety risks that the equipment are directly and indirectly involved in; Safety risk management is necessary in order to take care of and protect the workforce and process facilities and have a safe working environment for employees, through identification, evaluation and control of existing risks. In this regard, the company has used modern international standards and methods in order to identify, evaluate and manage risks in terms of safety covering all employees with different contracts.

■ Comprehensive Electronic Engineering Management of Process Change (E-MOC)

Since 2011, the management of ASPC has implemented a change management system as one of the important standards of the process safety management system (PSM) using internal and external experts. In line with company's goals, establishing this system includes risk control, prevention and reduction of process accidents, improvement of safety level and consequently increase of productivity proficiency. Also, creating a suitable system and structure for participation, support and cooperation of stakeholders to manage changes and to ensure the sustainable success of the organization and effective management of changes are among the positive results obtained from this taken measure and approach.

It should be said that the establishment of this approach in the form of an electronic module in the BPMS platform of the company is comprehensively focused on all process and non-process changes of the organization. One of the most important indicators of this approach is MOC Compliance / MOC Task Progress. The results of the evaluation of establishing this approach and fulfilling the indicators determined in it are considered as one of the most main inputs of merit pays process at the rate of 5 % for the company personnel.

■ Comprehensive electronic system for investigating incidents and root cause analysis (Electronic Incident Management System)

In order to prevent the repetition of similar incidents and find root causes of human and process accidents and finally business risk management, ASPC registers, examines and analyzes all incidents based on scientific tools. This approach



has been able to significantly reduce the occurrence of similar incidents in the company. Today, the mentioned process has a very important place in all major oil companies in the world in controlling the recurrence cycle of incidents. The results of this approach are considered as the most significant input of risk assessment system as well as preventive & corrective actions system.

In case of incidents with specific classification, relevant teams are assigned for RCA meetings. The number and position of root-finding team members are different based on the nature and complexity of incidents. Senior managers and operational unit managers usually play their roles as leaders and chairpersons of such meetings. Subsequently, a research team determines immediate cause and root cause of incidents by examining all the evidence. The incident investigation team must ensure that all the factors that led to the incident are considered and analyzed with an appropriate methodology (such as 5why, Fish Bone, FTA, ETA, BOWTIE, ESD, and etc.) to find the root causes of incidents. It is worth mentioning that the event review cycle will not be complete and effective until all the corrective actions that remove the root causes are not done completely. Therefore, this approach is being carried out and monitored in a completely effective way with the support of senior management at ASPC.

■ Comprehensive Permit To Work System (PTW)

According to results of monitoring of incidents in oil, gas and petrochemical industry in Iran and the identification and maximum control of risks related to repair activities, ASPC considers permit-to-work process as one of the most important risk identification and control processes. PTW is fully structured and established in various ways in process and non-process areas. The development of this system has been the result of benchmark from Sasol South Africa and Total France companies. This process has a very strong performance indicator (KPI) called Permit to Work Compliance. This indicator is monitored and measured daily at the company level. As one of the most important operational indicators, this indicator also plays its role in merit pay process of personnel by 5%.

■ Intelligent comprehensive system for registering quasi-accidents, conditions and unsafe behaviors (Anomaly Report)

The system of quasi-accident reporting, unsafe conditions and behavior as one of the most important processes of identifying, evaluating and controlling risks (as the bottom layer of the pyramid of accidents) is planned and implemented in order to prevent the occurrence of accidents, create a safe and healthy environment for employees and help to continue sustainable production. This system is designed with the approach of using maximum participation of all employees; in which the incentive and motivational program to maximize the participation of employees has been going on in the last few years in a completely effective way.

■ Dynamic indexing system (Leading / Lagging Indicator) based on process maturity level

In order to measure the level of effectiveness and ultimately manage the processes, leading and lagging indicators are determined, continuously calculated and monitored using international and optimal mining standards from leading global companies.

Also, the reports prepared from the monitoring results are presented to the stakeholders of the processes. One of the core beliefs at HSE system management in ASPC is that if an approach or process is not measured with SMART indicators, it will not be possible to manage that approach or process.

Part Six: Behavioral Based Safety

Emphasis on improvement in safety culture and attitude of employees has been guided ASPC toward the implementation of the Behavioral Safety Leadership approach published by the UK Health and Safety Organization IOSH. Currently, Arya Sasol Polymer company is the only Iranian company that has established a behavioral safety approach with the advice of the Swiss company RMS. In this context, relevant training workshops have been held for both senior managers and supervisors and executive staff. Also, ASPC safety expert team have completed the Train to Trainer course of this approach with the Swiss company abroad and have been introduced as approved instructors for this course. In the next step, based on the emphasis of IOSH's scientific approach, more than 350 supervisors and middle managers of ASPC and partner companies who could play a key role in changing the attitude and behavior of employees under supervision were identified. For example, managers of all process and non-process units, heads of

departments, supervisors of shifts of process units, and supervisors of various departments of support units were among those who were chosen to pass this training course. As these people work in different units, planning of their training courses was done in a certain time frame in a cooperation with relevant units, and training courses were held by safety engineers to transfer knowledge to participants. After completing training courses, the trained personnel were also prepared to implement the behavioral based safety model in the units and teams under their supervision. Moreover, this attitude change process and its effectiveness is monitored through the anomaly report system as one of the tools for identifying and recording unsafe behaviors.

Crisis Management

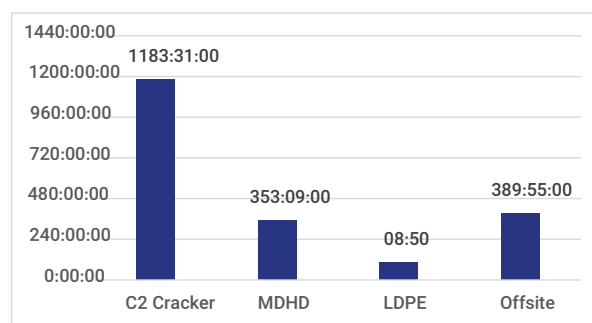
Critical incidents in the petrochemical industry, in addition to destroying company assets, can lead to irreparable consequences for employees, the environment, and local communities. Aware of this important responsibility, ASPC has always paid serious attention to prevention and control of incidents that can lead to fatalities, injuries or illness, environmental impacts and damage to the local community and infrastructure. The direct organizational responsibility in the field of crisis management is a responsibility of the fire department, which promotes necessary programs and actions by interacting and cooperating closely with other organizational units. At ASPC, crisis management is planned based on the HSE roadmap in the area of programs and processes and the leadership model of crisis management.

Development of possible scenarios and response plan in emergency situations before accidents is done as the first and most important step in collaboration between fire and safety units. For this purpose, risks related to process are extracted through studies such as HIRA and QRA. Then, possible scenarios of emergency situations (credible scenario) are formulated. In these scenarios, the tasks of each group are clearly described and the calculations related to each scenario are considered, including the affected surface, the amount of water, foam, and etc. After these scenarios are completely compiled and formulated, Fire (Firefighting) department designs the "Pre-Incident" and "Emergency Response" plans. Then, it designs and carries out its maneuvers based on those plans.

In order to properly delegate tasks and create greater coordination in emergency situations, comprehensive instructions for emergency situations have been developed at ASPC. In this instruction, in addition to the duties of each of the groups and personnel working in this company, emergency situation charts for operational personnel based on levels 1, 2 and 3 are also specified; so that possible emergency situations lead to normal conditions with better coordination and supervision.

In order to reduce accidents and in sync with other units with the aim of ultimate goal of "Zero Harm", the fire department has made standby coverage of high-risk activities a priority in its daily activities. As a result of this preparation, no incidents related to this type of activities have been recorded in 1401 SH. The main high-risk activities of the year 1401 SH, which the fire department has been responsible for its standby coverage are as follows:

- Unloading and loading of 308-A, B & C dryers
- Entry for dredging of the eastern POC line of the company
- Entering for dredging the southeastern outlet of company surface waters towards the sea
- Repairs of the southern weir of the complex
- Replacement of offsite flare thermocouples
- Overhaul of MD / HDPE & LDPE units



Number of standby hours in process units in 1401 SH



Relying on their capabilities and the company's investment to operate in other firefighting fields, Fire department personnel at ASPC have succeeded in receiving the rope access work certificate at different levels from the most prestigious rope access work center in the world (IRATA). In addition to being an expert in the field of rescue, important activities have been carried out in this company with the techniques of this work, which are briefly mentioned below:

- Performing thickness gauging of equipment and pipes with difficult access in process units
- Performing Tip flare repairs with rope access work techniques without using high tonnage cranes
- Weir repairs of olefin and offsite units
- Inspection of MD / HDPE unit silos using level 3 firefighting personnel working with rope
- Using rope workshop construction techniques to repair the roof of warehouses and complex sheds.

Another main program in the field of crisis management is holding emergency maneuvers at different levels. With the aim of preparing all personnel in different emergency situations, the fire department annually prepares emergency situation maneuvers at different levels 1, 2 and 3. The scenarios of maneuvers are extracted based on the probable scenarios of the emergency situations prepared in advance, and the objectives of each of these maneuvers are also mentioned in those scenarios. After maneuvers, a final meeting will be held with the presence of all the staff present in that maneuver and evaluators; so that the execution performance of the maneuver is discussed and reviewed in order to improve next maneuvers. In 1401 SH, maneuvers with different scenarios were held as follows:

- Round table maneuvers of process units based on valid scenarios of each unit
- Holding 16 maneuvers level 1 company emergency situation in offsite, olefin, medium and heavy polyethylene, and light polyethylene units
- Holding environmental, traffic and health drills with the cooperation of related units

An important aspect in maintaining and improving the ability to manage critical incidents is the availability and access to necessary facilities and equipment. At ASPC, in order to upgrade the equipment, rescue and fire fighting vehicles, the annual plan to buy the most up-to-date equipment is placed on the agenda of the firefighting department. As a result, efforts are being made to double the readiness of the organization's employees and specialists to face any possible incidents and take steps to protect the organization's assets by using up-to-date technologies and equipment. In 1401 SH, necessary upgrades were implemented with a budget of \$70,000 to purchase the following facilities and equipment:

- Purchase of a multi-purpose fire engine according to the company's development plans
- Purchase of two ambulances with all its medical equipment
- Purchase of all kinds of work and rescue equipment at height from the most reliable company in the world
- Purchase of advanced hurricane monitors to cover large industrial fires of each unit
- Purchase of blast masks in order to perform physical fitness tests that provide conditions close to real conditions in accidents.

In the end, it is necessary to mention the construction projects of firefighting systems relying on the capabilities of the company's experts and employees of ASPC. The fire department is a dynamic and active unit. By presenting creative plans for the development and deployment of firefighting systems, this unit has been able to implement successful projects in the framework of the effectiveness and creativity festival.

- Fixed sprinkler fire extinguishing system of the chemical waste warehouse of the environment unit in the 8th area of the company
- Construction of gas fire extinguishing simulator
- Designing and implementing a comprehensive software system for managing firefighting processes
- Implementation of a comprehensive weather monitoring system in the fire control room
- Implementation of a system for monitoring the status of detectors, alarms and integrated firefighting water network in the firefighting control room

Health

Maintaining and promoting the health of employees is one of the key strategic goals at ASPC. The occupational health of employees has different dimensions that are related to both personal health and work characteristics and working environment conditions. This issue is one of the material sustainability issues at ASPC and its considerations are integrated at the macro and strategic level in the comprehensive organizational planning system and risk management system.

The health department of ASPC operates in the direction of maintaining and improving the health level of employees and reducing occupational risks with the following goals:

- Promoting and maintaining the highest level of physical health of employees of all units, preventing risks caused by working conditions and controlling health risks in the workplace.
- Increasing productivity by eliminating or minimizing harmful health factors in the workplace.
- Preventing the occurrence of occupational diseases in the workplace by conducting occupational medical examinations

The field of occupational health at ASPC is defined in the management of Health, Safety & Environment (HSE). Making the path of strategic development in this field is made based on the HSE road map model, which was introduced in the first part of this chapter. Relying on this road map, the occupational health department has developed a “Comprehensive Healthy Workplace Model” at ASPC, so that it can be used as an executive platform to comply with the legal requirements, meet the expectations of the stakeholders, implement the specific standards of this field and ultimately health promotion in the workplace in company.

Comprehensive Healthy Workplace Model of ASPC

“Comprehensive Healthy Workplace Model” is a new management model for managing the company’s health performance with the aim of developing responsibility towards human capital and society, converging with the financial and economic resources of the company. This program is derived from the healthy workplace model of the World Health Organization, the guideline standard of the International Association of European Oil and Gas Producers (OGP) and the Solve model of the International Labor Organization. The implementation of this model at Arya Sasol Polymer Company has helped the company to comprehensively identify and improve the situations in diagnosis, organizational commitment, strategic and operational planning, applying and monitoring and control in the field of health. Also,





by using the Comprehensive Healthy Workplace Model, HSE management has become a decision-making power in creating a competitive advantage, and finally, the health unit reached a comprehensive approach for planning and taking appropriate actions to achieve organizational goals in improving the health of employees.

The Comprehensive Healthy Workplace Model at Arya Sasol Polymer company has six parts, which are:

1. WHO Healthy Workplace Framework
2. Fundamentals and four principles of the World Oil and Gas Forum (OGP)
3. Solve health programs of the International Labor Organization
4. Key health indicators of workplace
5. Tools needed to evaluate programs
6. Health assessment based on the Comprehensive Healthy Workplace Model in the organization



Comprehensive Healthy Workplace Model at Arya Sasol Polymer Company

Part One: WHO Healthy Workplace Framework and Model

WHO Healthy Workplace Framework and Model is defined in four areas. It should be noted that the definition and implementation of programs and improvement measures in each of them are based on the participation of the organization's leaders and employees' participation. Considering the multi-part nature of the health issues in this model, the programs and measures defined in its framework were implemented in cooperation with all related units of the company. These four main areas are:

- The physical work environment
- Attention to individual health
- Participation in social responsibilities
- The psychological work environment

The measures taken at ASPC to have a healthy workplace are:

- Implementing the health and safety management system policy in the organization and announcing it to all employees.
- Health & safety trainings and distribution of safety & health guidebook among company employees and company visitors.

- Mandatory use of protective equipment by all employees who work in high-risk environments.
- Carrying out regular safety inspections in properly maintaining machinery and equipment.
- Participation of employees in identifying workplace hazards and information on how to minimize or reduce risk.
- Regular and continuous risk assessment along with order and cleanliness in workplace
- Implementation of work-life balance plans.
- Adequate health and hospitality facilities for employees (proper restrooms, restaurants and office pantries at employees' workplaces and etc.).
- Regular fire drills and fire safety training for all employees.
- Compiling emergency situations preparedness and response documents in the company and informing employees
- Installing proper lighting and ventilation in work areas;
- Holding training courses on health and first aid for all employees

The special measures of ASPC to support employees in using personal health resources at work and healthy lifestyle are as follows:

- Conducting occupational medical examinations for all employees (regardless of the type of contract) in accordance with the legal requirements of Article 92 of the Iran Labor Law.
- Choosing healthy food in a restaurant or use refrigerators to allow employees to have a healthy lunch.
- Flexible working hours to give employees the opportunity to have physical activities, for example, group sports in their workplace and dormitories.
- Establishment of sports clubs in the resting place of employees and in the complex.
- Providing information and training on health-related topics in workplace through training, employee bulletin boards and e-mails.
- Investigating and evaluating health at workplace according to the requirements of the Ministry of Health by conducting occupational medical examinations and monitoring harmful factors in work environment.
- Increasing awareness about health issues by holding various events, for example, health week, no smoking week, world nutrition day, and etc.

Actions taken ASPC regarding participation in social responsibilities are as follows:

- Corona vaccination for all employees (regardless of contract type)
- Provision of various diagnostic and therapeutic equipment and devices, including artificial respiration, ultrasound, ventilator, ICU bed, dialysis machine and etc., for Nabi Akram Hospital in Asalouyeh county, Tawhid Hospital in Jam county, Imam Khomeini Hospital in Kangan county and other medical centers in this region.
- Equipping the virology laboratory in Pars Special Economic Energy Zone.
- Installation of a thermal imaging camera at Asalouyeh Persian Gulf International Airport during Corona virus outbreak
- Donation of disinfectant solutions, corona diagnosis kits, masks, latex gloves and support packages in the region during COVID-19 outbreak
- Holding family walking campaigns in the region and residential areas
- Holding a campaign to clean Nayband beach
- Holding a cycling campaign for employees in the region and residential areas
- Holding a family conference with the presence of the deputy of traffic education to promote driving culture among employees and their families
- Participation in a blood donation project in cooperation with the blood transfusion center of Bushehr province.

Measures that have been implemented to improve mental health and prevent stress in the work environment are:



- Management commitment to support the health and well-being of employees as a part of fundamental business values and strategic goals.
- Having necessary mechanisms for recording and regular monitoring of employee satisfaction, absenteeism and productivity.
- Planning support programs for employees regarding the contract with psychological and psychiatric service institutions and centers for managing employees' mental health.
- Human resource policies focused on health, well-being and work-life balance.
- Benefitting from clear job descriptions, empowering training programs, documented performance evaluation system and employee participation mechanisms that make the position and development path of employees clear and specific for them.
- Commitment to review the demands raised by employees in the company's suggestion system committee.
- The organization's commitment to providing proper support to people who have a disability and return to work after a long period of absence.

Part Two: Fundamental Principles of Model

The establishment of any model surely requires adherence to a series of valuable principles. Based on the studies conducted, the four principles of the World Oil and Gas Forum (OGP) were considered in the Comprehensive Healthy Workplace Model at Arya Sasol Polymer company. These principles include the commitment of the organization's leadership, risk management, continuous improvement and process implementation. According to integrated management system policy, the use of these principles in the field of health have been clearly defined. Also, HSE strategy roadmap, the commitment of leadership, risk management and improvement and promotion of employees' health has been mentioned obviously.

Part Three: SOLVE health programs of the International Labor Organization

The International Labor Organization (ILO) has introduced an effective program regarding the promotion of health in workplace under the title of SOLVE programs. This program complements occupational health and safety measures. And, it is focused on creating and maintaining a safe and healthy work environment and improving the quality of work life and physical & mental health in workplace. The main topics in this program are: stress in workplace, addiction and alcohol, violence in workplace, HIV and AIDS, control of smoking in workplace, healthy nutrition, physical activity, healthy sleep and economic stress in workplace.

In line with the stress control program in workplace, Arya Sasol Polymer company has carried out the following projects:

- Implementation of a job burnout project in order to identify causes of job burnout in employees in cooperation with Shiraz University of Medical Sciences.
- Distributing occupational stress questionnaire in workplace according to HSE UK method in employees' occupational medical examinations.
- Using the DASS-42 psychological stress questionnaire in occupational medical examinations and analyzing its results.
- Signing contracts with psychotherapy service centers in provincial centers and cities with the coordination of labor relations and social work unit.
- Holding training courses on teamwork and stress control in workplace for employees in coordination with Training Department.
- Carrying out a mental health assessment project in company by Labor Relations & Social Work unit.
- Finding difficulties of stress in workplace by distributing a questionnaire in the form of a comprehensive model of a healthy work environment.

In line with the addiction control program in workplace, the following projects have been implemented:

- Diagnosis analysis of addiction condition in workplace by distributing a questionnaire according to the Comprehensive Healthy Workplace Model.

- Self-reporting of employees with addiction problems in the process of occupational medical examinations of employees.

- Signing a contract with addiction treatment clinics in provincial centers and cities with the coordination of labor relations and social work unit

- Following up pre-employment drug tests

In keeping with violence control program in workplace, the following programs and mechanisms can be mentioned in Arya Sasol Polymer company:

- In order to control violence in workplace, Human Capital Management has compiled and distributed the manual of ethical and behavioral codes.

- Diagnosis analysis of violence in workplace by distributing a questionnaire according to the Comprehensive Healthy Workplace Model.

- The mechanism for identifying and reporting workplace violence in the organization has been determined.

- Presenting a disciplinary program for preventing and managing violence in workplace and determining serious punishments for perpetrators of violence in the company's disciplinary code.

- Conducting training courses and awareness raising activities about ethics and organizational values for employees

Consistent with the smoking control program in workplace, the following measures and projects have been fulfilled:

- Identification of smokers through occupational medical examinations to provide control programs

- Diagnosis analysis of smoking in workplace by distributing a questionnaire to the Comprehensive Healthy Workplace Model.

- Self-reporting of smoking employees in the process of occupational medical examinations of employees.

- Carrying out the occupational medical examination process project with the aim of checking the status of cardiovascular diseases, pulmonary diseases, liver and kidney diseases, blood diseases and etc. through the ten-year medical records of employees in collaboration with Rafsanjan University of Medical Sciences in 1400 SH to screen the effects of smoking on people's health.

- Taking care of the non-smoking population against serious health damage caused by exposure to tobacco smoke by drafting a smoking policy in workplace.

- Developing a policy and holding a no-smoking campaign in workplace during the no-smoking week (including distributing posters, pamphlets, e-mails and notice boards in company).

- Establishing specific places for smoking in open and safe space to protect non-smokers.

In line with a healthy eating program in workplace, the following actions and projects have been implemented:

- Due to the importance of controlling and preventing chronic non-communicable diseases (such as overweight and obesity, high cholesterol) and fatty liver, high blood pressure, diabetes and cardiovascular diseases) in the complex, nutritional counseling and diet therapy visits for all employees take place on a daily basis. The body composition analyzer test is taken from those people who come to have a check-up in compliance with all the health protocols, as well as appropriate food plans and additional practical recommendations to improve their nutritional status are also provided. It is worth mentioning that personnel visit is done in person or by phone and registered in the BPMS system or by clinic doctors.

- Adequate supervision of all the stages of preparation of raw materials, cooking and distribution of food in the complex restaurants is carried out and all health requirements are observed. The general meal program of the company is set based on the standard food pyramid and a plate of healthy food is included in each meal. Necessary reports are prepared to review and analyze nutritional conditions of employees, including food consumption, estimating energy requirements of employees and etc. so that suitable nutritional interventions can be made to maintain a healthy diet.

- Raising awareness, changing attitudes and improving the performance of employees regarding healthy eating in workplace are followed by the implementation of educational and promotional programs. In particular, the necessary health and safety training has been given to restaurant employees and employees with shift work conditions.



Part Four: Key health indicators of workplace

According to the definition of the strategic goal of “improving employees’ health” in the strategy map, various operational indicators have been determined to measure the progress and improvement of occupational health conditions at ASPC. In line with the emphasis on having performance at the global level, the operational indicators of occupational health field are determined based on the benchmark analysis of the performance of international companies, the indicators proposed by international organizations (such as health indicators of the IOGP organization and the American Industrial Health Association) and maintaining the ability to respond to the internal requirements. The following health operational indicators are monitored at ASPC:

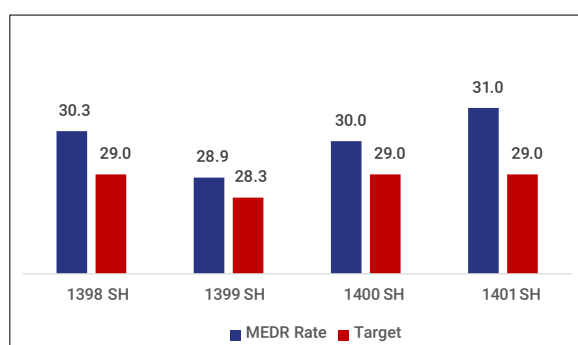
- Medical examination deviation rate (MEDR)
- Percentage of coverage of occupational medical examination
- Percentage of compliance with the legal requirements for monitoring harmful factors in workplace
- Percentage of three-stage notification to employees regarding the follow-up of occupational medicine examinations
- Percentage of COVID -19 vaccination coverage
- Nutritional indicators in workplace

Percentage of compliance with the legal requirements for monitoring harmful factors in workplace	1398 SH	1399 SH	1400 SH	1401 SH
Goals from 1398 to 1401 SH	78	81	83	85
Percentage of compliance with the legal requirements for monitoring harmful factors in workplace	80	83.45	85	86.3

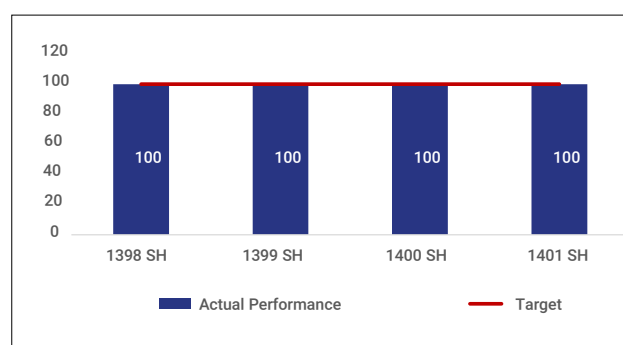
Percentage of three-stage notification to employees regarding the follow-up of occupational medicine examinations	1400 SH	1401 SH
Goals from 1400 to 1401 SH	86	90
Percentage of three-stage notification to employees regarding the follow-up of occupational medicine examinations	89	100

Percentage of COVID -19 vaccination coverage	1400 SH	1401 SH
Goals from 1400 to 1401	100%	100%
Percentage of COVID -19 vaccination coverage	85	98%

The percentage of calories received by personnel from lunch	1394 SH	1395 SH	1396 SH	1397 SH	1398 SH	1399 SH	1400 SH	1401 SH
The percentage of calories received from a standard lunch	40	40	40	40	40	40	40	40
The percentage of calories received by personnel from lunch from 2014 to 2014	57	55	53	51	53	51	52	49



MEDR(Medical Examination Deviation Rate)



Coverage percentage of industrial medicine examinations

Part Five: Tools needed to evaluate programs

Specialized tools were used to establish and evaluate the model based on the literature study. The tools that were used at ASPC to advance the goals include:

Job burnout project in the workplace with the cooperation of human capital management: This project was carried out in 14001401- SH in collaboration with Shiraz University of Medical Sciences to identify the causes of burnout among employees. Based on this project, which was conducted in the form of questionnaires and face-to-face interviews of university professors at work, the reasons for job burnout in different jobs were identified. The findings of this study show that the most burnout is among employees working in operation and repair units, which is due to the high volume of work, work pressure and stress.

Occupational stress project in workplace with the cooperation of human capital management: This project was carried out in the company in 14001401- SH in order to reduce job stress among employees. In this project, which was done with the help of a consultant, different questionnaires to check the stress in workplace were prepared and provided to employees. Based on the output results, the necessary analyzes were made and suitable solutions were presented to reduce employees' stress.

Assessment of musculoskeletal disorders in workplace: According to the results of occupational medical examinations and the prevalence of musculoskeletal diseases among employees (especially those working in operating units), the health unit has conducted field visits to various jobs and examined the ergonomic evaluation of these jobs (using updated methods such as QEC-REBE-Wisha-Rulla) to identify the causes of these diseases. Through this assessment the points that have the potential to cause musculoskeletal diseases in the company has been identified and corrective measures are taken to resolve these cases.

Assessment of harmful health factors in workplace: According to the legal requirement of the Ministry of Health regarding the annual measurement of pollutants (chemical, physical and ergonomic) in work environment and in line with the goals of the employee health strategy (improvement of the health of employees), the health unit has taken appropriate measures based on the results of the health risk assessment and occupational medical examinations results to check pollutants in work environment such as sound, vibration, heat, radiation, chemical factors, ergonomics, psychological, and etc. Then, proper corrective actions (engineering and management) are determined and implemented in order to control cases above the permissible limit.

The project of biological monitoring of benzene in workplace in collaboration with Shiraz University of Medical Sciences: Considering the environmental conditions of the region due to the number of oil, gas and petrochemical industries and the exposure of employees to these pollutants in work environment, and in line with the strategy of employee health, the health unit decided to define the project of biological monitoring of benzene in the blood and urine of employees in cooperation with the Shiraz University of Medical Sciences in 1401 SH. In the first phase of this project, 300 occupational medical records of employees were analyzed and 150 blood and urine samples were collected. In the second and supplementary phase, 100 medical records and 70 blood and urine samples of employees were examined. After the investigation, the necessary solutions to control and monitor the health of the employees were presented.

Occupational health impact assessment (HIA) project – the contract is being concluded: According to the legal requirement of the Ministry of Health regarding the health impacts assessment in the work environment (HIA) for development plans and new projects under construction, and considering the construction project of the new polyethylene unit, the health unit included this project in its plan for 2023. In addition, preparing the job description and receiving the necessary inquiries from Bushehr University of Medical Sciences to hold a tender is on its agenda.

Part Six: Health assessment based on the excellence model of healthy workplace

In order to objectively and systematically evaluate the Comprehensive Healthy Workplace Model at Arya Sasol Polymer company, in the sixth part of this model, it is emphasized on the use of a comprehensive tool to evaluate the performance of occupational health and its impacts and results. In this section, inspired by the EFQM excellence model, an excellence model for a healthy work environment was compiled by determining relevant topics in the enablers section (including leadership, employees, executive planning, partnerships/ resources and processes) and the results section (including employee results, economic results, social results and business results). Relying on this comprehensive evaluation tool, the current status of occupational health management system at ASPC is evaluated and finally the areas of improvement are determined to develop future performance.

Third
Chapter

**Environment;
the Common Capital of our
Stakeholders and Us**



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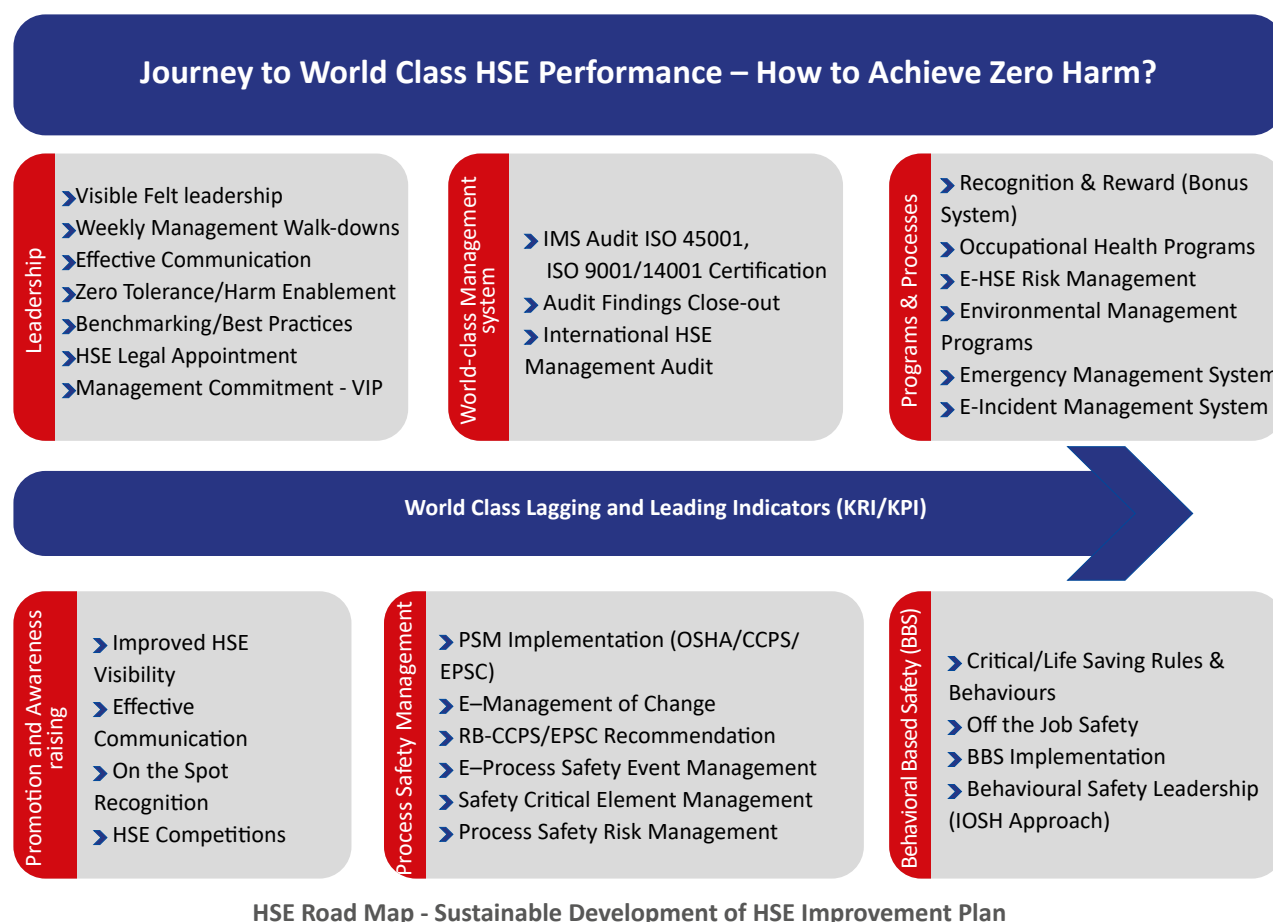


A Road Map to Environmental Management Excellence at ASPC

Environmental sustainability is one of the main axes of sustainable and responsible management at ASPC. In this regard, environmentally-friendly management and performance in the context of sustainable development is one of the strong and continuous commitments of this company. In line with the implementation of the 50th principle of the Iran constitutional law, ASPC considers development without concerning the environment as one-dimensional, unstable and incomplete development and is committed to the optimal use of raw materials and respect for the rights of local communities and citizens. This commitment has been officially announced to the organization's key stakeholders by directly reflecting in the mission statement, organizational values and integrated management system policy.

By analyzing and determining material sustainability issues at ASPC in the environmental sustainability aspect, managerial and executive priorities were determined for continuous improvement of the company's performance in this area. One of the important information inputs in this case is determining actual and potential risks in the field of environmental sustainability, which takes place annually in the framework of risk management system. The results obtained through such analysis are integrated into strategic planning process and functional plans of related units; so, organizational beliefs and commitments are connected to measurable and improvable actions.

In line with HSE management strategy map and with the aim of creating a unity in planning and action in dealing with important issues in the field of HSE interacting with all the key stakeholders of the organization, "HSE Roadmap at ASPC" was determined. By moving in this direction, the ultimate goal is to achieve a condition where the performance of ASPC does not cause any damage (to employees, environment, society and physical assets). It should be stated that making and modeling of this road map has been done since 2007 in this company. The programs that are determined in the six main axes of this model are reviewed and updated according to the progress of the organization in managing important and key impacts of its activities in the fields of environmental sustainability and social sustainability.



Relying on this model, which has made an integrated and sustainable roadmap for HSE at ASPC, an environmental management executive model developed as an operational platform for realizing goals of environmental sustainability strategic and operational objectives. This implementation model is explained in the following section.

Moving in the direction of environmental sustainability for several years consecutively at ASPC and having a targeted model, that has also provided the ability to measure the impacts and results achieved, has been monitored and appreciated through external evaluations and audits by reliable and third-party institutions. Arya Sasol Polymer Company is the first company in Iran that has been chosen as Green Industry Award three years consecutively and has received the green award five times (including the golden one). In addition, this company, as the first and only Iranian company, succeeded in receiving the golden statue of the environmental management system and obtaining 5-star environmental management system certificate in 2017 and 2021 from British Safety Council, which is one of the top three audit institutes in the world in this field.

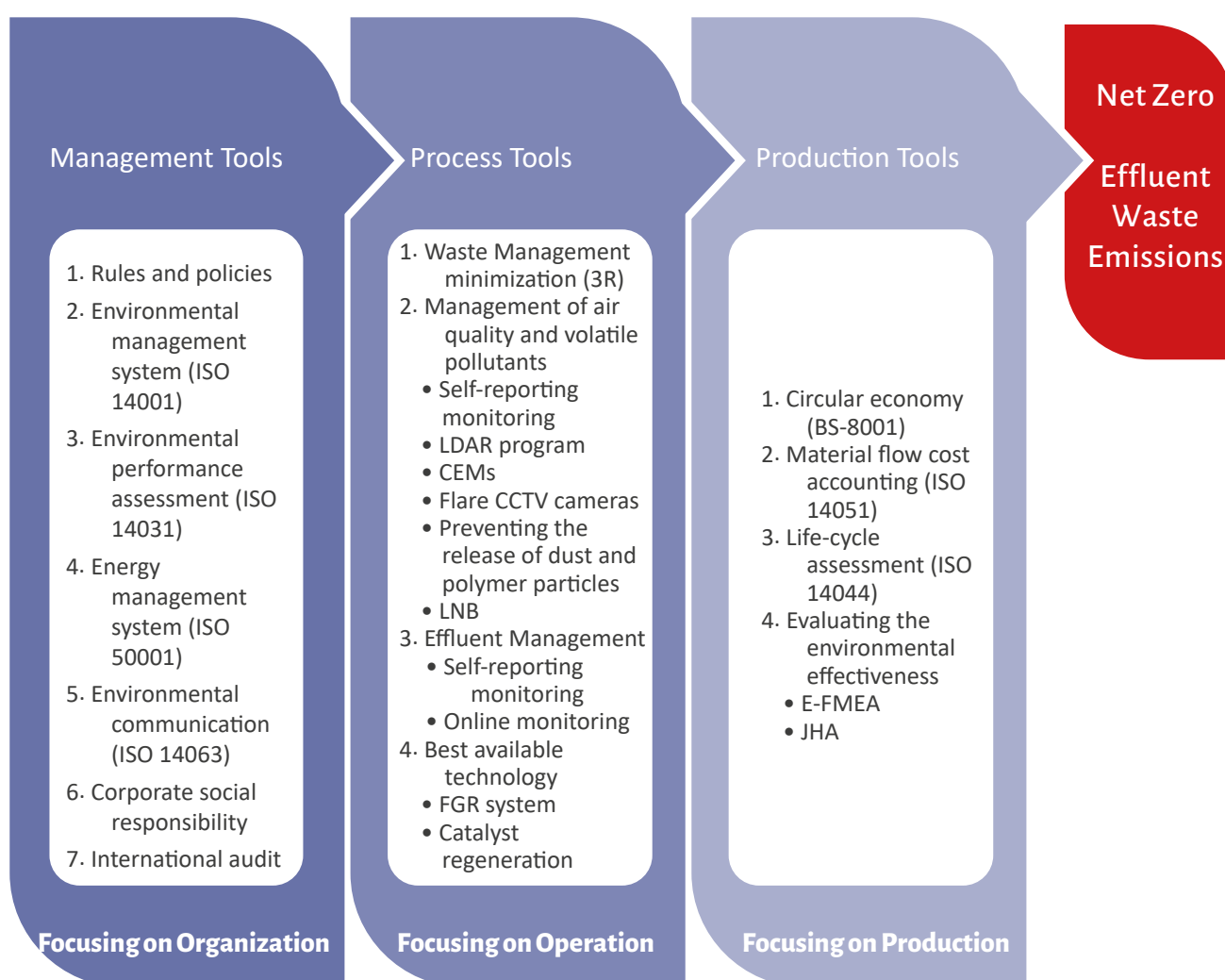




Environmental Sustainability Roadmap Model at ASPC

Managing the impacts of the organization's performance and activity on the environment requires a comprehensive view of the range of consequences, the type of consequences, how they change, and the types of tools available to intervene and improve the system. With the aim of developing a comprehensive operational model that is in line with the "HSE Roadmap at ASPC" and achieving the ultimate goal of "Zero Harm" in the field of environmental sustainability in a targeted and systematic way, "Environmental Sustainability Roadmap Model" has been developed and implemented in this company. To develop this model, ISO 14000 standard has been used and the successful experiences of prominent international oil companies have been modeled. Aligned with the ultimate goal of "Zero Harm", the goal of "net zero" in the fields of waste, effluent and emission of various gases is emphasized in the environmental sustainability in this model.

In the Environmental Sustainability Roadmap Model of ASPC, the organization's activities, interactions, services and products are analyzed and reviewed from the perspective of environmental consequences and risks. In order to determine related environmental tools and projects, this review is done by focusing on the three main platforms in the organization i.e., headquarters, operation and production. In the framework defined in this model, management tools are focused on the organizational platform, process tools on the operational platform, and production tools on the production platform. Regular and accurate planning in the implementation of environmental programs and projects,



Environmental Sustainability Roadmap Model at ASPC

agility, increasing speed and efficiency in work, correctly determining the Objectives' Key Results (OKRs) and Key Performance Indicators (KPIs) in line with organizational strategies and ultimately reducing effects of pollution have been the most important achievements of the implementation of ASPC Environmental Sustainability Roadmap Model.

It is worth mentioning that a product life cycle approach has been implemented in the organization based on the requirements of the ISO 14001:2015 standard and in order to reduce the environmental consequences of products and services. In this regard, the stages of the life cycle including obtaining raw materials, design, production, transportation and delivery, use, processing and end of life and final disposal of the products are generally determined in the life cycle diagram for all ASPC products and services. Consequently, it is considered in the process of identifying and evaluating the environmental impacts of the organization.

Eventually, one of the most important steps in the management cycles is to monitor the performance to ensure that it is moving in the right direction, to identify errors and to take timely corrective action. For this purpose, various tools are used to implement the environmental performance monitoring process based on the Environmental Sustainability Roadmap Model at ASPC. Management environmental visits, Service Level Agreement (SLA) meetings, environmental committee and monthly Business Review Meeting (BMR) are among the most important of them.





Waste Management

Waste management is one of the important areas in which ASPC is trying to minimize the consequences of its activities and products on the environment by setting the goal of "Zero Waste". It should be stated that wastes are very important due to various impacts on the environment. Therefore, in line with the implementation of the environmental management system, the process of waste management was explained by developing waste management guidelines, which are derived from the guidelines of the National Petrochemical Industry Company and Sasol Polymer Company of South Africa. The motto of the organization in this field is: "Reduction! Reuse. Recycle".

Waste Identification and Classification

The first step to control and manage environmental pollutants is to identify the sources of its production and emission. As a result, in the field of waste management, this issue was addressed by preparing a flow diagram of pollutant emission to identify areas throughout the complex that have the potential of pollution. Based on this analysis, one of the areas that are managed under the current approaches and procedures at ASPC is the wastes resulting from process and non-process operations of the company. In this regard, process and non-process wastes in this company are identified, classified and coded based on existing methods and guidelines. According to the design, 33 types of waste will be produced in this company. Currently, 26 types of waste are produced and coded in waste management system. It should be noted that out of the above-mentioned types of waste, 22 types of them are process waste and 4 types of them are considered as non-process waste. On average, annually 403.4 tons of non-process waste and 401.2 tons of process waste is produced in this company.

Waste Management Assignment & Temporary Storage

Due to the nature of process and non-process production waste, the temporary places of waste storage have been determined in the complex. Various instructions for the basic disposal of all types of waste such as medical, chemical, non-hazardous / hazardous, urban, etc., have been developed and implemented at ASPC. As follows, the responsibilities and duties of all units involved in the waste management process, including waste producing units, monitoring units and coordinating units specified. Also, in order to comply with the company's legal duties in the field of waste management, which has been announced by the country's Department of Environment, the information of ASPC has been registered in the comprehensive environmental monitoring system (Iranemp) and the specifications of all wastes have been uploaded according to the current situation in this system. As a result, obtaining environmental inquiries for the transfer of all types of waste is done through this system.

Regarding the industrial and hazardous waste, the storage place is specified inside the complex. Such wastes are transferred to a temporary place for assignment and disposal after removing them from the production units. Construction of the new industrial and special waste storage place finished in 2018. It's constructed and equipped in accordance with the international standards requirements in an area of 400 square meters with a roof, a dike wall and fire extinguishers. The new industrial waste storage facility was completed at a cost of 3,700 million Rials.

For urban waste (such as garbage and restaurant waste, branches and leaves of trees and construction waste), separate places are considered according to the type of waste. This type of waste is transported to the municipal waste landfill site by means of special waste transport machines according to the regulations in the region. But in the case of recyclable waste, which includes paper, plastic and glass waste, they are transferred outside the site by the approved recycling contractor of Pars Special Economic Energy Zone after separation at the source and packaging.

Major non-industrial wastes include wooden pallets, iron, aluminum and nylon, and they can be recycled. So, they are sold. Oil, hexane and molten polymer materials can also be mentioned as salable process wastes.

In line with electronic waste management requirements, fluorescent lamps are classified as hazardous waste due to their mercury content. So, a device for neutralizing moonlight lamps called Bulb Eater has been provided. The tank of this machine is capable of holding powdered parts for about 3,000 lamps.

At Arya Sasol Polymer company, spill control equipment called Spill Kit is used to prevent soil and environmental pollution due to the possibility of chemical and oil spills on the ground. After use, this equipment is stained with oily substances and requires basic management. Therefore, a barrel incinerator was purchased from Drizit company (in South Africa), which has approval from official and reliable authorities.

Looking at the total amount of production waste in the company, it can be said that currently 88.5% of it is sold, 0.25% is burned in the waste incinerator of Mobin Energy Persian Gulf Company and 11.25% of it is sent to the industrial landfill in the region.

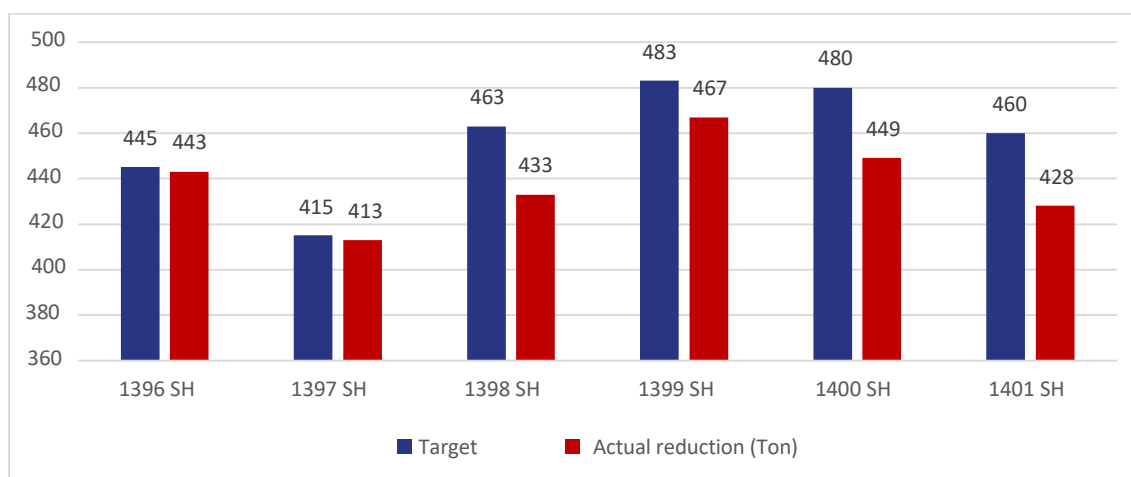
#	Waste	Quantity (tons)	Management method
1	Catalyst	58	Recycle
2	Molecular sieve	56	Recycle
3	Oil	460	Recycle
4	Hydrocarbon	85	Landfill / incinerator
5	Urban	1.5	Urban landfill
6	Agricultural	0.9	Urban landfill

The amount of production of process and non-process wastes at ASPC

Waste Reduction

One of the most effective ways to reduce the negative consequences of waste on the environment is to make improvements and changes that lead to reducing the amount of waste production. In this regard, relying on the studies carried out at ASPC to determine the various sources of waste generation and identify its causes, various projects and measures were implemented to reduce the production of all types of waste, which have had positive economic and environmental impacts on the company's performance.

One of the main areas that was focused on for reducing the amount of waste is process waste. For this purpose, ASPC, as the first company in Iranian petrochemical industry, applied material flow costing (MFCA) in accordance with ISO 14051 standard. In many organizations and industries, reducing environmental impacts is considered a costly strategy, and the compulsion caused by national and international regulations and guidelines is known as the driving force for their implementation. Contrary to this view, relying on material flow costing (MFCA), ISO 14051 provides a strategy through which environmental impact reduction is achieved along with economic profit. As a result, focusing on creating a positive economic and environmental impact at the same time, ASPC successfully obtained MFCA certificate through implementing the material flow costing project with the aim of reducing and managing process waste based on the ISO 14051 standard and submitting the final report to the National Productivity Organization of Iran.

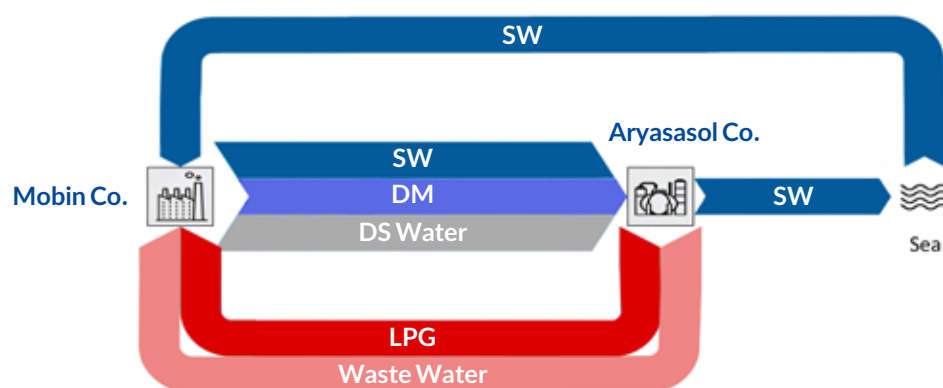


Process waste reduction values (Ton)



Water & Effluent Management

Aligned with the ultimate goal of “Zero Harm” set in the HSE roadmap of ASPC, paying attention to water and effluent management is also done to manage the company’s activities in order to achieve zero harm in this field. Due to the location of ASPC in Pars Special Economic Energy Zone, the provision and management of utility in this industrial zone is done centrally by Mobin Energy Persian Gulf Company for other industrial units operating in this region. As a result, there is a rotating system in the field of water and effluent between ASPC and the exclusive supplier of utility services in this area.



The main currents of water & effluent management at ASPC

Water Use Management

In the field of water management, ASPC does not exploit any water resources directly. The main source of water used by the utility supplier is sea water, which is converted into all types of water used in industrial operations and company headquarters activities after being processed in various processes. Currently, desalinated seawater (DSW), demineralized water (DM) and cooling water (CW) are the main types of water used at the ASPC operations.

Most of the water consumption takes place in industrial operations. As a result, by drawing and determining the flow and volume of water consumed in each of the company’s production units, possible projects and measures to reduce and optimize water consumption are defined and implemented.

Unit	Types of water	Consumption in 1400 SH (m3)	Consumption in 1401 SH (m3)	Reducing water use method	Reduction percentage
Olefin	Water without salts	419450	328199		22
	Desalinated water	30995	24402	Good performance in water savings	21
	Open circuit cooling water	340881825	310881861		9
High-density & Medium-density polyethylene	Water without salts	24167	21635		10
	Desalinated water	772	1554		-101
	Open circuit cooling water	-	-		Zero
Lightweight polyethylene	Water without salts	18662	8920	Replacement with reverse condensation	52
	Desalinated water	4424	7595		72
	Open circuit cooling water	-	-		Zero
offsite	Water without salts	649	649		Zero
	Desalinated water	228604	221404	Optimizing green space irrigation	3
	Open circuit cooling water	133669785	126985143		5

Water consumption information in operational units

The following measures have been taken in line with the management of water resources at ASPC;

Using the effluent water from the industrial treatment plant of Mobin Energy Persian Gulf Company to irrigate the trees in the complex. In this way, the wastage of drinking water is prevented. Also, due to the use of drip irrigation, there is no wastage of water and the irrigation efficiency is 100%.

To cool the rotating equipment in the process and production units, a closed circuit water cooling system is used. As a result, the water used is never discarded and is used for cooling in a closed cycle. With this system, water wastage has been prevented and water recycling has been implemented.

Effluent Management

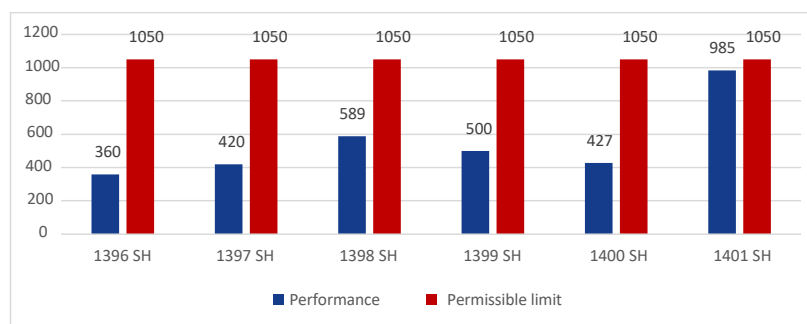
In the field of wastewater management, most of the company's wastewater is transferred to Mobin Energy Persian Gulf Company for final treatment. Due to the standards and requirements defined regarding the quality of effluent, the necessary controls are carried out to comply with the company's legal obligations in this area. In order to ensure compliance with environmental standards, pollutant parameters in effluent outlets are measured periodically by the company's laboratory and the accredited laboratory of the Department of Environment of Iran in the form of a self-report plan. Finally, its report is submitted to the Department of Environment of Iran. This is achieved by implementing the process of monitoring and measuring environmental pollutants in ASPC.

The company's continuous commitment to fulfilling its environmental responsibilities has made its performance in complying with the legal requirements for the amount of pollutant parameters of the outgoing effluent to be always much lower than the specified levels. Daily monitoring and controls by the central laboratory of ASPC and the laboratory of the effluent treatment service provider indicate that there was no deviation in the expected level of the determined indicators.

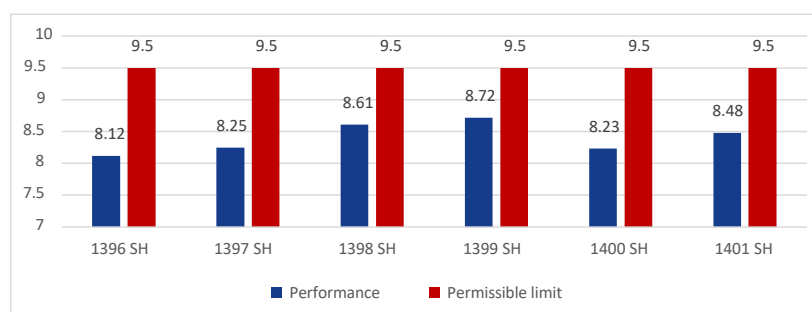
Types of wastewaters	1400 SH	1401 SH
Surface water sewage (cubic meters) *	80820	237925
Industrial wastewater (cubic meters)	179575	217413
sanitary sewage (cubic meters)	2815	3741
Effluent containing hydrocarbons (tons)	530	6719

Amounts of effluents produced

* The increase in the amount of surface water effluent was due to the change in weather conditions and the increase in rainfall in 1401 SH.



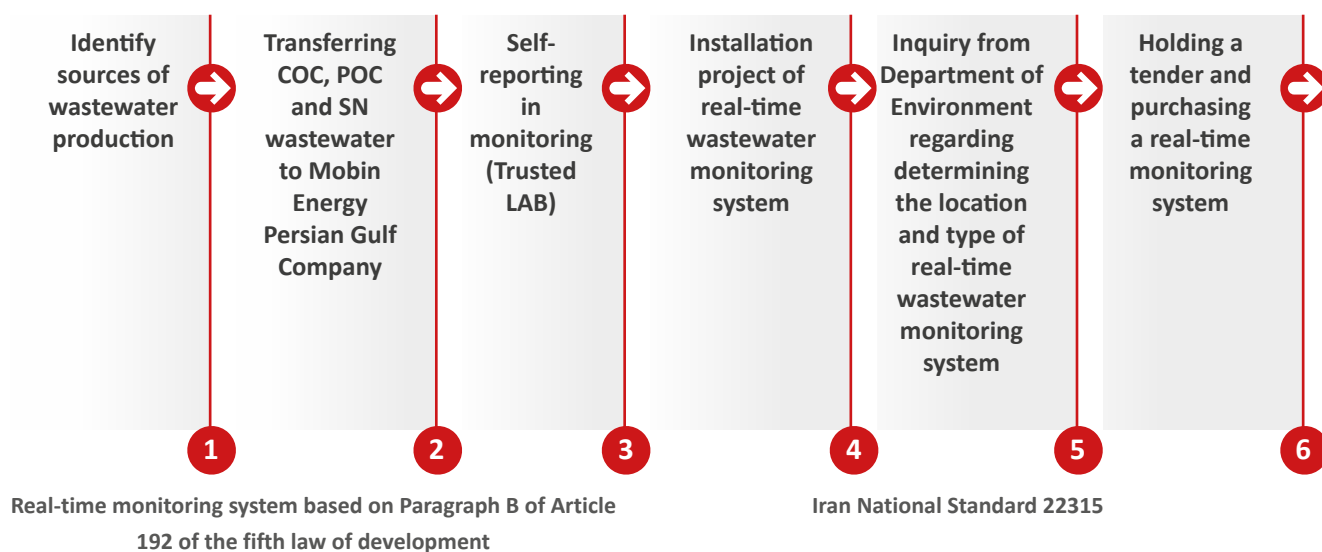
COD values of Effluents (mg / liter)



PH values of effluents



Based on Paragraph B of Article 192 of the Iran fifth law of the development program and beyond the environmental legal requirements, ASPC voluntarily plans to install a real-time wastewater monitoring system. In this regard, this company also conducted a tender under the supervision of the Department of Environment of Bushehr. But due to the change of the policy and replacement with National Standard 22315, a new tender is being held for the purchase and installation of the online monitoring wastewater system in 2015.



Schematic view of the installation progress of the real-time wastewater monitoring system



Air Pollution Management

One of the important responsibilities of ASPC in the field of environmental sustainability, which overlaps with social sustainability, is defined in the field of managing air pollutants and the release of various gases into the atmosphere. Healthy air affects human health (employees and the surrounding community) and the health of life in the natural habitats of this area as well. As a result, in line with the ultimate goal of “Zero Harm” set in the HSE Roadmap of ASPC, having zero-harm performance in the field of emissions of various gases caused by industrial activities in the company is one of the important goals in the field of environmental management in this company. In this area, three key issues of sustainability were noticed and focused: flaring, emission of greenhouse gases and emission of other air pollutants.

Flaring

Reducing flaring is one of the essential issues of sustainability, which is emphasized by both key stakeholders and ASPC. Addressing this issue has obvious economic and environmental effects, which is currently emphasized on it in the oil and petrochemical industry in the country. ASPC has an active and technology-based approach in this matter.

Flares are designed as a means of guaranteeing the safety of operating units during a sudden stop to prevent the rise of temperature and pressure in different equipment and to burn a large amount of gas in a short time, in order to prevent any explosions, fires and leakage of dangerous gases.

ASPC has 4 flares. The flare system of the Olefin unit is of the smoke less type and is designed in such a way that the gases resulting from flaring, including ethane and ethylene gases, are completely burned due to their high purity. Also, in order to prevent the release of unburned hydrocarbons in the atmosphere, the gases from burning are mixed with 40,000 kg / h of steam (according to the design of the flare system). It should be noted that steam causes combustion and prevents the flare from smoking, therefore, necessary arrangements are made to maximum steam to be sent from Mobin Energy Persian Gulf Company.

Also, due to the unique design of the main flare system of this company (Offsite), two powerful blowers installed at the bottom of this flare. Because of the adjustable speed of these blowers, it is possible to burn and prevent any smoke caused by burning. It is worth mentioning that under normal conditions, no flow is sent to the flare. ASPC has always considered itself obliged to fully comply with the laws and requirements in the field of environment and has pioneered and voluntarily installed a flare control camera, which has created the necessary access for monitoring flares to the Iran Department of Environment many years ago.

The future plans of this company to recover and reduce flaring are as follows:

- Recovery of flaring gases from D-406 in the conditions of starting Olefin unit and replacing the hydrogenation reactors.
- Adding a Boil off compressor for TK-701 tank.

Greenhouse Gas Emissions

One of the most important environmental consequences in the activity of petrochemical companies is greenhouse gas emissions. In line with international obligations and national requirements to reduce the impacts of climate change human life and natural life, ASPC has also taken the necessary measures to reduce greenhouse gas emissions. Consistent with the determination of this issue as one of the material sustainability issues in this company, the strategic goal of “CO₂ minimization” has been determined in the strategic business roadmap, which is supported by setting the two goals of minimizing environmental pollutants and having zero-harm operations in the HSE functional strategy roadmap. Various projects and plans are implemented in line with the management and minimization of environmental pollutants and moving in the direction of having industrial operations and activities with zero harm to the environment in this company which lead to reducing greenhouse gas emissions. In the field of pollutant release control, ASPC has implemented the Volatile Organic Compound Leakage Measurement and Fixing Project (LDAR Program) in accordance with international protocols. The purpose of implementing this program is to identify the type, amount, location and cause of emission of chemical gases and vapors caused by petrochemical activity, taking into account raw materials, intermediates, and products, and providing remedial measures for polluted locations.

So far, no standards and permissible limits have been set for flare gases in petrochemical industries in the country. Due to the ethical and social commitment of ASPC to the environment preservation, reducing the gases sent to the



flare during unusual operating times is also on the agenda. As a result, after carrying out conceptual and engineering studies, the projects for the recovery of gases sent to the flare during reactor replacement and part of the gases during start-up, as well as the collection of ethylene tank vapors sent to the flare when the unit is stopped, have been carried out and implementation phase has begun.

These projects will be implemented with a cost of 2.5 million dollars and by making engineering changes in the production process and installation of equipment at the location of Ethan Cracker (Olefin) unit. The implementation time of the projects is estimated and predicted to be about two years. By implementing the mentioned projects, the waste of 2,500 tons of ethylene and ethane mixture will be prevented during one year; As a result, greenhouse gas emissions, especially CO₂, will be prevented in the amount of 7,732 tons per year.

The sources of greenhouse gas emissions whose emissions are included in the emission inventory are as follows:

- Stationary combustion sources included

Process furnaces

Heater

- Flare

Flare code 901

Flare code 8010

Flare code 701

Flare code 606

- Indirect emissions including electricity and heat purchased from Mobin Energy Persian Gulf Company.

The following items are not included in the emission inventory calculation:

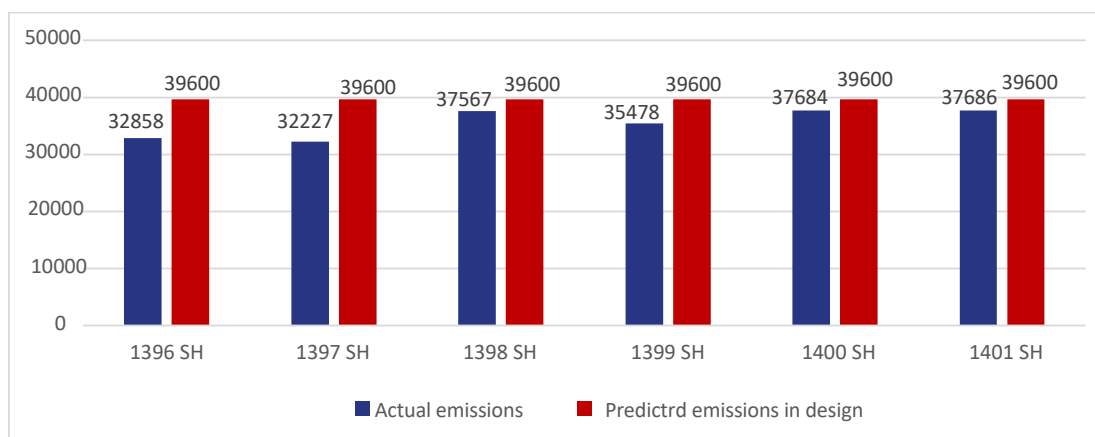
- Process emission sources: In ethylene production processes, there are no process emissions.

Fugitive emissions: The calculation of this group of emission sources has been omitted due to its insignificance and according to the HSE-47501- guide.

Waste incinerators or oxidizers: There are no such emission sources at ASPC and the waste is sent to other organizations for destruction.

Release of Other Air Pollutants

Because of the type of production activities in petrochemical industry, various types of polluting gases are released into the atmosphere. Relying on the expertise and knowledge of its employees and using expert consultants, ASPC always conducts the necessary studies and reviews to identify performance improvement opportunities in this field to benefit from up-to-date solutions (including technological improvements and process modification). In recent years, in this field, important and influential projects have been implemented in this company, which are introduced as follows;



Amounts of greenhouse gas emissions (Tons)

Implementation of the key project to improve revival operation process of reactor in the Olefin unit:

In order to increase the capacity and de-bottlenecking in the Olefin unit, a joint project was defined and implemented with Linde Engineering Design Company of Germany in 2016. One of the important parts of this joint project was the investigation of the sending of exhaust gases from the reactor. Finally, as a result of the successful implementation of this project, the emission of polluting gases into the atmosphere was prevented. Following the implementation of this successful project by ASPC, other companies in Iran's petrochemical industry also followed this approach.

Implementation of the de-dusting project in the Light polyethylene unit with the aim of preventing the release of any dust and polymer particles in the ambient air:

One of the characteristics of the polymer produced by the Light polyethylene unit (LDPE) is the production of polymer particles during product transfer, which is inevitable due to low density of this product. For this reason, in order to reduce environmental gas pollutants, to keep the environment healthy and to maintain product quality, it is necessary to separate these polymer particles from the product using separation equipment. For this purpose, two systems have been installed for absorbing dust and polymer particles (de-dusting) separately in the Light polyethylene unit (LDPE) according to ASTM D 683002- EPA standard with a cost of 250 thousand dollars and using consulting and engineering services of top international companies. By installing the new systems, the health consequences are reduced and it has a positive effect on keeping the work environment healthy. Also, with the installation of de-dusting, the release of dust and polyethylene particles in the environment has been prevented at an average rate of 15 tons per month, and the company's environmental performance has improved significantly. On the other hand, setting up the above system has resulted in a significant reduction of particles from the manufactured polymer product and an increase in the quality of the product.

The use of modern control and monitoring systems for environmental pollutants, including the online stack monitoring system:

In order to comply with the legal duties specified in Note 3, Article 11 of the Clean Air Act, as well as Paragraph B, Article 192 of the Iran Fifth Law of the Development Plan, ASPC has installed and used online monitoring equipment for air pollutants from combustion sources, especially the stack of the furnaces of the Olefin unit since 2015. Presently, Department of Environment of Bushehr province has access to the data logger of the online monitoring system of ASPC in order to do any real-time monitoring of exhaust gases. It should be noted that this company has gone beyond the legal requirements regarding the selection of monitoring indicators, including CO₂ in the online monitoring system. In addition, now CO₂, CO, NO_x, O₂ gases coming out of the furnace chimney are measured online. The results of the monitoring carried out in the last few years show that there is no deviation from the standards of the Iran Department of Environment in the performance of ASPC in this area.

Implementation of a project to identify and fix leaks from process equipment (LDAR program) as the first Iranian company in oil, gas and petrochemical industries:

Beyond the national requirements in the field of reducing environmental pollutants, ASPC uses the LDAR Program to manage and control the emission of volatile organic substances (VOCs) from equipment in process units. Based on the EPA-21 method and benchmark from successful international companies in the field of LDAR implementation, this program was started in 2013 as a pilot in the Olefin unit of ASPC. In the following, with the experiences gained from the pilot implementation, it was carried out in other process units (MD / HDPE, LDPE and Offsite) from 2014. Currently, according to international protocols, this program is applied annually in all operational units. In line with the implementation of this program, specialized equipment is needed, such as a special leak detection camera that works with red rays and a Gasmet device to measure the concentration of hydrocarbon substances from leaking process equipment that works with the FTIR system. They have been purchased with the allocation of significant funds. These two devices are parts of the most advanced measuring and monitoring equipment from reputable international manufacturers.

The successful implementation of this program in ASPC has had various positive effects in the industrial community in this region. First of all, following ASPC, petrochemical companies in Pars Special Economic Energy Zone and in Persian Gulf Petrochemical Industries Co. are implementing this program in their group with the help of ASPC's specialists. Next, it is hardly possible to import Gasmet device in the current situation. As a result, this company has the necessary



cooperation with the Department of Environment of Asaluyeh province to use a portable monitoring device to request measurements in the air of this region.

Year	NOX mg/Nm ³	CO mg/Nm ³
1401 SH	115	25
1400 SH	122	32
1399 SH	103	59
1398 SH	120	45
1397 SH	98	39
Iran DOE Standard	658	700

Amounts of exhaust gas emissions from Stack of the Olefin furnaces

Energy Management

The approach of ASPC to the field of energy and management of how to use it is such that it realizes the positive environmental, economic and social effects simultaneously. By developing the energy policy, this approach has attracted an inclusive commitment throughout the organization. Also, with the establishment of ISO 50001:2018 standard, on the one hand, the system platform necessary for the implementation of the organization's macro goals in this field has been provided to the operational activities, and on the other hand, integrating between the requirements of being stakeholder-oriented and risk management in the field of energy management has been guaranteed.

The History of Energy Management

ASPC is one of the energy-intensive industries with annual consumption of about 500,000 megawatt/hour of electricity and 100 million standard cubic meters of fuel gas. As a result, according to the energy consumption model amendment law that was approved by the Islamic Consultative Assembly in 2009, it is obliged to create an energy management unit and to optimize energy consumption in order to achieve the energy consumption standard set for its production process. After notification of this legal requirement by Iran Ministry of Petroleum, in the same year and in line with the protection of national resources and the impact of energy consumption on the environment, ASPC aimed to start and reduce the intensity of energy consumption by creating the position of energy expert in its organizational chart, officially paid attention to the category of energy management.

In the early years of creating energy management, it was focused on the potentials within the company and using the experiences and capabilities of the organization's employees and thinking together in optimizing energy consumption, which significant results were achieved in the field of reducing electricity, steam and nitrogen consumption with the implementation of mostly free and low-cost proposals. Replacing faulty steam traps, reducing the number of off-site cooling pumps, turning off the compressor of 80002 in the Medium and Heavy Polyethylene units, removing water and carbon dioxide absorbent beds (absorbers) of the Light polyethylene units, adjusting the excess air in furnaces and turning off the standby furnaces of the Olefin unit are considered as the measures and improvements have been made.

Subsequently, the approach of using experienced consultants in the field of energy technical audit was considered, which was implemented by conducting a detailed energy audit of the Olefin unit in 2016 and a passing audit of energy of the Polymer units in 2017, and the result was a reduction in steam consumption of the Olefin and Light polyethylene units. Also, the project of energy audit and improvement of the performance of Olefin furnaces was launched in collaboration with the Oil Industry Research Institute, which achieved brilliant results in removing the bottleneck of ethylene production by reducing the pressure of fuel gas network and more uniformity in the heat distribution of the furnaces in 2019.

Joint Organizational Responsibility in Energy Management

In ASPC, the senior manager of the organization explains the energy policy and ensures that the macro and micro energy goals are aligned with the organization's strategy. Energy Production & Control unit implements energy goals and maintaining the energy management system, whose main tasks are continuous monitoring of energy consumption,

tracking the deviation of energy consumption from the expected amount until it is resolved, and advancing projects to improve energy performance, and leading specialized energy committees in each production unit.

Moreover, other organizational units are involved in energy management system as follows: operation units in the control of optimal energy consumption, repair unit in the maintenance of high-consumption equipment, equipment integration unit in the calibration of energy consumption measuring devices, engineering unit in the optimal design of new equipment, procurement unit in the purchase of equipment with higher energy efficiency, training unit in appropriate training planning for people who are influential in energy consumption, plan and program management in the implementation of internal audits, and the public relations unit in promoting energy saving culture.

Energy Consumption & Performance

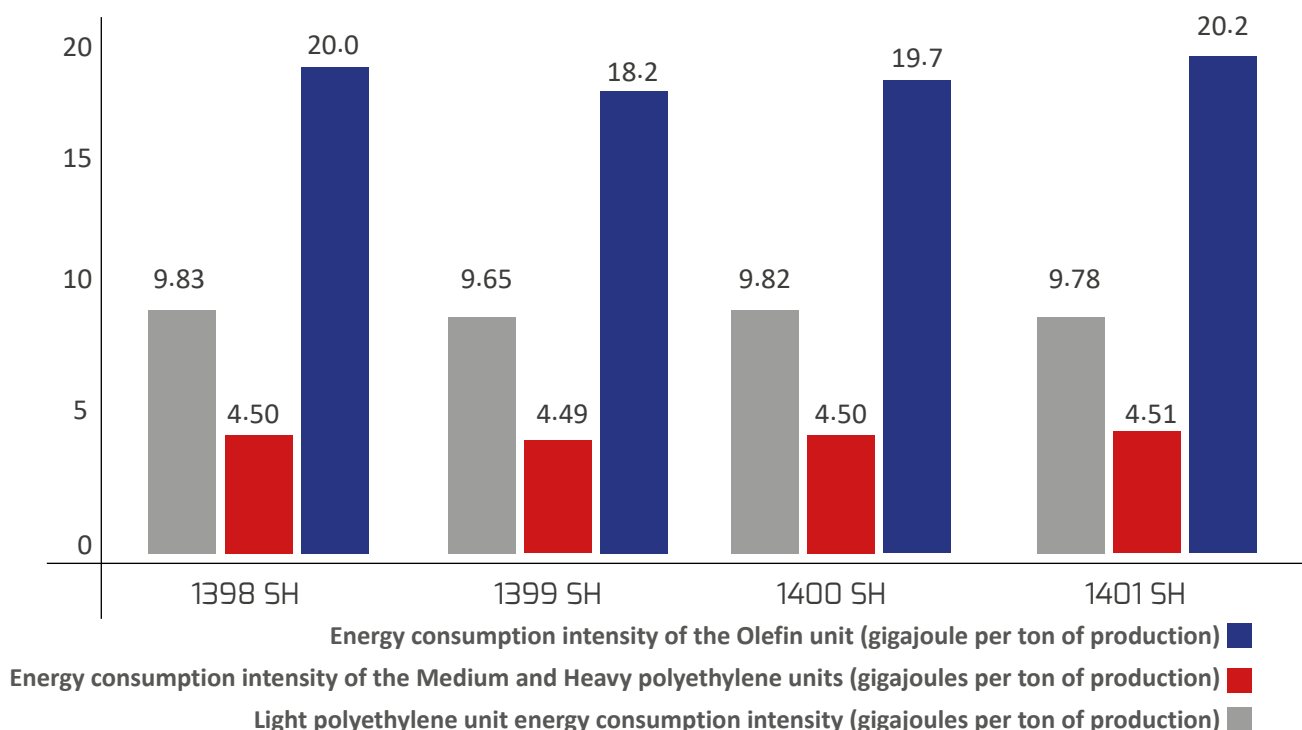
In ASPC, energy is used for production processes, lighting and refrigeration system of buildings located on the site. The main types of energy used are: electricity, steam, fuel gas, compressed air and cooling water. Also, there are partial consumptions of liquid fuel energy in public vehicles and logistics machinery, which cannot be compared to industrial energy consumption.

Most of the electricity consumption in this company is in the compressors and extruders of the Polyethylene units, and the main fuel gas consumption is used in the Olefin unit furnaces for ethane gas cracking operation. Also, most of the steam consumption is used in the turbines of the Olefin unit and for compressing the process gases.

Additional Services	Unit of measurement	1401 SH	1400 SH	1399 SH	1398 SH
Electricity	Megawatt hour	469000	495000	480000	462000
Steam	Ton	563000	528000	573000	540000
Return condensation	Cubic meter	638000	646000	718000	685000
Gas	Standard cubic meter	102000000	114000000	119000000	127000000
Instrument air	Normal cubic meters	16000000	17000000	16000000	16000000
Service air	Normal cubic meters	2500000	3000000	3800000	4500000
Open circuit cooling water	Cubic meter	438000000	474000000	467000000	426000000

The amount of Energy Consumption

During the past years, by creating and developing energy performance indicators, the number of which has reached 48 indicators, and extracting energy baselines using 10-year data, Energy Unit has been able to establish a continuous and daily monitoring of the energy consumption of production units and high energy consuming equipment. Also, a suitable control panel has been provided for senior and middle managers of the organization to view the status of daily energy consumption by implementing it in the context of business intelligence.



Reducing Energy Consumption

Achieving the ultimate goal of “zero Harm” in the area of environmental management in ASPC is supported by efforts to reduce the amount of energy consumption. Optimizing energy consumption has direct impacts on reducing greenhouse gas emissions, the amount of use of natural resources, and environmental pollutants. On the other hand, cost optimization and company income growth can be considered among the strategic goals that reducing energy consumption is effective in their realization. Next, the most important projects and programs implemented in this field in the last few years and the positive impacts they have had are mentioned.

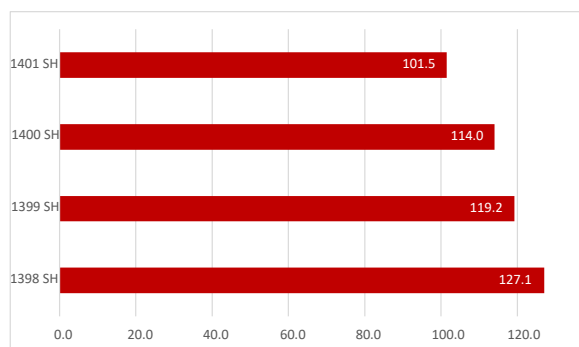
Project to improve the performance of the Olefin furnaces

Cracking furnaces are the most important ethylene production equipment in the Olefin unit and the biggest energy consumer in the company. The higher the efficiency of the furnace and the more uniform the heat distribution in the combustion chamber, the more ethylene production (convergence) and the more efficient energy consumption will be. But it was observed that in the conditions of maximum feed of the furnaces, the pressure of fuel network should be increased to more than the recommended value of the design, which caused the flame to stretch and collide with the coils and cause the coils to inflate. Also, due to the lack of thermal uniformity in the radiation part of the furnace, the working time of some furnaces was less and the convergence was lower.

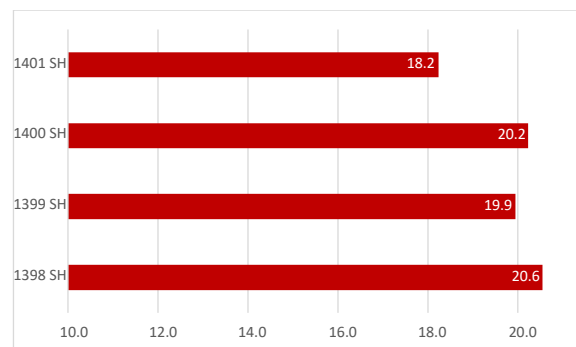
In order to prevent this destructive event and the need for maximum production, the unit was always forced to use an additional furnace, which increased energy consumption. Therefore, with the implementation of a creative project and the use of internal consultants, the main problem in the burner of the furnaces was identified; After fixing the burners, the pressure of the fuel gas network returned to normal and an additional furnace was taken out of service.

Optimization of offsite gas flares

Flares are equipment that must always be on and are used to burn gases that need to be removed from the production system. For the safety of flares and to prevent oxygen from entering flare network, which can cause an explosion, the fuel gas is continuously purged in the flare. By installing a Seal Drum in one of the flares and creating a positive pressure in the flare network as well as replacing the flare tip, it was possible to reduce fuel gas discharge by 80%.



Fuel gas consumption
(million standard cubic meters)



Compressed Air Consumption
(million normal cubic meters)

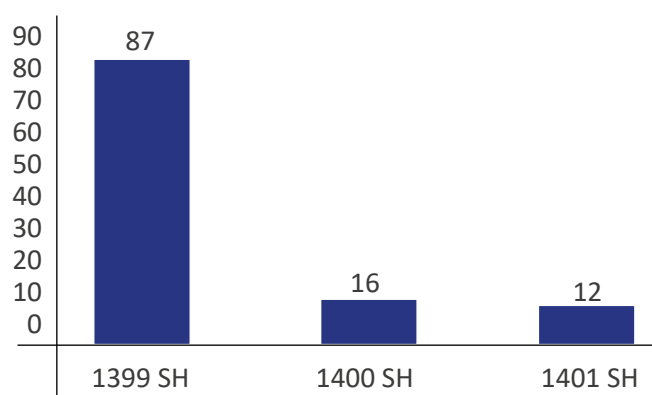
Fixing the leak from Compressed Air Network

The compressed air network is one of the areas that leak because of the change in air temperature in the cold and hot seasons of the year and is not given much attention due to its harmless nature. However, ASPC monitors consumption on a daily basis and to preventing its indiscriminate and non-procedural consumption, it also identifies and fixes even very small leaks in case of leakage.

Steam Trap Management

Steam traps are very prone to failure and steam loss owing to contact with steam and mechanical nature. The large number and variety of such equipment on the site makes a continuous program to maintain them and repair or replace the defective ones. Since 2012, all steam traps of this company have been monitored annually and after periodic performance testing, the defective ones have been corrected. In general, about 15% of the vapor traps in petrochemical companies are broken; However, ASPC, which has about 360 steam traps, has been able to reduce this number to 12 in 1401, i.e., 3%, by continuously monitoring and following up on fixing the failures.

As a result of the total actions of the past years in the field of energy consumption control and optimization and calculating its effects, the amount of savings resulting from the reduction of energy consumption in the company's costs in 1400 SH is estimated at 436 billion Rials and in 1401 SH at 658 billion Rials.



Number of faulty steam traps in the company

Chapter Four | **Human Resources; Our Diving Force for Sustainability**



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ASPC Human Resources at a Glance

In ASPC, human resources are considered as the most valuable capital of the organization. In fact, ASPC considers human resources as a key factor in creating value for key stakeholders in the company's value chain and as a driver of the company's strategy. As a result, providing an empowering, dynamic and satisfying work environment for the company's employees has always been the priority of organizational growth and development approaches.

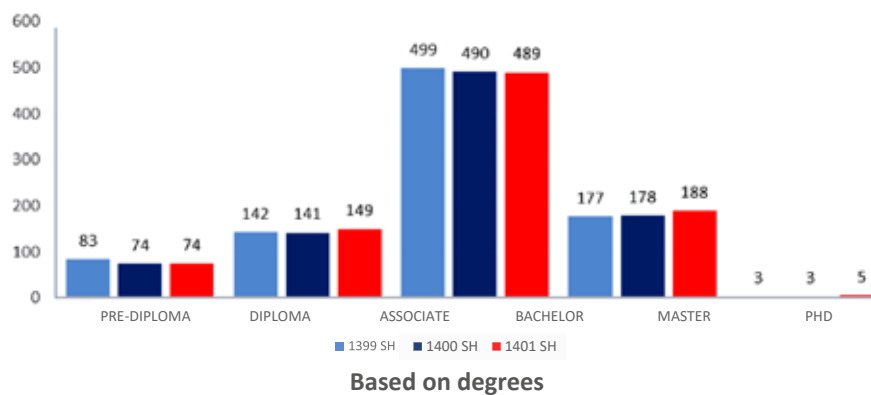
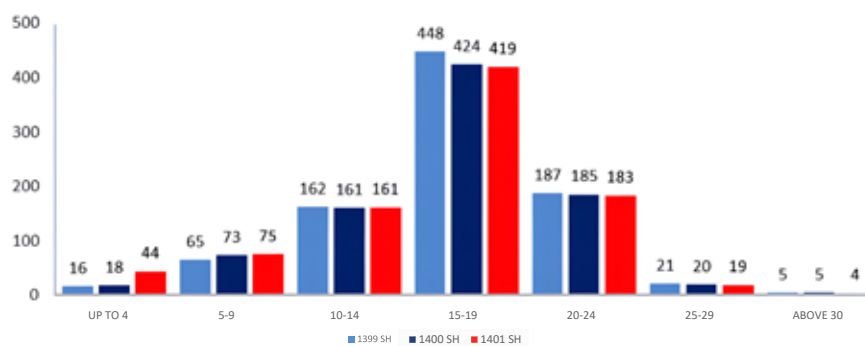
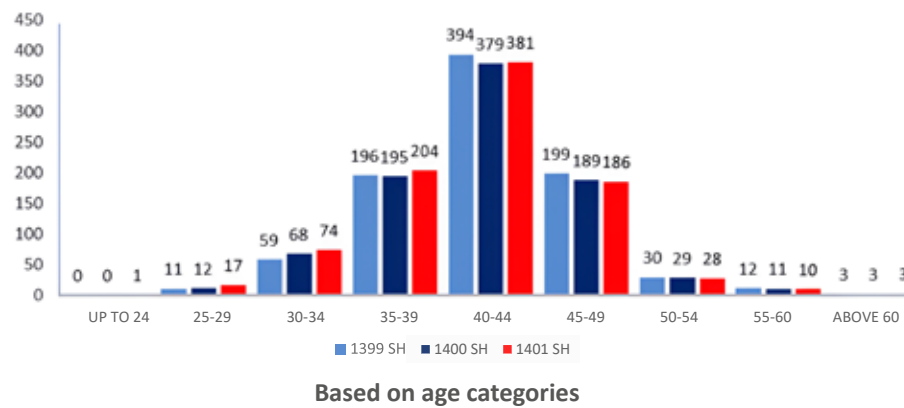
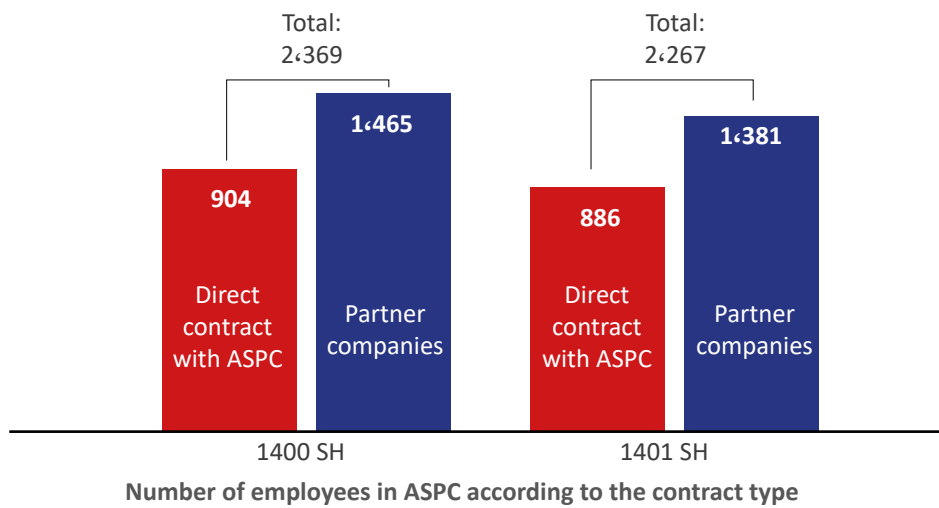
With the guidance and emphasis of the organization's leaders, ASPC is well-known among experts and operators in Iran petrochemical industry as an organization in which investing in employees is a priority both for their professional growth and for organizational long-term development. It is no exaggeration to say that this company is a well-known employer brand in the field of human resources, where experts and the best of industry work for.

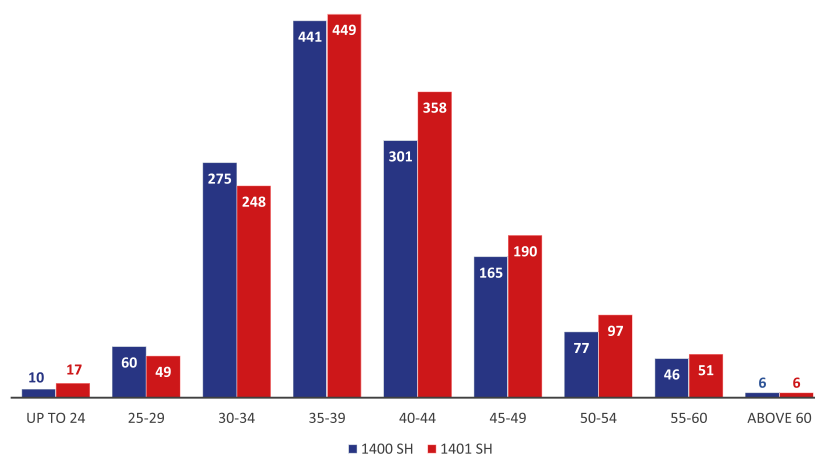
Organizational ethics and culture in this company are defined by relying on organizational values. In such a organizational culture, mutual respect, protecting the privacy of employees and adhering to ethics are valued. On the other hand, strengthening effective work communication, responsibility and accountability form the main foundation of ASPC working environment.

The study of material sustainability issues related to human resources has been done in the axis of social sustainability. The main approach of the organization in human resources management has been focused on the development of qualifications and competencies, improving the conditions of employee retention and compensation and strengthening relations with employees. In this regard, some of the most important goals set in 1400 SH and 1401 SH are:

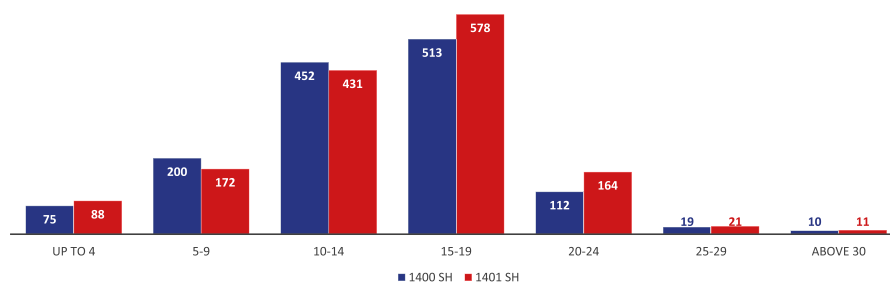


In this chapter of the sustainability report, the implemented plans and measures are explained in line with the material sustainability issues and the goals set in the field of human resources. In order to clarify the reasons for the implementation of the described programs, it is necessary to point out that there are two types of work contracts in ASPC. The first type of contract includes employees who have a fixed-term contract directly with this company. The second type of contract includes the employees who are in continuous contracts which ASPC has with other companies either to implement development projects or supply of human resources has been outsourced to them. In ASPC, employees in the second category are called employees of partner companies.

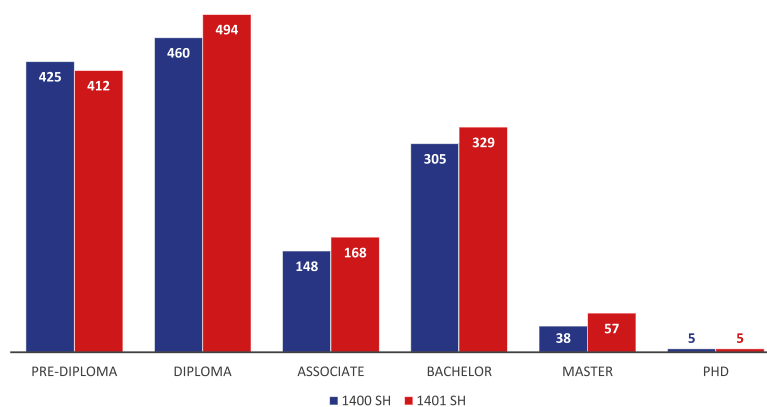




Based on age categories



Based on the years of work experience



Based on degrees

Career Path & work experience in ASPC

ASPC is an organization based on purpose and performance. This approach is reflected both in the organization's comprehensive planning system and is supported through BPMS organizational process management system. As a result, it is necessary to consider its requirements in the field of human resources, so that both employees can see the results of their efforts and commitment (financial, career advancement, social credit, etc.) in their professional growth path, and the organization can maximize the efficiency of the presence of human resources in the workplace to achieve value-creating goals in the economic, social and environmental aspects.

Focusing on the field of performance management and improving its conditions in the organization has a direct impact on covering the challenges and key issues of social sustainability, including meritocracy and employee compensation. Enhancing employee loyalty and increasing their motivation are strategic goals in the organization's strategy map, which is undoubtedly achieved by obtaining the satisfaction of employees from a transparent performance management system that provides the necessary platform for professional growth and flourishing of their capabilities. Consequently, human capital management in ASPC focused its efforts on excellence in employee retention and compensation in 1400 SH and 1401 SH.

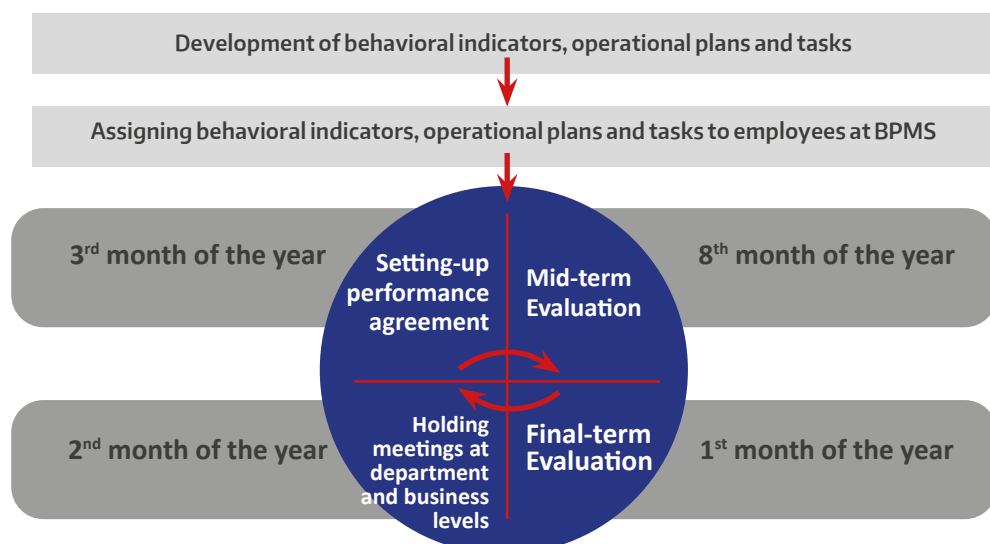
Performance Management

From the point of view of human resources management, performance management is a necessary and undeniable process to guide the activities, actions and behaviors of employees within an agreed framework of the company's expected goals, indicators, standards and competencies in order to achieve organizational goals. The process of performance management in ASPC has different steps and components which are drawn in the corresponding figure.

Performance management in this company is based on the method of management based on objectives (MBO). Among the most important components that are considered in performance management and development of performance agreement are: behavioral indicators (at three levels of experts, middle managers, senior managers), unit executive plans and tasks assigned to each person.

For all employees of the company who have a direct contract (except for new employees who have been in the company for less than three months), performance management process is fully implemented and three main pillars are assigned to each employee in the performance agreement.

The process of performance management begins with the preparation of the performance agreement in the month of June every year. At this stage, the unit goals are specified and in a joint meeting between the manager and the employee, while agreeing on the goals and plans of the unit, the executive plans related to each person and their functional duties are assigned to employees. Also, behavioral indicators are determined and assigned at different levels of employees. Then, a mid-term evaluation meeting and performance feedback will be held with the presence of



Performance management process at ASPC



managers and employees in November. At the beginning of each year, end-of-term evaluation meetings are held with employees, and along with the final review of one-year performance of employees, appropriate performance feedback is provided to them, and the results of employee evaluation are finalized with the approval of senior managers and the highest authority of the organization. This cycle is institutionalized as a culture in ASPC. All the steps of performance management process in this company are carried out systematically and in the context of BPMS, and employees can see their performance feedback recorded in the system by the relevant manager at any time. Also, each employee must confirm via BPMS that mid-term and end-of-term performance evaluation and feedback meetings are held with them. Scoring for employee performance evaluation is 1 to 5. It is worth mentioning that after the end of the performance management cycle, a poor performance review session is held with the aim of correcting and improving the performance of employees who have received a low performance evaluation score (evaluation score 1 and 2).

No.	Criteria	Target	Performance
1	Preparation of the performance agreement for all employees	100 %	100 %
2	Final evaluation of all employees	100 %	100 %
3	Percentage of performance evaluation scores needed to be improved	10 %	0.54 %

KPIs in performance management process in 1401 SH

Employee Compensation System

In accordance with the policies of enhancing human resources retention and boosting organizational sense of belonging, employee compensation system in ASPC, which includes a wide range of financial and non-financial payments, has been developed and improved over the past two years. The improvement of this mechanism was done by designing and implementing the salary adjustment process, assigning efficient rewards based on business strategy, improving loan facility payment methods, and the level of supplementary insurance coverage, etc. In the following, the most important programs and measures to improve employee compensation mechanism are introduced.

Improving a Merit Payment System

Designing, engineering and implementation of payment systems in organizations are the necessary measures to motivate and involve employees in work to achieve greater productivity. According to the deep beliefs of the company's senior managers and the mission of human resources management in line with the continuous development and improvement of the compensation system, the "merit pay system" was reviewed and carefully examined as one of the main components of the compensation system. By modifying the formula and increasing the basis for calculating merit pay (productivity), this component was implemented in the best way in the wide range of compensation. This approach was implemented both in the scope of employees with direct contract of ASPC and employees of partner companies. The level and components considered for these two main categories of employees in the review and implementation of the new merit payment system were different, which are explained below.

In the first category, how to revise and improve the "merit payment system" regarding employees with direct contract with Arya Sasol Polymer company ASPC will be discussed. One of the most important goals of designing and implementing the new productivity bonus calculation and payment mechanism is to increase productivity, ensure the implementation of the company's operational plans, and focus on safety, production and sales. The new mechanism for calculating and paying merits focuses on human resources strategies, policies and processes to ensure that the value of employees and their contributions to achieve organizational, unit and team goals are truly recognized. With the implementation of the new merit payment system, while paying more attention to the efficiency factor of the units and the productivity of the employees, by increasing the basis for calculating merit pay, the amount of merits payment of the employees with the direct contract with ASPC was improved.

The second category is related to how to modify the calculation structure and increase the effective amount of merits payment for employees of partner companies. The development and improvement of employee compensation mechanism has always been at the top of human resources management programs in order to maintain specialist forces in contracts. Also, encouraging employees to comply with safe behaviors, more participation in production, increasing

organizational satisfaction and commitment, and finally paying attention to the financial concerns of employees of partner companies are other important reasons that ASPC human resources management considered to modify the calculation structure and increase the effective amount of merits payment for employees of partner companies.

In 1401 SH, the method of calculating the efficiency of employees of partner companies was reviewed and examined by experts and the management of the company. Related proposals were presented to the CEO and approved in accordance with the protective policies of human resources. Consequently, the amount of merit pays of partner companies' employees increased significantly. Also, the following measures were taken in line with the improvement of employee service compensation mechanism of partner companies:

- Surcharging livelihood purchase cards and creating diversity in the selection of shopping centers.
- Paying specific bonuses to employees of partner companies, based on monthly wages and similar to ASPC employees.
- Implementation of the regular monthly salary payment program for employees of partner companies, until the 28th of each month and earlier than the date of payment of the salaries of employees with ASPC contract

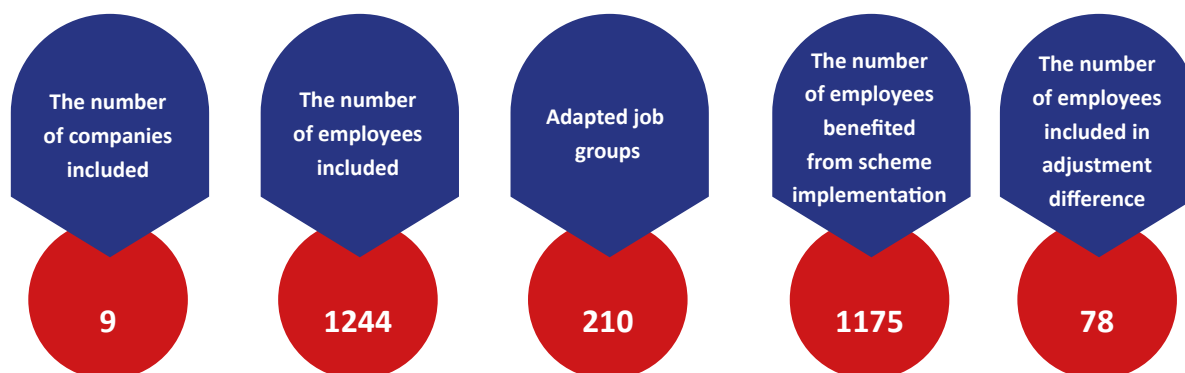
Adapting & adjusting the levels of salaries & benefits of employees

The process of adapting and adjusting the salaries and benefits of employees who have a direct contract with ASPC led to an increase in the wage levels of a significant number of employees. It should be noted that this program was carried out in the framework of the policy of improving the compensation system and following the review and analysis of the reports and benchmark of the compensation system of the companies based in the region. The increase in wage levels in the form of this plan was implemented from the beginning of December 2021.

Job classification scheme for employees of partner companies

With the aim of establishing a fair structure of payment according to the value and job group of employees of partner companies and their service records, the job classification scheme for employees of partner companies was implemented in October 2021. This plan was developed in the framework of requirements set by the Labor Management and Employment Services of Pars Special Economic Energy Zone Organization and relying on the internal capabilities of human resources management experts. During the development of this scheme, important measures including collecting information, documents and organizational charts, collecting employee insurance records from Social Security Organization, preparing and editing occupational certificates, holding working groups and numerous meetings between experts, managers and supervisors, various workshops and ongoing expert actions were considered.

The payment structure of all continuous contracts was adjusted according to the job groups obtained from the job classification result by the compensation expert. In addition to the implementation of justice in payment according to the occupational groups of employees with contracting contracts, in this structure the extraordinary coefficients of all continuous contracts were equalized. As a result of the successful implementation of this plan, about 1,175 employees benefited from its rights and profits.



Results of the implementation of the first phase of job classification scheme for employees of partner companies in 1400 SH



Consequently, after passing more than a year since this scheme was implemented and its positive impact on the fair structure of payment to the employees of continuous partner companies as well as the systematization of the job rating of all the employees of these companies, the necessary feedbacks were received in order to improve it. With the continuation of the process of monitoring the implementation of the job classification scheme and reviewing the feedback received, within the framework of policies supporting human resources and with the aim of developing integrated and justice-oriented services to the hardworking employees of continuous contracting companies through the improvement of compensation system, Board of Directors of the company has agreed with the proposal of “calculation of records outside the organization” in calculating and paying annual wages of employees of continuous contracting companies since December 2022. Fortunately, by implementing this step, 1,118 employees were included in this plan and this group of colleagues was more satisfied than before. Also, no dissatisfaction has been announced in this regard yet.

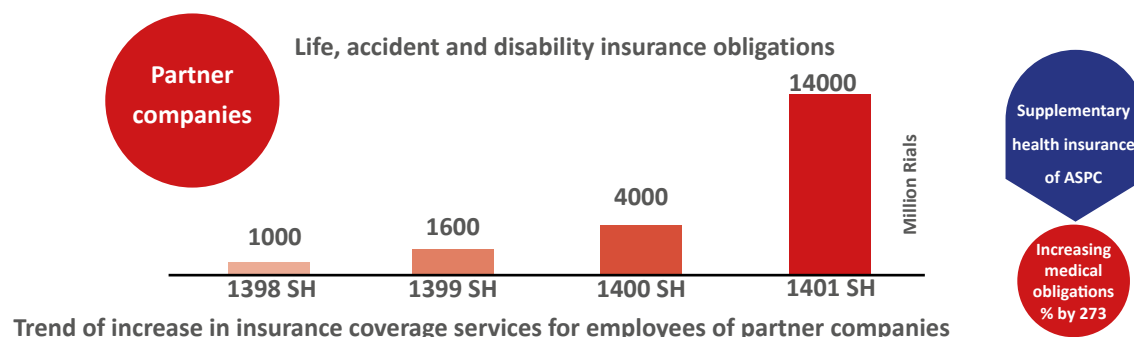
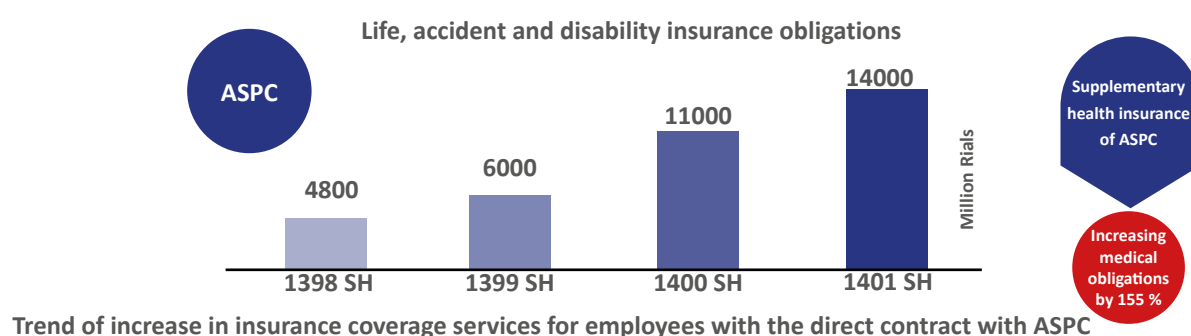
Reviewing & improving the level of employee insurance coverage

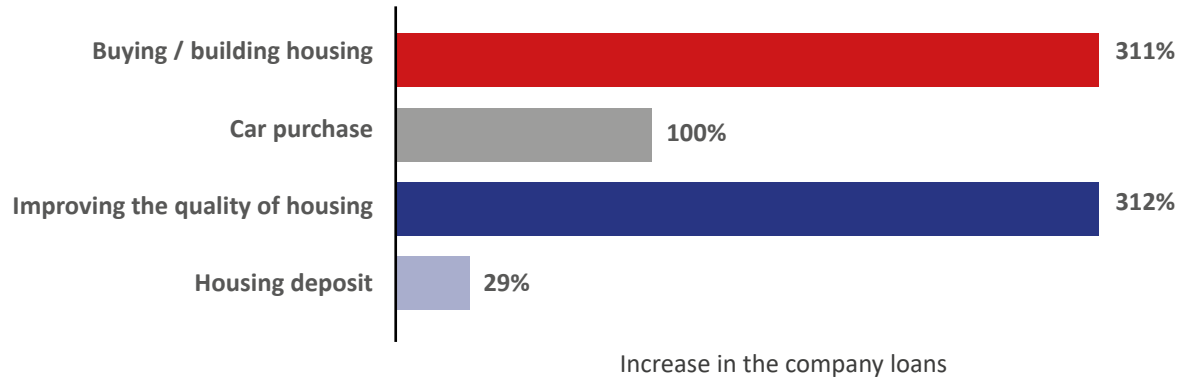
Providing distinct, effective and purposive insurance services to employees and their families, with the aim of tranquility in life for all employees (regardless of the type of contract), has always been one of the concerns and priorities of ASPC.

In 1400 SH and 1401 SH, increasing financial obligations of life, accident and disability insurance policies, increasing the limit of financial obligations for supplementary medical insurance and the coverage level of the list of medical obligations were followed seriously with the support of the senior managers of the organization.

Also, with the aim of providing integrated and justice-oriented services and creating a suitable platform to control and improve the quality of providing all kinds of insurance services, the replication of supplementary, life, medical and accident insurance contracts for employees having direct contracts with ASPC and employees of partner companies was done with the support and approval of the CEO and Board members of the company in 1401 SH. This important action led to the development of the insurance service portfolio and the improvement of the methods of providing services in the field of health to the employees and their families.

Another important measure taken by ASPC in 1401 SH was the “Comprehensive Life Insurance and Employee Investment Plan”, which led to the conclusion of a life insurance and group investment contract with the insurance company. The modification and development of the insurance service portfolio in this company has led to the creation of security and confidence among employees and increased their well-being and satisfaction within the framework





of the company's human capital support policies. This service was provided for all employees of this company with a direct contract and employees of partner companies, which 772 employees (85 percent) with direct contract in ASPC and 1,352 of partner companies' employees (92 percent) used this plan.

Facilities

Following the significant increase in the living costs in the country, especially the inflation created in the medical, car and housing expenses, the loan regulations of ASPC were revised. As a result, the amount of related financial facilities increased according to the current inflation and the financial concerns of the employees. In this review, the financial needs and concerns of the employees of partner companies were also given serious attention. According to the new regulations of the company's loan, the monthly quota of the employees to benefit from the facilities was multiplied.

In 1401 SH, another important and unprecedented action was taken in this company, in support of the employees of partner companies. For the first time, loan facilities were allocated to the employees of partner companies based on their occupational classification in 1401 SH. In addition, in order to pay attention to their financial problems and assist them in meeting some of their livelihood needs, the senior management of the organization managed and planned the granting of loan facilities outside the organization through one of the reputable banks in the country from deposit of the organization's financial resources and has given a good loan to all the employees of the partner companies.

Loan type	1399 SH	1400 SH	1401 SH
Buying house	23	28	383
Car	30		373
Changing the house	298	445	401
Necessary committee	257	255	114
Housing deposit	202	41	174
Salary (in part payment)	949	931	925

The number of different loans provided to the employees

Dynamic Career Path

Promotion and transfer of employees

In order to improve the level of satisfaction of talented and capable employees, retain them and increase the productivity of human resources, promoting and transferring employees was done with two programs to increase personal rank (horizontal) and increase job rank (vertical promotion / appointment) in ASPC.

According to the limitations of the structure and capacities of the management levels, the level of expertise, employees' competencies and their productivity in periodical performance evaluations are continuously measured and



they can achieve higher degrees at the expert job positions to mutually appreciate their good performance. In addition to increasing the compensation and satisfaction of the involved employees, this advantage improves their commitment and shows the significant importance of specialization in the acquired jobs for the organization.

Dual Career Path

“Career path management”, as one of the processes of human resources, designs the career path development plan of employees during their working career based on the determined criteria. With the aim of improving motivation, retaining employees, providing opportunities for growth and development, creating an environment of trust and thus improving the effectiveness of the organization, ASPC has put the preparation of career paths for units on its agenda.

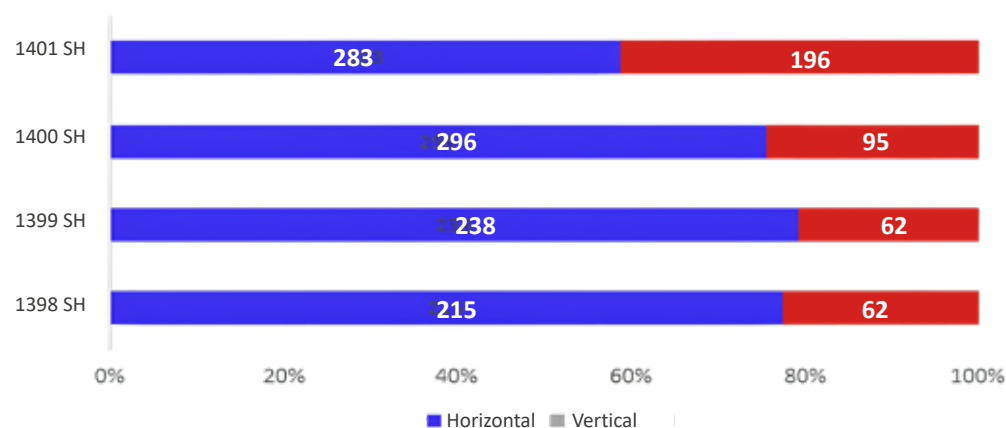
The limitation of the number of supervisory and managerial positions in the organizational structure and the time-consuming promotion of employees’ rank have always made organizations face the challenge of maintaining talented and committed human resources and providing opportunities for growth and promotion of employees. It should be highlighted that ASPC is not exempt from this rule. As a result, with extensive and different studies to overcome this challenge and to follow the example of reputable global companies, the Dual Career Path plan with the possibility of providing some supervisory or managerial level facilities to employees (other than managerial levels) has designed and implemented a performance management system in human resources management based on specific criteria. Altogether, 127 employees of the company were included in the dual career plan in 1400 SH and 1401 SH. This project was presented in the 7th International Best Practice Competition 2021 in New Zealand and won a four-star award (best experience in the country).

Socialization of New Employees

Onboarding and integrating of new employees into the organization is a good opportunity to promote and explain organizational culture and expectations. Also, it is necessary for each of the new employees to get to know their positions and responsibilities along with the existing mechanisms and facilities to perform their roles properly and effectively. Planning, training and human resources development unit has designed and implemented the process of employee onboarding with the aim of introducing the company, its culture, values, activities and actions and clarifying expectations for newly hired employees. The socialization process of employees in the company consists of three stages, pre-employment, during recruitment and work trial period.

One of the important and empowering measures for this purpose is to develop an initial training program for new employees. Also, in the first months of starting work, each newly hired colleague is accompanied by a person as Buddy. This role is the responsibility of the manager or one of the senior experts to facilitate the socialization process.

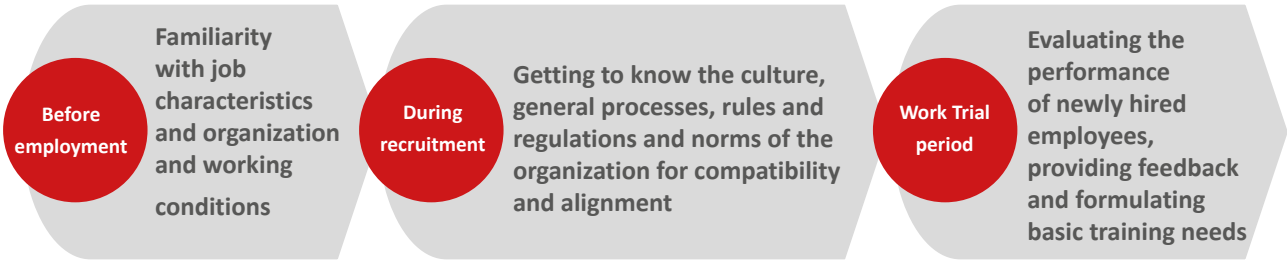
In order to measure the effectiveness of current approaches in human resources management, the employee retention rate index was measured in 1401; the results of which is presented in the related table.



Statistics of promotion & transfer of employees having a direct contract with ASPC

Criteria	Acceptable limit	Target	Performance
Retention rate of newly hired employees (during the first two years of employment)	85 %	90 %	93 %
Retention rate of employees in the organization	90 %	95 %	97 %

Retention rate index in 1401 SH



New Employee socialization process features





Participation & Interaction with Employees

ASPC is one of the ground-breaking companies in the petrochemical industry in Iran that has provided various opportunities and mechanisms to promote employee participation in organization management and improve organizational performance. Also, managers of this company believe that an organization is a set of dynamic and living relationships between people who are brought together through interactions and working agreements.

Consequently, improving the effectiveness and deepening of such relationships can be effective in both quantitative and qualitative improvement of organizational performance and contribute to creating a rich work experience for employees. This approach has been explained by determining the strategic goals of “deepening the sense of employee participation in organizational decisions” and “developing effective interactions and relationships with employees” in the human capital management strategy map of Arya Sasol Polymer Company.

Development & Continuous Improvement of Organization by Employees' Participation

ASPC believes that employees, as the intellectual resources of the organization, can contribute to its effective and efficient management, and it is necessary to rely more on creative and dynamic employees and use crowdsourcing methods to identify and solve problems. In this company, employees' participation in improving productivity and continuous improvement of organizational activities and performance is attracted through various methods. This participation includes providing constructive suggestions and implementing and introducing effective improvement projects. In addition, it can be reviewed in innovation & knowledge base center and introduced and applied to other companies. The comprehensive system of organizational planning, the suggestions system, the effectiveness and creativity festival, and finally the activity of the committees are official organizational mechanisms in ASPC that have provided a purposeful, systematic and continuous platform for the realization of this approach.

Organizational Growth based on Collaborative Performance

The comprehensive planning system in ASPC has been designed and established in such a way that drawing and promoting organizational growth as well as evaluating the organization's performance is done with the maximum participation of senior managers and company employees. One of the main parts of the comprehensive planning system is “operational planning system”. Three main perspectives are considered in this framework:

System perspective (designing an exclusive infrastructure and deploying an integrated mechanized system with IT support).

Process perspective (determining process activities, work processes, clear rules and procedures).

Human resources perspective (the existence of a structure and common work teams in the whole organization through a decentralized cooperation matrix).

The formation of this comprehensive solution began in 1396 SH with the creation of a comprehensive organizational planning system. Addressing corrective actions accumulated from audits, implementation of strategic planning activities and defined projects / actions / indicators as a result of incidents / failures in systems or equipment, and even defined improvements in processes required the formation of inter-unit teams (consisting of employees of related and different units) in order to create a structure consisting of key parameters and their interactions / relationships. In this model, the operational planning system was designed and used based on this logic that it is both simple and understandable and supports the needs of all units for one- year-term planning. In general, it can be said that the operational planning system considering people as “performance producers” on the one hand and interactions between units on the other hand covers the entire organization. This system is used as a comprehensive solution to generate performance in the organization.

At the beginning of each year, an operational planning gathering is held with the presence of a team of about 200 managers, supervisors and experts from different units of the organization. In this meeting, the key performance indicators, the functional plans of each unit and how the unit's performance interacts with each other, are determined. The developed operational plan determines the performance and role of each employee of the company; As a result, it is supported in the performance evaluation system by determining performance-based incentive criteria.

Next, the six-month monitoring meeting of the operational plan will be held after the end of the first half of the year. In this organizational event, the degree of realization of goals, indicators and plans determined at the beginning of the

year is reviewed and evaluated. By discussing the challenges, obstacles and requirements, necessary amendments are made in the operational plan to accelerate and support the realization of the organization's strategic goals. At the beginning of the following year, the level of achievement of the goals of each unit and its achievements in the past year are reviewed and presented at the annual meeting.

On average, 1,300 to 1,500 program and more than 4,000 activities are defined and implemented in the form of operational planning system. These plans include the most important strategic goals of the company, such as "increasing the volume of production and sales".

All the above items are loaded in the relevant software system in the organization in the context of BPMS, and the progress of functional programs, team and individual performance of employees are monitored. In this way, the promotion of individual and group performance in ASPC is followed with the support of the employees' own participation in defining their work plan.

In ASPC, Enterprise Resource Planning (ERP) system and Business Process Management System (BPMS) are the two main drivers in the organization, in which all important and priority processes of management, product realization and support have been implemented and mechanized. These two systems are designed to be integrated together and interconnected, and work like the hands of a clock, and data flows seamlessly from one system to another. Integration between the aforementioned systems can always play an important role in increasing operational efficiency and improving productivity.

According to the maturity level of process management at ASPC, the mechanization of the implemented processes in the organization based on the APQC-PCF framework has increased every year. Also, based on the information technology roadmap, the level of IT penetration in the organization's activities has increased in such an effective and influential way.

After the implementation of the processes in the organization, all the data of these systems are collected. After being converted into information, they are displayed in organizational dashboards using the Business Intelligence (BI) system to be used for decision making.

Suggestion System

The suggestion system was restarted in 1395 SH, after a two-year hiatus, by revising its procedures and executive structure. The executive structure of the suggestion system in ASPC consists of three levels: the main (management) committee, the sub-committee and the specialized committee. The secretariat of the suggestion system is in the management of plans and programs.

One of the important features of the Suggestion system in ASPC is that all the stakeholders of the organization, including employees, visitors, customers and suppliers, can use this communication channel to submit their desired improvement proposals. Employees of the organization (regardless of the type of contract) have access to the suggestion system module in BPMS. External stakeholders can also submit their suggestions and improvement points through the company's website, which, like all suggestions, are reviewed and the necessary feedback is provided to them. The mechanized system supporting the suggestion system increases its efficiency and facilitates the possibility of effective management and monitoring of the performance of the system and its committees.

From the second half of 1395 SH to the end of 1401 SH, a total of 1,450 proposals have been submitted by the employees of ASPC. By improving the performance of active committees in the suggestion system, the response time of sub-committees and specialized committees has improved and reached from more than 27 days in 1400 SH to less than 18 days in 1401 SH.

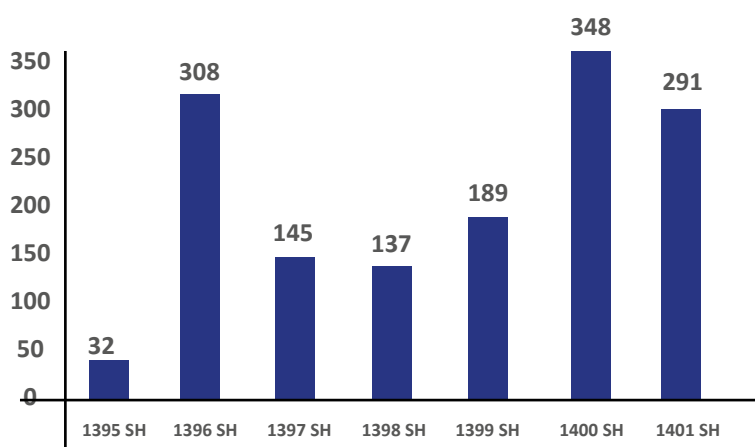
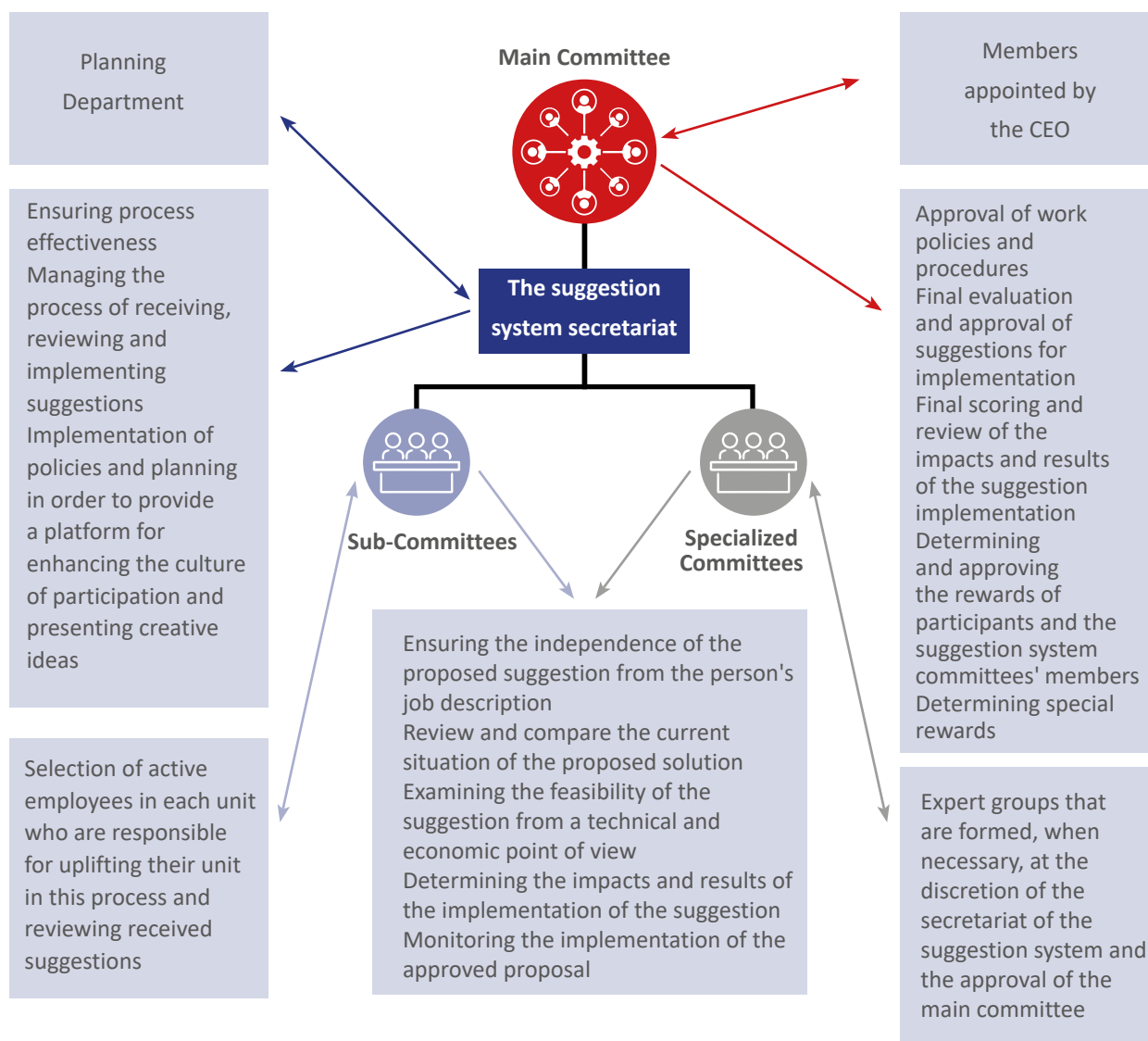
It can be said that a cooperative system such as the suggestion system is successful if it can provide a platform for the active presence of the organization's members and improve the status of the organization, increase knowledge and culture. For the success of the suggestion system in ASPC, it has been tried to increase the motivation of employees, to welcome all creative ideas in the organization and to support the stages of reviewing and implementing suggestions. Therefore, the level of employee participation in the organization has increased significantly in recent years.

The number of suggestions and per capita index of suggestions has slightly decreased in 1401 SH compared to 1400 SH due to the organization's greater focus on the quality of suggestions and referring them to the festival of effectiveness and creativity.

By evaluating the suggestions based on the scoring criteria described in related instructions, the amount of cash



Description of the structure and responsibilities in Suggestion System



The number of suggestions presented in suggestion system

Year	Result (percentage)
1395 SH	1.8
1396 SH	33
1397 SH	16
1398 SH	14
1399 SH	19
1400 SH	39
1401 SH	34

Per capita index of suggestions in the entire organization

reward is determined and awarded to the participants in suggestion system in the second half of each year. Also, in a ceremony, the top suggestions are introduced and honored every year.

Effectiveness & Creativity Festival

Presently, with the belief that “continuous and inclusive improvement and innovation in organizations is actually a regular digging to find new ways and answers to threats and environmental changes”, the process of effectiveness and creativity is more than ever seriously implemented in ASPC to achieve goals such as maintaining organizational achievements, turning human resources into organizational assets, motivating employees and finally doing team work. The advancement of this organizational practice has been followed through the Effectiveness and Creativity Festival since 1397 SH. In general, the acceptable plans in the Effectiveness and Creativity Festival are the plans, projects and key activities in the fields of solving identified bottlenecks in the organization, using new technologies, fulfilling the needs of stakeholders and improving methods, in which important actions are taken. Also, by taking advantage of team participation, the effectiveness and creativity of the plans needs to be actualized by participated employees and their results and effectiveness have been proven. What distinguishes this process from the suggestion system process is the discussion of the effectiveness of creative plans. The plans presented in the process of effectiveness and creativity must either be fully implemented at the time of evaluation or be in the implementation phase and their effectiveness can be measured and presented. In 1401 SH, a separate module for this process was defined in the BPMS which facilitated the access and possibility of participation and presence of all employees of the company (regardless of the type of contract) in this process. After initial review and classification, all the plans sent to the festival secretariat are evaluated in three stages in primary, secondary and supreme committees.



Year	Overall participation in the festival	No. of proposals	No. of participants	Per capita participation in each proposal	Per capita participation in the organization
1397 SH	139	63	117	2.2	12 %
1398 SH	449	91	242	4.9	26 %
1399 SH	650	112	342	5.8	37 %
1400 SH	1639	232	719	7.05	78 %
1401 SH	843	138	420	6	46 %

An overview of five years performance of the Effectiveness and Creativity Festival in ASPC



Important organizational achievements in the following areas and fields in the Effectiveness and Creativity Festival are:

- Measures to increase profitability / reduce costs
- Measures to establish a safe environment
- Significant reduction of production and non-production risks
- Measures to reduce production down times / increase production
- Measures to improve the performance of equipment and machinery
- Measures to improve the performance of management processes and systems
- Establishment of effective organizational systems and operation mechanization

In order to increase the motivation of employees in creating new ideas and strengthening the platform and culture of innovation in ASPC, both in the process of the Suggestion System and in the Effectiveness and Creativity Festival, cash / non-cash gifts are provided and presented to the employees to appreciate and thank the participation of all the providers of proposals / plans, as suggested by the secretariat and the approval of the CEO. All the mentioned cases are documented in the instructions of the Suggestion System and Effectiveness and Creativity Festival, with all the details and description of the responsibilities of each member of the committees and the secretariat. The number of projects submitted and the level of employee participation in the five periods of the Effectiveness and Creativity Festival reflects both the employees' acceptance and senior management support of this approach in the organization. In 1400 SH, many projects were completed and the participation rate was very high. In 1401 SH, due to the limited resources, a number of projects were not completed and the expected results were not obtained, so the number of projects presented was less than the previous year; but the level of employee participation is still high.

Committees

The formation and activity of various committees in ASPC is followed in line with the crowdsourcing approach, promotion of employee participation in organizational decisions, creation of synergy in executive programs and joint actions between different units, and finally strengthening the team work culture. Active committees in this company are formed at two managerial and executive levels. Responsibilities and duties assigned to these committees and their performance in implementing assigned programs and tasks, have been effective in achieving organizational goals including "Creation of crowdsourcing culture", "Compliance with laws, regulations and policies", "Optimization of costs", "Culture of creativity and innovation", "Deepening the sense of employee participation in organizational decisions" and "Developing organizational culture".

Among the most important active committees in ASPC, the following can be mentioned. In order to align with the approach of the organization in the axes of economic sustainability, social sustainability and environmental sustainability, the classification and introduction of committees are also included in these headings.

Active committees effective in integrated economic, social & environmental sustainability	
Strategy steering committee	Strategy executive committee
Risk strategic committee	Risk identification, evaluation and control committee
Crisis management committee	HSE investigation committee

Active committees effective in economic sustainability	
Spare parts purchase committee	Chemical purchasing committee
Committee to identify and discard surplus / waste items	Sale committee of surplus / waste items
Sales committee	Production, commerce and finance committee
Product grades diversity committee	Value engineering committee

Active committees effective in social sustainability	
Senior safety audit committee	Staff health committee
Technical protection committee of contractors	Anomaly report committee
Suggestion system main committee	Suggestion System sub-committees
Human resources executive committee (HR Excom)	Labor relations and social work committee
Audit committee of partner companies in the field of human resources and administrative services	Performance management committee
Recruitment committee	Labor disciplinary committee
Loan committee	Effectiveness and Creativity Festival supreme committee
Active committees effective in environmental sustainability	
Environment Committee	

Employee Communication

In ASPC, it is tried to ensure that the company's behavior and performance are in line with and strengthen our organizational values. Focusing on formal and informal interactions and communications between leaders and senior managers with employees at different levels of the organization reflects the organizational value of "respecting and listening to employees' requests". This important issue has also been determined as a strategic goal in the strategy roadmap in the field of human resources management which reflects the awareness of the managers of the organization about the multifaceted impacts of improving interactions with employees on other organizational goals.

Employee Communication Management

Continuous communication and interaction between managers and employees in ASPC are followed with the aim of creating and maintaining a welcoming, dynamic and growing work environment. The type and characteristics of employment in the petrochemical industry are such that an organization and its work environment is on the same level of the family of each person. Therefore, having peace of mind both about working conditions and the quality of personal family life, can lead to a productive and high sense of belonging among employees in the organization. In this company, managers have continuously and seriously included interaction with employees in their current plans.

Employee communication management is one of the inherent duties of human resources management. In order to respond effectively and improve the quality of services in relevant interactions, a dedicated module "Employee Relationship Management" has been launched in the company's BPMS system. All colleagues can register their requests, including non-compliance with ethical codes, requests for help, disorder in the workplace, corruption, and other factors affecting the company's business process to be reviewed confidentially by human resources management (with the participation of labor relations & social work unit). This unit is responsible for putting corrective measures in order not to repeat the undesirable cases and inform the applicant of the results. During this process, confidential measures are fully observed in order to protect the personal information of the stakeholders. In addition to setting up an employee communication management system, all organizational stakeholders can directly transfer their concerns and considerations to the CEO, human resources manager, public relations manager, and security and inspection manager with the designed SMS system.

CEO	HR Management	PR Management	Security & Inspection Management
30008797	30008779	30008787	30008799

Direct communication numbers for stakeholders with managers in ASPC



Holding Union Elections Representing Workers / Employees

Based on the Article 26 of the Constitution of the Islamic Republic of Iran, Note 4 of the Article 131 of the Labor Law of the Islamic Republic of Iran and Convention 135 of the International Labor Organization (1971) on the one hand and by applying the instructions on how to elect representatives of the employees / workers of ASPC on the other hand; this company has been conducting employee / worker representative elections under the supervision of legal authorities to protect the rights and legal interests of employees since 1395 SH.

As a result, two of the company's employees have an active and continuous presence as their representatives in all programs and measures related to the rights and health of employees in the workplace. Among these cases, it is possible to mention the participation in the review of labor disciplinary regulations, participation in the occupational health and technical protection committee and the health committee. In this way, compliance with the regulations and instructions in which the presence of employee / worker representatives is specified is ensured in ASPC.

Receiving Employees' Votes & Comments

In addition to the official mechanisms that are active for the participation of employees in organizational decisions and continuous improvement of the organization's current and executive programs and measures, various ways are foreseen to maintain communication between managers and employees at different levels of the organization. ASPC endeavors to create an immediate and direct space for dialogue and communication between employees and managers, so that employees can share their opinions, requests, suggestions and criticisms with the managers of the organization. In addition, through conducting employee surveys, employee satisfaction surveys and participation of employee representatives in related committees and decision-making processes, ASPC tries to fulfil its responsibilities in compliance with legal and internal requirements to receive employee opinions. In general, human resources management has focused on developing effective interactions and relationships with employees in order to take advantage of the available opportunities to please them.

Employee Satisfaction Survey

ASPC benefits from the results of employee surveys and employee satisfaction surveys in order to continuously improve the quality of services provided to employees, the working conditions and work environment, and finally the organizational sense belonging of employees. The process of conducting these surveys in recent years shows that their results have been directly reviewed by the CEO and senior managers of the organization, and the necessary improvement measures have been determined in the operational plans and duties of different units of the organization.

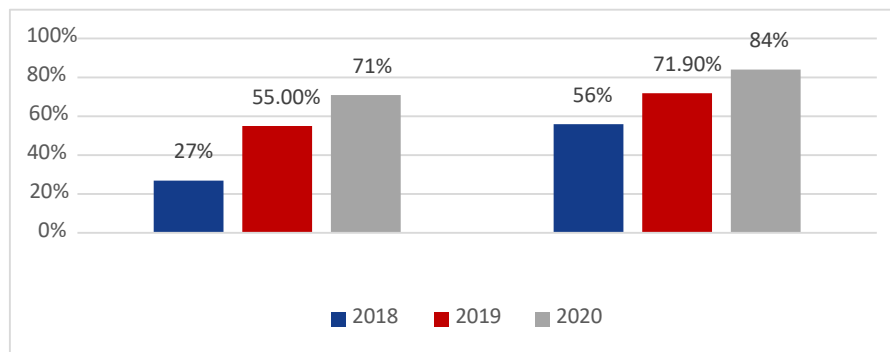
The most important employee survey implemented biannually in ASPC is measuring employee sense of belonging to the organization based on HAY Group's global model. Knowing employees' attitudes, measuring factors related to the commitment and belonging of employees to the organization and their capabilities, and the possibility of comparing the results with other global companies in order to provide solutions and formulate improvement plans based on the analysis of results, are the reasons and effects of using this model for employee survey.

The questionnaire used to measure employee belongingness was presented in 15 areas according to the Hay Group standard model. Also, considering the requirements and needs of the organization, two questions about welfare and compensation were modified. Then the reliability of the questionnaire was examined and analyzed using Krumbach's alpha test and it was observed that the reliability was higher than the acceptable level (0.7) in all 15 areas. On the other hand, the validity of the questionnaire was analyzed based on Delphi sessions held with human capital planning experts as well as according to the literature review of the model; so, it was confirmed.

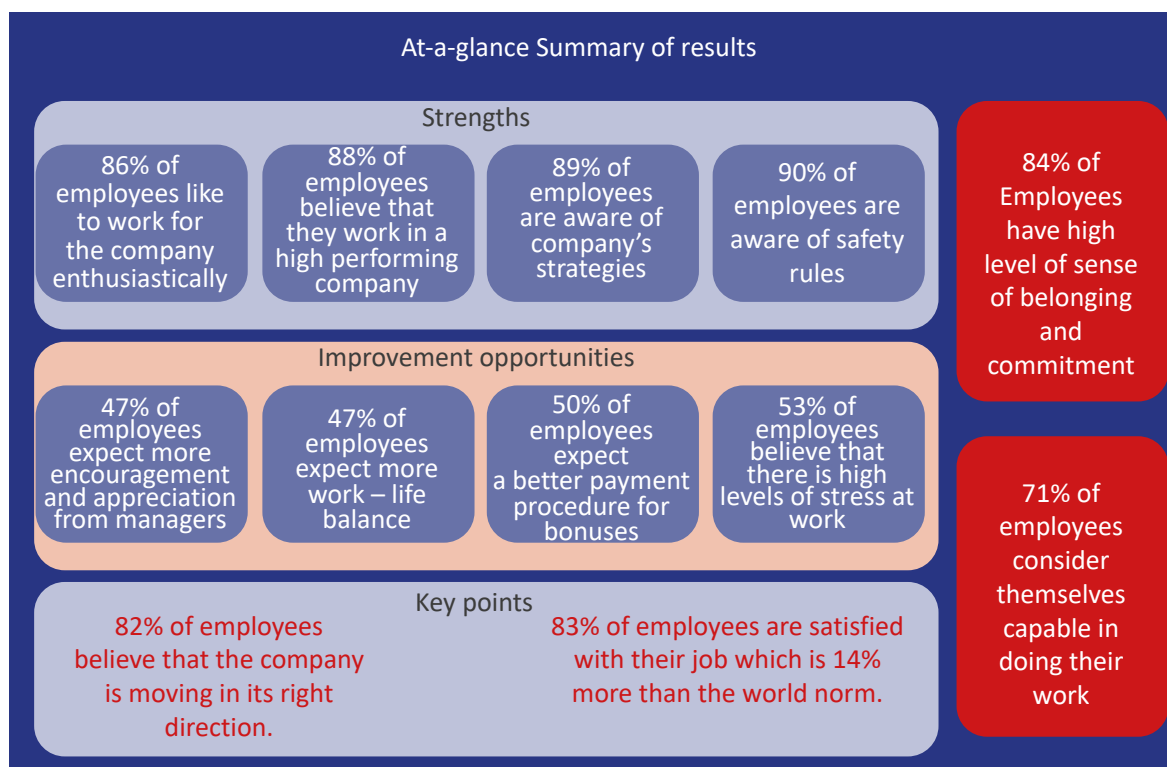
The satisfaction status report and the percentage of employee participation in each year of the survey are shown in the corresponding graph. The results of the surveys show that the level of employee satisfaction and participation has increased by 28% and 44%, respectively, during 5 years. Based on the planning, the next stage of the employee survey will be conducted in 2023.

On the other hand, looking at the results of measuring employees' sense of belonging and commitment in ASPC in 1399 SH from the survey based on the HAY Group model and comparing it with global and Middle Eastern standards, it can be seen that there is a high level of sense of belonging and commitment among the employees in this company.

Another employee survey and employee satisfaction survey that is regularly conducted in ASPC is to measure the satisfaction and opinions of new employees and their managers regarding their cooperation in three-month and six-month trial periods. The components and questions considered in these assessments have had a direct impact on improving the effectiveness and efficiency of the recruiting and hiring process, the final determination of the employment conditions of new employees in the organization and their socialization.



The results of employee survey in two criteria of satisfaction & participation





Item	Process	1401 SH	1400 SH
New employees' satisfaction with pre- and post-hire measures	while / after employment	88	82.7
Satisfaction of new employees from induction courses	Since hiring	88.95	82.10
Polling and receiving suggestions from new employees	After recruitment	88.61	75.12
Managers' satisfaction survey of new employees in the three-months period	Three-months trial period	85.11	78.57
Managers' satisfaction survey of new employees in a six-months period	Six-months trial period	85.3	78.57

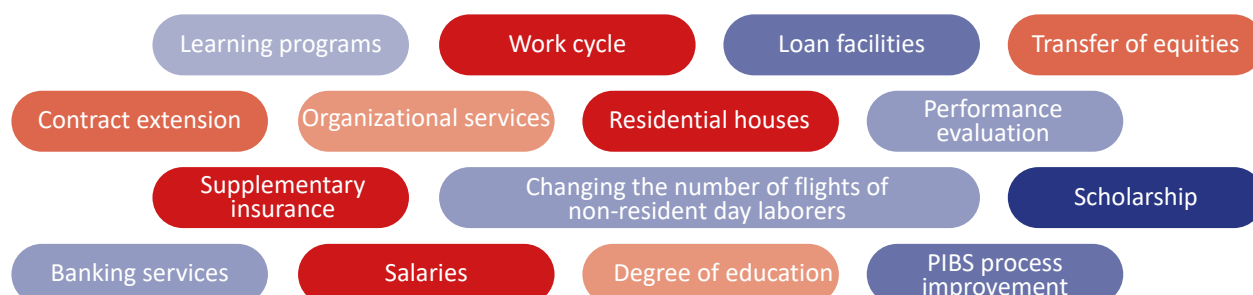
The results of the satisfaction survey of newly employed employees (by percentage)

Meetings of the CEO & senior managers with employees

In ASPC, managing directors have always played a role as an organizational model in strengthening the culture of participation, effective communication and open cooperation between managers and employees at different organizational levels. The CEO of ASPC holds regular meetings with other managers and employees at specific times. In addition, in the unannounced visits from various organizational units, the CEO directly talks to the employees and workers and ask their opinions as well as monitors the quality of fulfilling their work responsibilities. Finally, the CEO accompanies employees and their families in special events, celebrations and festivals in the cultural, religious and sports fields that has provided the opportunity for employees to communicate directly with the CEO outside the formal organizational framework.

In line with this approach, ASPC senior managers have active and continuous interaction with employees. Planning and organizing a series of periodic meetings of the company's senior managers and human resources management with employees at the units is one of the most important measures to interact with them to promote and implement the organizational value of "respecting and listening to employees' requests" and creating an effective mechanism for receiving the opinions and suggestions of employees and presenting appropriate feedback.

In these meetings, challenges and problems of the employees in different topics are discussed. These concerns range from issues such as requests to improve work processes and upgrade training programs to issues related to facilities and insurances and accommodation for employees and their families. The requests raised in these meetings are referred to the relevant organizational units for consideration and declaration of opinion or appropriate action. The results of the investigation and the determined solutions are given to the responsible organizational units in the form of a given measure, activity or task for implementation. All actions and tasks assigned in the company's BPMS system are recorded in the modules "operational plans" and "task management" and can be tracked until the necessary results are achieved. Among the issues raised in these meetings over the past 5 years, the following can be mentioned; each of which has been provided to the custodian units as an action for implementation.



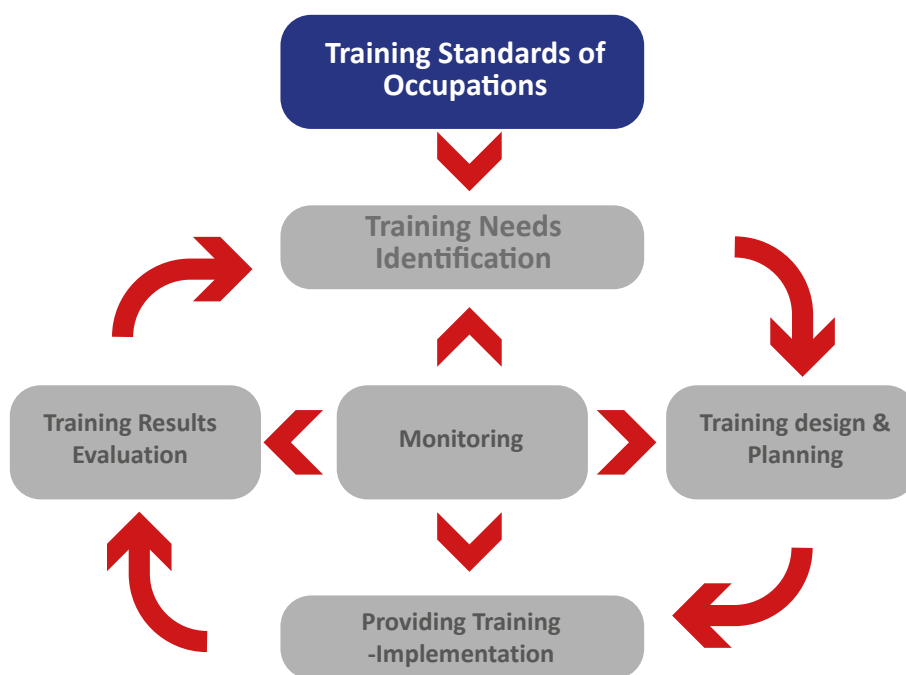
Empowering Employees

ASPC considers employees as one of the most important assets of the organization. As a result, the development of their qualifications and competencies is defined as one of the strategic themes in the company's human resources management. Also, it is emphasized that the development of employees' competencies and capabilities is in line with the organization's strategies to support the creation of value for key stakeholders that is at the core of the company's strategic plans and goals.

Training

Developing employees' skills and capabilities is one of the organization's strategic goals in the field of human resources. Undoubtedly, employees are the main intellectual and executive arms of the organization in taking the path of sustainability and fulfilling the organization's responsibilities towards its stakeholders. Providing educational services in the three axes of knowledge, skill and attitude is done with the aim of empowering employees in fulfilling their organizational duties, supporting employees with growth potential and improving their capabilities in line with organizational strategies.

In order to provide a targeted and effective mechanism in managing competencies and empowering employees, the competency management system based on the ISO 10015:2019 standard has been implemented in the organization. Accordingly, the training process in ASPC including four stages of needs assessment, planning, implementation and effectiveness evaluation has been applied. The purpose of developing and deploying this system is to improve the organization's key knowledge and create appropriate mechanisms and opportunities to attract, use and develop this key knowledge for the target groups. So, the ability and competence, the level of knowledge, techniques, skills, experiences and attitudes related to improving the individual's job performance, which are effective in their current and future careers, are improved.



The training process cycle in ASPC



In order to identify employees' training needs based on the booklet compiled for oil industry jobs and its compliance with organizational chart positions, the job training standard was prepared and approved in ASPC. It should be stated that this document was revised in a more specialized manner according to the components of job description, instructions, performance indicators, operational plans, standards, software and equipment in the past years. Annually, the training needs assessment of employees is done based on this standard along with the following factors;

- Appropriate to the macro and unit strategy roadmap and in communication with the organization's strategic issues.
- Related to annual operational plans.
- Related to new projects in the unit.
- Improving work processes, upgrading systems or software.
- Related to the risks identified in the unit.
- Develop skills to achieve expected individual goals.
- Individual career development.
- Desire for cooperation and career development.
- Periodic maintenance of equipment.
- Improvement of process execution steps

With the aim of controlling the quality of the training cycle and measuring the degree of achievement of the set goals of the implemented training courses, the effectiveness process is implemented based on both the requirements of Kirkpatrick's 4-level model (according to the type of knowledge, skill and attitude of the courses) and the recommendations of the Phillips model (to prevent waste of resources).

Courses	1401 SH		1400 SH		1399 SH	
	No. of Courses	Training per capita (Hours)	No. of Courses	Training per capita (Hours)	No. of Courses	Training per capita (Hours)
HSE retraining courses	10	5	50	5	44	7
Induction courses	119	24	203	18	180	28
Conference / Webinar	8	1	26	2	33	2
Specialized courses	106	9	213	21	239	23
General courses	48	17	111	20	82	9
Management courses	4	3	21	16	2	2
Organizational mandatory courses	7	4	5	6	9	9
International courses	1	0	8	2	27	5

The statistics of conducting training courses for employees having direct contract employees with ASPC

One of the areas that have been focused on in recent years is planning and holding training courses on the platform of virtual education (E-Learning) in order to improve access to educational services. By taking advantage of the experiences of domestic companies, a workspace based on virtual courses and localization of course creation was formed since the end of 1396 SH. In this regard, the creation of electronic content for the HSE unit was started. Also, in the section of holding offline courses, general and management courses were planned according to organizational needs assessment for all employees. Especially during COVID-19 outbreak in 1399 SH and 1400 SH, focusing on this way of providing training services made it possible to respond to the training needs of different units of the organization by observing health protocols and maintaining the health of employees. In 1399 SH, 18 offline courses were held, 2973 participants attended. In 1400 SH, 3066 participants of these courses completed 15 offline virtual courses. According to the content produced, 8 offline courses were implemented, and 1450 people participated in these courses in 1401 SH. Finally, the offline part of HSE retraining courses, including training courses on the principles of first aid, risk identification and sustainable development was also held in 1401 SH. In total, these three courses had 2,074 participants.

Consequently, the focus has been on improving the knowledge and expertise of employees through holding English training courses and providing various opportunities to participate in international training programs in line

with the emphasis of the organization's managers and the realization of organizational goals to act at the level of global standards in the last two years. In this way, the promotion of their capabilities and skills is pursued to acquire specialized knowledge and apply it in fulfilling their organizational duties. Based on this, English language courses in the four main skills are being held online by taking advantage of the experiences of selected educational centers with the aim of improving the level of English language knowledge of employees and empowering them as much as possible. It is said that 123 people and 105 people participated in these courses in 1400 SH and 1401 SH respectively. In this regard, participation in international educational events and programs has been a growing trend in order to update organizational knowledge and keep up with the developments of industry and technology in the world. Specifically, the attendance of employees in the international trainings around the world has registered a growth of 73% compared to the previous year with the support of the senior management of the organization in 1401 SH.

1401 SH	1400 SH	1399 SH	1398 SH
112	48	10	18

Realized training budget (billion Rials)

Index	Acceptable level	Target	1399 SH	1400 SH	1401 SH
Realization of the implemented courses to the planned	75%	80 %	89%	88%	84%
Effectiveness of training courses	80%	85 %	86%	87%	92%
Average end-of-course evaluation scores	85%	85 %	85%	86%	84%
Education cost per capita compared to salaries	3%	3 %	0%	1%	1%
Personnel training per capita (hours)	5	5	2.66%	4.94%	4.48%

Key performance indicators of training (Employees having direct contract with ASPC)

Regarding the provision of training services in ASPC, it should be noted that all the training events described in this section are planned and implemented for employees having a direct contract with this company. Based on class capacity, employees of partner companies can also use training opportunities.

With regard to the training of employees of partner companies, it is necessary to mention two important points. First, HSE training courses are held for all employees, regardless of the type of contract. Second, in continuous contracting contracts, the training services of employees of partner companies are defined as an independent heading, and the estimation of needs and training courses are included in each contract. During the implementation of the contract, as a part of the performance audit of the contractor and the review of how to fulfill its obligations, the audit of the training performance of the contractor, the quality and quantity of providing training services for the employees working in that contract are also carried out. In this way, ASPC plays an active supervisory role in empowering the employees of partner companies by determining the training needs in each contract and ensuring that the necessary training programs and courses are held.

Knowledge Management

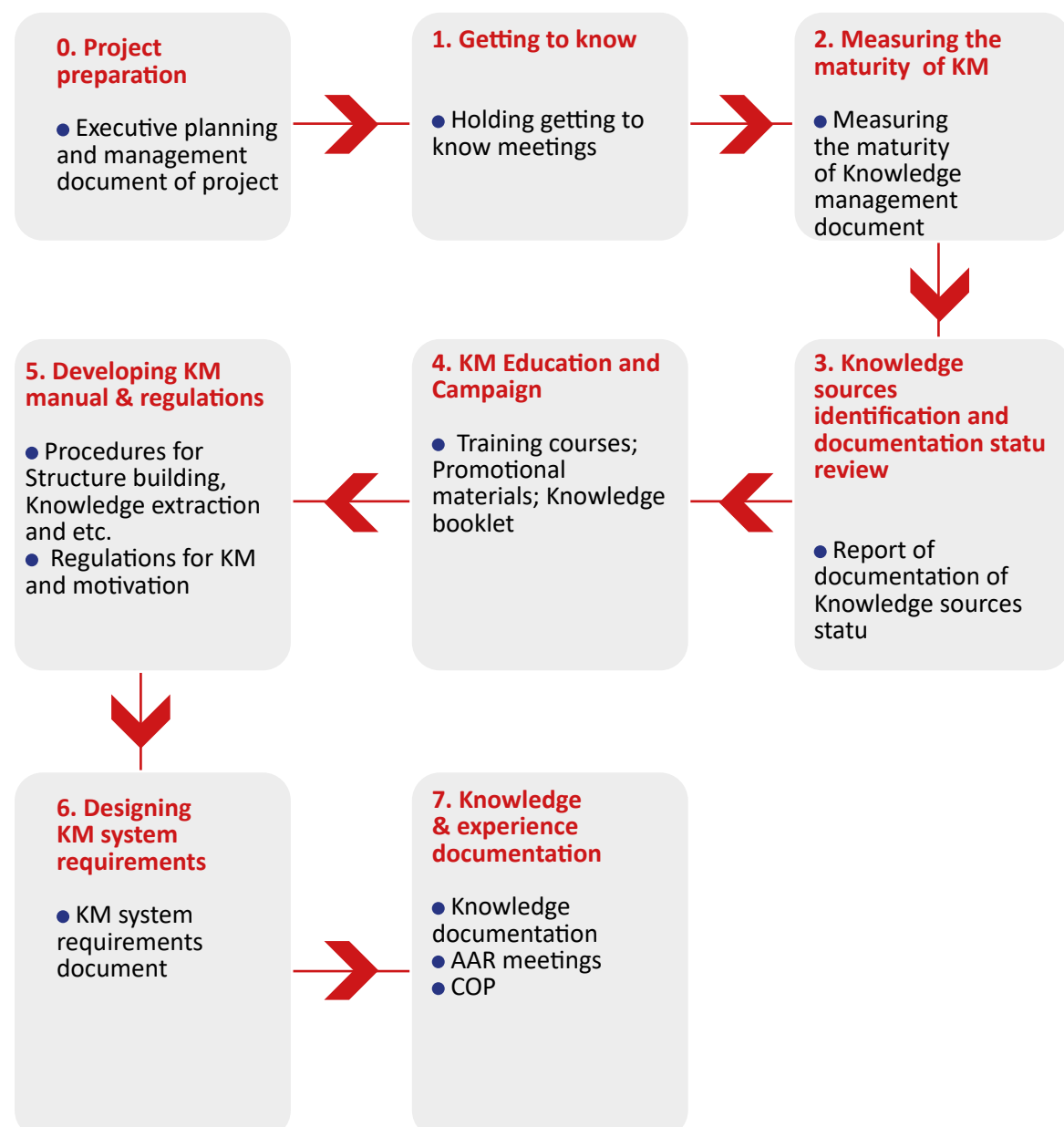
Knowledge management in this company is defined in seven implementation phases. This project, which mostly addresses enhancing organizational culture in order to identify and share knowledge at the organization level, as well as the need to use a knowledge management system, has been implemented with the cooperation of various organizational units and with the collective wisdom of employees, which is the result of organizational maturity. The aim of this project was to localize the KMMM model, which is one of the most famous knowledge management maturity models, in ASPC. This model has been successfully implemented on a structural basis and in four phases of awareness raising, identification of knowledge resources, identification of knowledge management system requirements and implementation of knowledge management as a pilot. After the implementation of the pilot phase, in the next phase, the creation of appropriate platforms and specialized knowledge management software was discussed in order to



implement the experiences of the first phase.

- Improving the culture of knowledge exchange and sharing in the company.
- Identifying strengths and areas for improving knowledge management in the company.
- Identifying the knowledge resources of the company and checking their documentation status in the current systems.
- Designing suitable formats for documenting the knowledge resources of the company.
- Identification and the possibility of using the company's current knowledge bases.
- Establishing the necessary structures and rules to implement knowledge management.
- Designing suitable system functions for the company's software.
- Documenting the knowledge and experience of the company in a pilot form in certain areas.
- Forming specialized groups in different work areas and holding and documenting efficient meetings about work issues and problems.
- Creating suitable incentives for employees to participate in knowledge sharing activities in the company.
- Teaching methods of knowledge extraction to relevant specialized teams.

The steps of establishing the knowledge management project in ASPC



Improving the Quality of Employees' Life

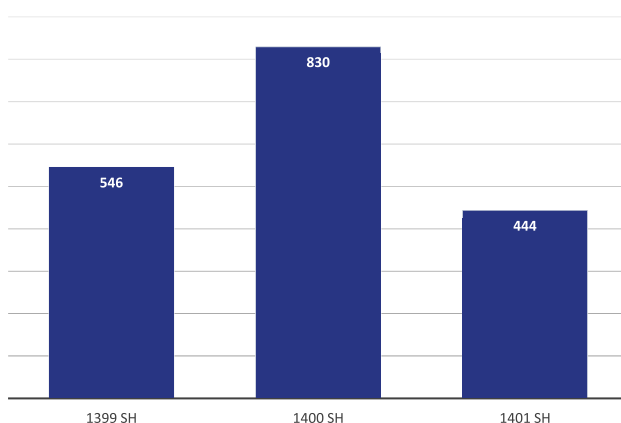
The quality of work life and personal / family life of employees have a mutual impact on each other. In addition to the working conditions and the working environment, the factors affecting the mental health of employees and their families have been taken into consideration in ASPC. Also, paying attention to sports activities is promoted as an important habit in a healthy lifestyle. Finally, this company has considered various support services for its employees so that it can accompany them in critical situations or according to their special and important needs. Enhancing employees' commitment to the organization, improving work-life balance, and especially maintaining individual and organizational vitality can be seen as positive impacts of programs implemented in this area.

Maintaining Mental Health of Employees & their Families

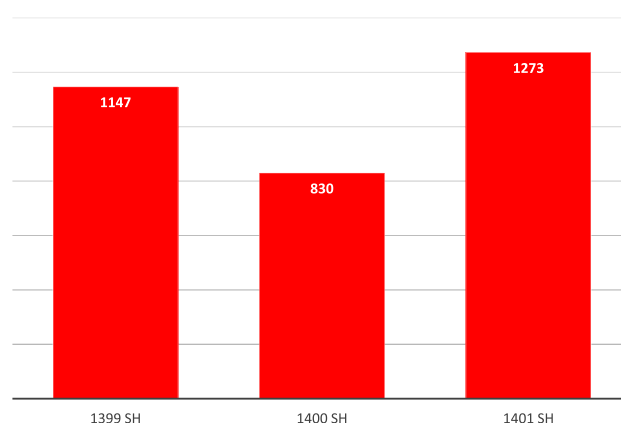
Employment conditions in Pars Special Economic Energy Zone, especially in oil and petrochemical companies, have a direct impact on the personal and family lifestyles of employees. Different work shifts, being away from the family for non-resident employees and the predominance of the industrial context in the region, all affect the mental health of employees and their families. Such impacts can be among the most important factors of both job erosion and damage to the family institution in the long term. Considering such conditions, ASPC has pursued providing support services in the field of health and mental health to employees and their families by adopting a proactive and preventive approach.

According to the values of ASPC and human resources management policies to maintain and promote the mental health of employees and their families, facilitating and supporting the provision of psychological and psychiatric counseling services to them has been on the agenda since 1396 SH. The implementation of this program and support package was finalized after examining the priority concerns of the personnel and analyzing the results of the evaluations on the one hand, and using the opinions of experts in the field of psychology and social work on the other hand. For this purpose, from the second half of 1396 SH, ASPC entered into a contract with psychological counseling and service centers in the region and city of Tehran. From this time until now, all the expenses of the psychological meetings that the employees and their families have with the centers of the company's contracting parties are paid by this company. Currently, in the clinics of the contracting party, therapeutic and diagnostic services include neurological and mental disorders (speech disorders / auditory processing / family therapy / types of psychological and clinical tests, etc.), anxiety, obsession and pain, adolescents and puberty, pregnancy and infancy, the field of children, occupational therapy services and social injuries and other services needed by employees and their families are provided.

Also, during COVID-19 outbreak, the centers of the contracting parties continued to hold counseling sessions on-line in order to effectively respond to the requests of employees to continue benefiting from psychological services. In this way, employees and families were able to use the services of these centers optimally while ensuring compliance with health guideline.



The number of providing psychological services to employees and families living in Tehran and neighboring cities.



The number of providing psychological services to employees and families living in the region and neighboring cities.



Another important topic in this field is helping to maintain and increase the resilience of families in the face of conditions and factors that affect their mental health. So, training programs were implemented to improve the skills and knowledge of employees and their families in relevant subjects through the holding of various events and gatherings under the title "Successful Family". In these programs, expert psychologists held various workshops on parenting skills, social harms, conflict management, dialogue and empathy. A total of 10 training programs were held online and in person for all employees and their family members in 1400 SH and 1401 SH.

One of the most important results of paying attention to the mental health of employees and their families is their satisfaction with psychological services of contacted clinics; which is presented in the related table.

Criteria	Acceptable limit	Target	Performance
Satisfaction level with the services of contracting psychological clinics (in the region)	75 %	85 %	80 %
Satisfaction level with the services of contracting psychological clinics (in Tehran)	75 %	85 %	78 %

Satisfaction level of employees and their families with the services of contracting clinics in 1401 SH

Public Sport & Championship

In ASPC, sports matters are followed to maintain the vitality and health of employees and their families. The lack of sports and recreational facilities and opportunities at the region, being away from families and relatives, and difficult geographical conditions for work and life are among the most important challenges that can be overcome by sports and recreational activities to reduce their effects and maintain individual physical and mental health of the employees and their families. In ASPC, the administrative affairs management is in charge of providing sports services and organizing various recreational programs for the leisure time of employees and their families. The services provided in this section includes sportswear and club allowances as well as sports competition awards to the employees of ASPC, the employees of the Oil Industry Pension Fund working in ASPC, athletes of partner companies and the children of the company's employees who win a place in sports competitions.

Sports Facilities & Equipment

Various sports facilities have been provided for their use in accordance with the distribution of residence of employees and families living in this region. Due to the space and facilities provided, they can participate in different sports, including: bodybuilding, table tennis, billiards, swimming, football, futsal, handball, tennis, volleyball, basketball, yoga, bodybuilding, darts, t-rays, fitness and cycling.

Single residential section: in residential complexes of Konar and Atin Sazeh

- ASPC Sports complex for the residents of single camps in Maskan and Atin Sazeh areas
- Special area campus sports complex pool
- Bicycle station in Atin Sazeh and housing areas

Family residential section: within 80 km radius of the area

- Women's Silk sports complex for families living in Jam and Pardis Jam town
- Sports facilities in Pardis Jam town for families living in Jam and Pardis town
- Chaaheh gym for the use of personnel living in Jam and Pardis town
- Jam petrochemical gym located in Atin Sazeh town for women

In addition to the above facilities, ASPC pays sports club and sportswear purchase allowances to athletes and their families every year.

NO. of people	Total amount (Rials)
2723	29682551507

Sports club purchase allowances in 1401 SH

(For employees, their spouse and up to 3 children)

NO. of people	Total amount (Rials)
871	33952969826

Sportswear purchase allowances in 1401 SH

Sports Competitions & Championship Sports

As ASPC supports public sports and championships for employees and their families, different sports teams have been formed with the participation of employees and athletes' families. Until the end of 1401 SH, the number of 31 sports teams in various sports fields regularly followed their training activities and competitions. These sports teams participated in different regional, provincial, national and international competitions in 1401 SH and won different places and were honored.

Mountain climbing	Darts (Men)	Swimming (Men)	Wrestling
Futsal (men)	Track & Field (Men & Veterans)	Tug-of-war (Men & Veterans)	Basketball
Fist fight	Volleyball (Men)	Pardis Town futsal	Chest press
Chess	Physical readiness	Foosball	Shooting (Men)
Futsal (Women)	Table tennis	Billiards	Riding bike
Fist fight (Women)	Yoga (Women)	Darts (Women)	Physical fitness (Women)
Tug-of-war (Women)	Aerobics (Women)	Swimming (Men)	Shooting (Women)
Boys' futsal	Girls' futsal		

Sports teams of employees and families of ASPC

One Third team place	One First team place
Firefighters of the world in the Netherlands (August 2022)	Firefighters of the world in Portugal (May 2022)

Obtaining international sports positions in 1401 SH



Individual second & third places	Two Individual first place
Women's swimming & physical readiness	Children's karate and women's futsal

Obtaining national sports positions in 1401 SH

Seven Individual second & third places	Three Individual first place
Kata, karate & wrestling (Men & children)	Children's swimming & Karate

Obtaining provincial sports positions in 1401 SH

Nine Third team place	Five Second team place	Seven First team place
South Pars competitions; Revolution Cup Sports Olympiad; Fajr Decade Sports Olympiad - Petrochemicals of the region; Women's Sports Olympiad of Petrochemicals of the whole country		

Winning a place in regional sports and petrochemical industry competitions in 1401 SH

Sports & Group Entertainment

Maintaining a cheerful spirit along with physical health can be followed by group sports activities. Public sports competitions and events with the presence of employees and their families provide a friendly atmosphere for them to communicate and be together during a healthy and cheerful activity. Programs such as inter-unit sports competitions, family walks, cycling gathering and special women's sports events were implemented in this field in 1401 SH.

Family walking events have always been welcomed by employees and their families. Considering that employees in ASPC live in different cities, an effort was made to hold this program in cities with the largest number of families, so that in addition to providing a platform for them to get to know each other better, an effective activity in improving the vitality and collective spirit of employees and their families is also implemented. In 1401 SH, seven family walking gatherings were held in the cities of Jam (twice), Kangan, Shiraz, Isfahan, Parsian and Mehr.

Jam	Kangan	Shiraz	Isfahan	Parsian	Jam	Mehr
142 people	76 people	152 people	47 people	84 people	216 people	64 people

The number of employees & families present in family walks

In addition to family walks, three cycling events for employees and their children were also held in 1401 SH. One of the important goals of these programs is to create a suitable environment for parents to be closer to their children.

Jam City (Girls)	Jam City (Boys)	Maskan Blocks (Men)	Gazella bennettii Site
67 people	52 people	18 people	76 people

The number of participants in cycling events

Volleyball	Foosball	Kabaddi	Tug-of-War	A day with women's sports
70 people	14 people	18 people	81 people	19 people

Inter-unit competitions in ASPC sports complex

Work-life balance

In ASPC, the work-life balance of employees has always been supported by the senior managers of the company. In this area, the definition and implementation of various programs and actions have been based on studies and surveys, and the legal requirements and duties that are company's responsibilities have been considered. Based on the values of ASPC and the general policies of human resources management, following the successful experiences of international companies and using experts in the fields of organizational psychology and labor, it was decided to measure the main needs of the employees and solve some of their concerns. Therefore, the project of improving work and life skills in the form of organizing facilitation workshops in units and specialized interviews was implemented including more than 25 specialized facilitation workshops in various organizational units (with the participation of 327 personnel from different 21 units of the company), 10 specialized interviews with middle managers and field observations.

One of the most important goals of this study plan is to review and analyze the current situation of employees in the field of skills affecting work-life balance, introduce their most important concerns and needs, and finally provide a solution to improve the work-life balance skills of employees. According to the comprehensive report received from the implementation of the plan and propositions extracted from the needs of the employees, appropriate measures were taken in the company, including the creation and development of providing counseling and psychological services to employees and families, allocating organizational shares and measuring the level of need for education and interest in health programs.

One of the most important issues in the field of work-life balance is the support of working women during pregnancy and the necessary care after the birth of a child. In this field, various policies and facilities have been defined, the most important of which are the following:

- Benefiting from medical leave.
- Benefiting from maternity leave and 9 months of child care leave.
- Reducing the working hours of working women during the first 6 years of their child's life to support and protect mothers with their children.
- Determining separate transportation services for female employees to return home during reduced working hours to take care of their children up to the age of 6.
- Kindergarten allowance payment.
- Paying 100% of maternity leave costs in the form of welfare services; while in accordance with the law, Social Security Organization pays compensation for the days of leave to mothers who have used maternity leave by calculating two-thirds of the amount of the last salary received.

Finally, one of the most important policies of the organization to support women in the workplace is that female employees can be employed in the same organizational position after returning from maternity leave. In 1401 SH, one employee was eligible to use this service and is currently working in the same position as before.

Type of leave	Quota	1399 SH	1400 SH	1401 SH
Marriage leave	3 days	6	9	5
Death leave (for immediate family members)	3 days	30	25	29
Hajj leave	30 days	0	0	1
Parental leave (men)	3 days	99	140	172
Maternity leave (women)	9 months	4	4	1

**The number of employees benefiting from various types of leave in line with work-life balance
(Employees having a direct contract with ASPC)**

Other programs and measures that have been implemented in ASPC in order to strengthen the work-life balance include:

- Limiting overtime hours in order to encourage employees to be more with their families.



- Replacing work on holidays and using it on normal days.
- Providing various types of leave including: marriage leave, death leave, Hajj leave, parental leave, maternity leave, COVID-19 leave, sick leave.

Support Services for Employees & their Families

Providing Welfare Facilities & Services

As a part of its policies in the field of empowerment, retention and satisfaction of human resources, ASPC has put various facilities and welfare services on its agenda. Since urban, welfare and sports facilities and services are not available in South Pars Special Energy Economic Zone like other cities, meeting the welfare and social needs of employees and their families, spending free time with the family, developing the individual abilities of family members, creating the necessary platforms for the participation of families in the management of residential settlements, and providing educational facilities for employees' children, are the most important issues that are considered in the provision of welfare facilities and services. By identifying the needs and expectations of the employees and their families, the management of administrative affairs planned and implemented programs and actions in order to increase their satisfaction and vitality. The type and method of providing these facilities is defined and regulated based on the type of employee contract.

The employees having direct contract with ASPC have the following facilities and welfare services:

- Travel facilities (employees, their spouses and children)
- Restaurant facilities (employees, their spouses and children)
- Educational allowance for children (from kindergarten to university)
- Stationery allowance (primary and secondary schools)
- Education bonus for employees' children
- Rewarding employees' children for being accepted in university or winning a place in student scientific Olympiads
- Use of educational activities, professional skills, cultural and artistic handicrafts approved by the Board of Trustees of Jam Pardis town or similar organized by reputable cultural institutions in cities within a 100 km radius.
- Organizational gatherings in the region or other main cities where employees and their families live
- Family walks
- Guest house services in Asalouye region
- Pilgrimage trips (for married employees including the employee, spouse and children, the employee's parents, and the employee's spouse's parents; and for unmarried employees including the employee, father, mother, siblings of the employee)
- Clothing allowance
- Sports complex services (employees living in the family and single organizational house camps, employees living within 100 km of the complex)

- Sports club allowance (family of married employees whose family does not live in the region)

- Providing residential places for the accommodation of employees and their families up to 100 km from the complex
- Single residence (including residence and food packages)

The employees of partner companies have the following welfare facilities and services:

- Educational allowance for children (from kindergarten to university)
- Organizational gatherings in the region or other main cities where employees and their families live
- Family walks
- Pilgrimage trips (for married employees including the employee, spouse and children, the employee's parents, and the employee's spouse's parents, and for single employees including the employee, the employee's father, mother, siblings)
- Providing residential places for the accommodation of employees and their families up to 100 km from the complex
- Providing all kinds of housing facilities for families accommodated in organizational houses or those rented houses in the region.

Management of administrative affairs provides the following services for employees and families who suffer from special diseases or severe problems after receiving approval from the labor relations and social work support unit:

- Coordinating and concluding a contract or memorandum of understanding (MOU) for the rental or full mortgage of a hotel, apartment or residential unit in all parts of the country
- Payment of expenses and sent statement of status
- Assigning hotels, apartments or residential units to the employee

- Arrangements for employee family travel (flights, bus ticket, train ticket, etc.)
- Providing rehabilitation services in the field of social studies of Jam Pardis town, which is provided to the residents through decision-making in the board of trustees of the said town.

Allocating Preference Shares to Employees

In line with the policies of preserving human resources and paying attention to one of the main demands of employees, ASPC succeeded in being the first organization that its shares were offered in stock exchange including preference shares. This success came to fruition with the initial offering of the company's shares on the eve of Eid al-Fitr in 1399 SH to fulfill the wishes of the employees for several years. Admission to the Stock Exchange and Securities Organization and the allocation of preference shares to employees were carried out in compliance with the principle of preserving the rights of shareholders and achieving the following goals:

- Preservation and retention of human resources
- Strengthening the long-term relationship of employees with the company
- Encouraging employees to more organizational participation
- Benefiting employees from maintaining a long-term relationship with the company

The number of years of employees' work and their effectiveness in advancing the company's goals were considered two important components for allocating preference shares to employees. To measure the effectiveness of employees, their performance evaluation scores in the last two years, which were determined more accurately, was used to see a fairer distribution of shares to employees.

1400 SH	1401 SH
498,290,364,642	755,098,454,315

The total amount of cash payments to ASPC's employees (Rials)

Supporting Employees & Families in Critical Situations

In ASPC, employees are considered as "Ambassadors of ASPC's culture" in promoting professional and human qualities, including empathy. Based on this organizational culture and to provide an official mechanism to support employees in critical situations or employees with special conditions, the "Committee on Labor Relations and Social Work" was formed and operates. The main members of this committee are the CEO and/or his authorized representative, the human resources management and the head of the labor relations & social work unit. Employees' assistance requests and prepared case reports based on their problems are planned and reviewed in these meetings. In 1401, on average, one meeting of the labor relations and social work committee was held every 20 days with the presence of the CEO of the organization, and a wide range of problems and critical situations faced by the employees and their families were resolved. ASPC is proud to announce that in human resources management, it has one of the most valuable documents for supporting employees and their families in critical situations, entitled "Instructions for supporting employees and their families in special and critical situations" in which it has been tried to pay attention to all aspects of their support. In general, factors such as employees and their families suffering from certain diseases, death of family members (members of their immediate family) and work injuries, cause problems such as stress, frustration, breakdown of employee morale in the work environment, which affects the performance of employees significantly. Therefore, this instruction has been compiled in order to support employees and their family members (members of their immediate families) in the event of special diseases, accidents, natural and unnatural disasters, traffic accidents, etc.

Type of loan	1399 SH	1400 SH	1401 SH
Death loan	20	7	(34)
Marriage loan	7	6	3
Medical loan	97	60	17
Grants based on employment report	11	15	54

A report on supporting employees in critical situations



Supporting Employees Work Injuries Cases

ASPC is known as a committed company in creating a safe and healthy work environment in the oil, gas and petrochemical industry. The effort of this company in maintaining the health of employees along with the continuity of business during the Corona epidemic is prototypical in its kind by using the protocols of the World Health Organization (WHO). However, in the management of human resources, the labor relations & social work unit, as a responsible for the control and return of employees from sick leave, does all its efforts in order to protect the health of employees and the rights of the organization in accordance with the instructions issued by the Supreme Technical Protection Council and the Ministry of Health (Article 85 of the Labor Law).

Also, the labor relations & social work unit takes support measures according to the needs of employees and their families using the following resources and with maximum and all-round support for them in special medical and critical conditions, in effective interaction with the HSE unit and the staff health committee.

- Pre-employment and periodical tests occupational medicine
- Registration of requests for assistance in the communication management system with employees
- Report accidents caused by work / not caused by work
- Examining cases of returning to work after completing sick leave
- Organizing the health committee and reviewing the reports of the complex clinic

Providing Legal Services to Employees

The good experience of providing psychological services to employees and their families, considering the results of the employees' needs assessment study conducted by human resources management and the existence of a gap in legal knowledge among employees, led to the fact that the labor relations unit and social work tried to identify valid legal institutions that meet the needs of employees working at ASPC. With the favorable opinion of the company's CEO, providing consulting and legal services to the employees were approved in the form of a memorandum of cooperation with a reputable law firm to improve the well-being of the employees and help in preventing and solving their legal problems. Currently, all the employees (regardless of the type of contract) can use the services of this institution with special discounts in the dedicated organizational panel that is intended for this purpose.



Work conditions

Facilitating work conditions in the form of changing work format / changing working hours / granting leave / adjusting the job description according to the recommendations of the occupational medicine doctor and the clinic



Workplace

Moving workplace in the form of changing the organizational position / changing workplace according to the recommendations of the occupational medicine doctor and the clinic



Supplementary insurance

Maximum and unlimited coverage of the contract party's supplementary insurance company



Services

Providing welfare services / accommodation / transportation, flight allocation, etc., according to the proposal of labor relations and social work unit in case reports



Facilities

Allocation of necessary corporate loans / grants / provision of ancillary costs of treatment according to the reports and documents of the labor relations & social work unit



Special health care

Benefiting from the special services of the company's clinic and contracted clinics / regular and continuous medical check-ups and visits

Study Plans as a Practical Guide in Support of Employees

In the past years, human resources management has been following the successful experiences of national and international companies and using experts in organizational fields to assess the main needs of employees and address some of their concerns. In this regard, three key plans can be mentioned that have been fully implemented in the past years and the results of these studies are used as a basis for decision making by senior managers of the organization. Among the most important of these studies, the project “Implementation of work and life skills improvement plan”, “Identification of factors affecting job attrition in ASPC” and “Measuring the level of need for training and interest in employee and family health programs” can be stated.

The fourth key study plan is the “Employee Health Assessment Comprehensive Plan” which was implemented in 1401 SH with the participation of employees and in accordance with the set goals. After holding the first part of the comprehensive plan for assessing the health of employees, the importance of educational interventions aimed at the first level of mental health prevention was emphasized. So, Health Mondays was applied by human resources management to hold scientific and educational workshops with the aim of psychological empowerment of employees. Consequently, 11 training workshops in this field were planned and held with the welcome of the employees.

Another important approach that has been adopted in this company as the main priority in 2023 is psychological safety. In ASPC, it is believed that paying attention to people’s inner concerns is necessary to have psychological safety. People’s performance includes two inbox and outbox. In the outbox dimension, a person must trust any institution in the form of an organizational personality so that he can present his concerns, words and ideas and actually express his inner self, and his statements will not be evaluated and judged in the future. Therefore, paying attention to the inbox dimension of a person’s performance is very important. Human resources management in this company tries to identify social risks and possible fears of employees by monitoring the company’s processes and work environment in order to provides psychological safety in the company by dealing with them. This path shows the excellence of human resources in the next two years. At first, training sessions were held in the form of a workshop for the company’s senior managers to familiarize them with the concept of psychological safety. Since in ASPC weekly and monthly meetings are held to identify and assess physical hazards and risks at the workplace, as well as weekly HSE visits at the level of senior and middle managers, it is important to be sensitive to psychological risks in the activities of employees as well. Because it’s possible that despite solving the physical safety issues and risks, there may be fears and social risks in the work environment that cause discouragement, failure to present effective ideas by people and concealment of their concerns, and employees do not express their ideas easily. Therefore, in ASPC it is believed that the implementation of the psychological safety approach leads to the improvement of the company’s performance.

Moving on this path in 2023, based on the comprehensive plan for measuring the health of employees, after conducting valid psychological tests and measuring 36 subscales, the results were provided to the senior managers of the organization for the purpose of making detailed policies on educational and welfare needs. Also considering the importance of educational interventions aimed at first-level prevention of mental health, psychological training courses aimed at psychological empowerment of employees are held by an experienced psychologist approved by the Organization of Psychology, in different groups. These training courses are organized and monitored based on the identified needs of each organizational unit.



Chapter Five | **Community Participation; from Action to Impact**



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A Road Map to Social Engagement Excellence at ASPC

ASPC considers interacting with the surrounding community as a responsibility in playing a good neighborly role. This approach has been explained as an organizational responsibility in the context of sustainability by defining the strategic goal of “improving living conditions in the region” in the company’s strategy roadmap.

As a result, ASPC looks at interacting with the surrounding community beyond temporary measures and requests and seeks a meaningful and effective participation in the quality of life of the residents of this area. Determining such a goal is based on studies and evaluations carried out in a comprehensive organizational planning system, stakeholder management system and risk management system because information and analyzes related to changes in the social field and mutual impacts between them and the company have been included in each of them.

A main axis in the approach of social partnerships in ASPC is to focus on protection and restoration of the natural ecosystem of this region, which provides the main basis for human viability and all forms of life. The second main axis in this approach is to emphasize on providing services and social support with the aim of empowering the local community and reviving human values and good deeds in the Iranian Islamic culture of our country.

On the other hand, this company is trying to institutionalize compliance with the principles of social responsibility, including respect for stakeholders’ interests, accountability and transparency in this field as well. Consequently, it tries to increase its social services and supports in collaboration with relevant key stakeholders in the local community. Moreover, it takes formal and informal methods to receive the opinions, challenges and needs of the local community and its representatives. Finally, by presenting various reports about plans and projects in the field of social partnerships, it improves the transparency of its performance in this field.



Participation in Nature Conservation

As the main source of life for humans and all living organisms, natural ecosystems are destroyed by human interventions to expand production activities and develop settlements. ASPC considers itself responsible for being accountable for the direct environmental consequences of its industrial activities as well as participating in the protection of nature, the restoration of habitats and the preservation of biodiversity in the area where it works.

The acceptance of such responsibility has come from the awareness of the fact that, firstly, having a healthy natural environment is a prerequisite for a healthy life for the residents of the region; Secondly, the activities of various industrial companies in Pars Special Economic Energy Zone have cumulative and indirect environmental consequences. Therefore, it is necessary for companies to seriously address the issue of biodiversity and participate in the preservation and restoration of habitats and natural species.

As a result, it can be claimed that adopting this approach in ASPC means paying attention to the importance of sustainable living in the surrounding environment and the area where it works. This concern is followed seriously and officially by setting the goal of “preserving biodiversity and actively participating in the improvement of environmental conditions in the region” in the HSE management strategy roadmap in ASPC.

Protecting Gazelle Bennettii

In line with the realization of the 50th principle of the Constitution of the Islamic Republic of Iran regarding the protection of the environment as a public duty and in order to create and expand environmental culture and activities consistent with social responsibility, ASPC has supported Gazelle Bennettii on a voluntary basis in the form of environmental partnership program with the Department of Environment of Bushehr province since 2016. The general focus of this cooperation has been agreed in the form of the following programs:

- Preparing a comprehensive study and implementation plan for the management of Nayband Marine National Park.
- Participating in the plan for the protection and restoration of plant and animal life, and the preservation and reproduction of Gazelle Bennettii species as the flagship animal species of Nayband Marine National Park.
- Buying and supplying the requirements of Gazelle Bennettii breeding site.

Environmental protection culture in ASPC is considered as a certain matter, which is present at all organizational levels and acts as a valuable asset in defining and advancing environmental programs and goals. Managers and employees in this company have come to the realization and belief that environmental sustainability in the region has a direct impact on the health of the employees’ professional and family life and suitable living conditions in local communities. Therefore, supporting Gazelle Bennettii in Nayband National Park with the approach of restoring the habitat of this flagship animal species, which is possible by creating and providing its protection requirements, has been put on the agenda.

Nayband Marine National Park with an area of 47,571 hectares and an area equal to 132.9 km is located in the political boundaries of two provinces: Bushehr (Assaluyeh) and Hormozgan (Parsian, Kushkonar). Out of the total area of this protected region, 18,464 hectares equal to 38.8 percent of the total area of the region is land part and about 29,107 hectares equal to 61.2 percent of the total area of the region is the marine part. Due to the presence of valuable wildlife, unique landscapes, different ecosystems (such as land, sea and coast, which is a rare and unique area for wintering birds and sea turtles), this area is one of the national marine parks of the country.

Habitat Restoration & Reproduction of Gazelle Bennettii

Nayband Marine National Park is one of those areas that has been the natural habitat of Gazelle Bennettii since the past years. However, its population decreased and became extinct because of human conflicts and habitat destruction. Department of Environment of Bushehr province, as the main guardian of the preservation of the biological and natural resources of this area brought several species of Gazelle Bennettii from the neighboring provinces including Hormozgan and Sistan and Baluchistan in order to reproduce the extinct species of them, and moved to the 100-hectare site enclosed in Nayband Marine National Park to implement the project of reproduction in captivity in 2007. It should be noted that the population of Gazelle Bennettii has increased from 4 to 51 Since 2016, when ASPC voluntarily provided financial and technical support to the breeding, habitat restoration and release project of Gazelle Bennettii.



The first stage of Gazelle Bennettii protection plan can be considered from 1395 to 1400 SH (from 2016 to 2021). In these years, the focus was on restoring the habitat and increasing their population. In this regard, the following programs and measures were implemented with the support of ASPC;

- Construction and operation of a solar power plant with a capacity of 18 kilowatts, in accordance with the ecological standards of national parks and protected areas.
- Provision of facilities and equipment needed for environmental protection, including completing and equipping watchtowers; supplying electricity to the environmental building; completing and reconstructing the fence of the breeding area; Purchasing four motorcycles to carry out environmental protection missions and supply environmental protection equipment for park rangers.
- Improving the conditions of water supply in the reproduction site, including the improvement of the access road to the Gazelle Bennettii reproduction site; constructing six water dispensers and two storage chambers for a 5,000-liter water source; 2,400 meters long underground piping to supply water to the water dispensers.
- Provision of the necessary monitoring and control equipment at the reproduction site, including the provision and installation of CCTV cameras; installation of tele cameras; buying professional photography cameras, binoculars and video cameras; and the preparation of heli shot – quadcopter.
- Purchase and supply of fodder for Gazelle Bennettii.

ASPC has allocated an amount of 45 billion Rials to support and protection measures related to Gazelle Bennettii breeding project Since 2016.

Local Community Participation

One of the most important axes in biodiversity protection plans is to attract the participation of the local community for the continuity and sustainability of the measures taken in natural habitats restoration and the proliferation of species under protection. By adopting a comprehensive and multifaceted approach in Gazelle Bennettii protection plan, ASPC has defined and pursued the participation of residents and related stakeholders in the local community in this plan. For this purpose, the first step was focused on awareness raising and education to clarify the reason and importance of the implementation of this plan for the relevant stakeholders in the local community as well. Also, interaction with the local community stakeholders in this plan was done by inviting the cooperation of Nayband Non-Governmental Organization, which is an active non-governmental organization in the region. Educational and promotional topics such as prohibited hunting and not destroying habitats and taking care of natural pastures were conveyed to the audience through training workshops.





We believe that teaching children and teenagers plays a fundamental role in training and transferring these concepts to their families as well as institutionalizing the belief of caring the environment in them. For this purpose, 22 sessions of teaching environmental subjects and informing students about the protection of Gazelle Bennettii and other plant and animal species of Nayband National Park were held in three educational levels (primary, first and second secondary) in 32 schools of Nayband district.

The second group of the target audience of educational and promotional programs were people and organizations in this region, whose presence and activity can somehow be effective in the continuation of protection and reproduction of Gazelle Bennettii. This group includes religious leaders, social activists, city and rural councils' members, villagers and local trustees, farmers and camel herders, hunters, fishermen and honey hunters in this region. 40 briefing and training sessions were held for this group. In these educational meetings and workshops, various items, including drawing and coloring books with the theme of Gazelle Bennettii, ceramic mugs with the design of supporting Gazelle Bennettii, colored pencils and cloth bags with the design of Gazelle Bennettii were distributed among the participants.

Releasing Gazelle Bennettii

The significant population growth of Gazelle Bennettii in the sixth year of this project (more than 10 times compared to the first year) shows the effectiveness of protective measures. In 1401 SH, with the appropriate increase in the population of Gazelle Bennettii and having 51 of them in the breeding site, a comprehensive plan for the release of this protected species was prepared; So that Gazelle Bennettii can continue their life in the natural habitat outside the enclosed space. In addition to obtaining appropriate population statistics, educating the local and indigenous residents of the region and their participation in the protection of the released Gazelle Bennettii were among the most important factors in making this decision.

Another important issue that was considered in the implementation of the above-mentioned plan is to increase the number of guards and environmental protection forces in the natural area of Nayband National Park to protect the released Gazelle Bennettii from possible harm such as illegal hunting. In this regard, ASPC has increased the



number of environmental protection forces from 5 to 10 people and has been responsible for paying their salaries and benefits for their employment in this project since 1401 SH. It should be noted that at least 30 billion rials have been set aside annually for this purpose. Finally, 16 Gazelle Bennettii were released in the natural area of Nayband National Park on Mehr 1401 SH (September 2022). Considering that this plan was implemented with the support of a comprehensive study and providing the necessary prerequisites (including the environmental protection force, the necessary equipment and the participation of local communities), it can be hoped that the life of this endangered species will revive in its natural habitat.

Cleaning of the Nature

In line with large international companies active in the petrochemical industry, ASPC has prioritized the preservation of environmental treasures in its activities and is determined to comply with environmental requirements in all sectors. Based on the view that this company considers itself a legal citizen in the society where it operates, it gives importance to the participation in improving the surrounding environmental conditions as a responsible voluntary action.

In this regard, ASPC purchased a mechanized beach sweeper to clean sandy beaches of small and medium-sized garbage and the relevant towing tractor and donated these machines to the Department of Environment in Bushehr province. The decision to purchase these devices was made after examining and identifying the challenge. It should be mentioned that the actions of responsible organizations or the cooperation of volunteer groups taken to clean up the nature, lead to the collection of large and medium waste. Small debris is difficult to collect, especially on sandy beach beds. On the other hand, the possibility of damage to living organisms on the beach or sea through the entry of small debris into their bodies is very high and irreparable. This action of the company has made a significant contribution to maintaining the health and cleanliness of the natural environment, both for the residents and local people of this region and for other living creatures in the marine and coastal nature of the region. The budget allocated by ASPC for the purchase of beach sweepers and tractors was 2,500 million Rials.

Another program that ASPC employees voluntarily participate in annually is an event for cleaning up the nature on the World Environment Day. Haleh village (Sefid Beach) is cleaned on World Environment Day with the participation of non-governmental organizations in this region and Department of Environment every year. In this program, employees of ASPC and their families who live in nearby cities (Jam, Kangan and Asaluyeh) actively participate.

Public Awareness raising for Protecting the Nature

Having an environment-friendly lifestyle, promoting public awareness of the environmental conditions of the region, and participating in the protection of animal and plant species, all require public awareness raising among the residents of this region. In this way, it can be hoped that the activities of different actors and institutions in maintaining and promoting suitable conditions in natural habitats have synergistic and necessary alignment.

ASPC has considered environmental protection as one of the fields of joint action with residents in the surrounding community. As a result, it supports awareness raising and public education in this field. In this regard, the following



programs and actions can be listed:

- On National Tree Planting Day and Natural Resources Week, more than 500 seedlings of tropical species (such as lemons, mulberries and paper flowers) were prepared. These saplings were distributed among people in Asaluyeh with the aim of promoting the culture of tree planting and preserving nature on Esfand 1401 SH.
- In keeping with the key project for the protection of Gazelle Bennettii species, the necessary measures were defined to attract the participation of the local community and to inform them about the importance of protecting this species saved from extinction in the region. In this regard, in cooperation with a local environmental non-governmental organization (Nayband Non-Governmental Organization), an educational and coloring book on the subject of Gazelle Bennettii was prepared and published in a circulation of 5,200 copies for children. In addition, related educational programs were held for students in schools with the cooperation of this local environmental non-governmental organization.

Social & Humanitarian Supports

ASPC has always emphasized on having an active, reliable and effective interaction with the local community. Consequently, with the participation of key stakeholders in the surrounding community, it has pursued improvement of the quality of life of the residents in the region. In this area, there are two ways to provide participation in social and humanitarian support programs in this company. In the first category, it contributes to the improvement of public services and infrastructure in this region by participating in the Strategic Council of Petrochemical Companies located in Pars Special Economic Energy Zone and presenting the annual contribution. In the second category, ASPC has continuously participated independently in social responsibility programs in the fields of education, health and charity / humanitarian affairs.

1401 SH	1400 SH	1399 SH
320000	150000	65000

Amount of social contributions budget (million Rials)

Title	Related stakeholder	1401 SH	1400 SH	1399 SH
ASPC Share paid to the Strategic Council of Petrochemical Companies	Society-legal authorities	160000	60000	30000
The budget for humanitarian and public benefit charities	Community	160000	90000	35000

Amount of budget for social contributions separately (million Rials)

Participation in the Improvement of Public Services & Infrastructure in the Region

Pars Special Economic Energy Zone hosts many industrial companies. In interaction with the surrounding society, these companies face various needs and challenges, and they affect the quality of life and social structure. Strategic Council of Petrochemical Companies of Pars Special Economic Energy Zone has started to work with the aim of creating synergy in social support and humanitarian aid of the petrochemical industry in this region, increasing the efficiency of using resources allocated to social affairs by petrochemical companies and finally effectively managing interactions and expectations of the key stakeholders of the surrounding community since 2008.

The main plans and projects approved in this council can be considered in the following categories:

- Construction projects & public infrastructure
- Public education facilities & services
- Healthcare facilities & services



- Charity & humanitarian affairs
- Cultural & religious affairs

Like other petrochemical companies in this region, ASPC plays its part in improving the quality of life of local community by being a member of this council and paying the determined annual contribution.

Improving the Capacity of Public & Specialized Education

Building Schools

One of the important factors in educational development and justice is to have access to up-to-date and appropriate educational facilities. The area where Arya Sasol Polymer company locates is one of the less privileged areas in the country. Weakness in educational facilities and capabilities is one of the challenges that education is facing to provide appropriate educational services to students. In this regard, ASPC has determined one of its social support axes to help improve educational facilities and quality in the region. In this way, children and adolescents can be educated in a suitable training environment and go on the path of improving their capabilities for personal and social growth.

Relying on studies conducted on the lack of educational facilities in this area and meetings held with education officials, it was decided to build a school in Akhand village. Akhand is a village in, and the capital of, Akhand Rural District of the Central District of Asaluyeh County, Bushehr province with a population of more than 6 thousand people, which is one of the most populated villages in this area.

This school was built for the education of female students in the first and second secondary levels. It should be noted that this 2100 square meters school, named Akhand Martyrs School, has 12 classrooms, 3 floors with smart equipment and 3 laboratory units, which is known as one of the modern schools in this region. It is important to mention that the land of the school was donated to education by some of martyr's families, and ASPC was responsible for building this school in order to ensure compliance with all technical and quality standards. This school was put into operation in 2016 and an amount of 46,027,423,275 Rials has been allocated to build and equip it, an amount of 1,200,000,000 Rials



has been assigned for the electricity of this school.

Scientific Visits

One of the important concerns and needs of students has always been how to use scientific education and the concepts they learn in university and school in a practical way. This important question to find the ways and opportunities available for the flourishing of their talents and knowledge can be supported through familiarity with the existing conditions in the industry.

One of the important impacts of the interaction between industry and education system is the empowerment of the country's future workforce. Accordingly, they will pursue their educational and career paths with a more motivated and open vision both by gaining a real picture of the work / production environment and initial experiences. In such a context, ASPC supports their growth and empowerment by providing visiting opportunities for student groups.

In 1401 SH, in cooperation with Sharif University of Technology, a two-day visit program was held for a group of students of chemical engineering, petroleum engineering, and mechanical engineering from three levels of study: PhD, MS, and BS. In this visiting program, several university professors also accompanied the students. Managers and experts of the company accompanied and guided the visiting group in different units so that they would have the opportunity to discuss and raise related questions by becoming familiar with the production activities related to their field of study.

Another program of visits held in 1401 SH is that students of a Girls' Secondary School in Jam city visited ASPC. One of the distinguishing features of this visit was that the parents of these students are working at Oil, Gas & Petrochemical companies in this region. Therefore, they directly understand the working conditions of their parents and the importance of their presence in the country's economic development. On the other hand, these students were studying in the first secondary level and were about to choose their field of study for the next level. This visit helped them observe different career paths that they can pursue in the industry through related fields of study.

The presence of ASPC managers and experts in different units of the company with visiting groups provided them with an intimate and effective interactive atmosphere.

Public Health

Supporting the Surrounding Community in COVID-19 Outbreak

One of the important responsibilities of the private sector, which is considered as one of the significant examples of adherence to human rights and citizenship rights, is accompanying and supporting the society in dangerous situations and during the outbreak of infectious diseases. From 1398 to 1400 SH (from 2019 to 2021), the general conditions of social and occupational life of people were affected by COVID-19 outbreak. At this time, in addition to the preventive and care programs implemented in the company and for its employees, ASPC provided the necessary support to the surrounding local community to control the spread of this disease and arranged for healthcare services.

With the start of COVID-19 outbreak, in partnership with the Imam Khomeini Relief Foundation and in line with fulfilling part of its social responsibilities in the surrounding community, ASPC provided health-livelihood support packages among the beneficiaries covered by this organization in the villages of Nayband. Help seekers of Hale, Basatin,



Safiyeh, Zobar, Banood, Kherreh and Konar Kheymeh villages received support packages containing rice, sugar, tomato paste, oil, as well as three-layer sanitary masks to prevent the spread of corona disease.

Blood Donation, Life Donation

In the past, due to malaria mosquitoes and diseases related to it in this region, Asalouye district was blacklisted by the Iranian Blood Transfusion Organization. As a result, residents and workers in Asalouye and Pars Special Economic Energy Zone were not able to donate blood. However, in 2014, a research project was carried out to monitor the donated blood of residents and workers in Asalouye district by the professors and specialists of Bushehr University of Medical Sciences. As a result of these tests and relying on accurate scientific findings, the previous mindset for the risk of donating blood by the residents of this region was broken and its incorrectness was proven. So, Asalouye district was removed from the blood donation blacklist.

The committed and responsible workers ASPC had an important impact on improving health care services and increasing the ease of access to healthy blood for patients in this region by participating in blood donation program. Presently, ASPC and Fajr Jam Gas Company are recognized as designated companies of the Blood Transfusion Organization with low risk of donating blood. ASPC has been introduced as a continuous and healthy donor by Kangan Blood Transfusion Organization.

The employees of this company always voluntarily participate in the blood donation process with the aim of promoting the donation culture and helping to provide a stable supply of blood, regularly and at certain intervals of the year and at least twice. Consequently, ASPC has been introduced as a model by Blood Transfusion Organization in the field of social participation and blood donation.

As employees of ASPC welcome the blood donation program with the participation of more than 250 people in each blood collection period, Bushehr province is among the top three blood donating provinces in the country with an average of 31 donors per thousand people. This shows the effectiveness of the participation of this company in removing Asalouye district from the black list of blood donation and the continuation of blood donation of employees in several consecutive years. In addition, ASPC has always actively and committedly participated in donating blood programs to save the lives of fellow citizens in this region and the country in emergency situations or when the country's blood bank reserves are reduced.

In 1400 SH, more than 450 people have partaken in two rounds of blood collection. Also, blood donation was done with the cooperation of the teams sent by Blood Transfusion Organization of Bushehr Province on two occasions with the participation of 500 employees of ASPC in 1401 SH. The participation of the company's employees in this process

has grown significantly, so that this amount was 270 people in the first time of the blood collection process in 1401 SH.

Charity & Humanitarian Work

Relying on the human belief of its managers and employees to accompany and help fellow human beings who are facing difficult problems and injuries in life, ASPC continuously takes part in charity and humanitarian programs, and has a fundamental role in approving and implementing the social responsibilities of the strategic council of the region. This company has also put items under the title of social support on the agenda. Among the supports that have been provided in the last two years in this field, the following can be mentioned:

- Continuous cooperation with Imam Khomeini Relief Foundation of Asalouye in order to support the help seekers covered by this organization. Distribution of livelihood support packages and meat are done on a monthly basis and on different occasions to eliminate the deprivation of the identified beneficiaries.
- Helping those people affected by the earthquake in Khoy district on Bahman 1401 SH (January 2023) through the preparation and donation of heating items including blankets and heaters to the residents of four villages of Azab, Taglak, Imam Kandi and Quruq. The value of this donated shipment was 1,263,000,000 Rials.
- Helping a reputable non-governmental organization in the field of supporting disabled children and the elderly; The financial support of this institution is provided to cover the treatment costs of rehabilitation services including occupational therapy, physical and behavioral speech therapy, as well as education and training costs including school fees, services, clothes, stationery and school meals.
- Purchase and delivery of 1800 cakes and fruit juice and 40 bottles of mineral water worth 180 million Rials per month to Kangan Blood Transfusion Organization.
- Purchase and installation of two standing split coolers for Kangan Blood Transfusion Organization worth 1,300 million Rials.
- Supporting cultural and religious programs and actions at the region.
- Paying electricity bills of Kelid Behesht Kangan Institute for the disabled up to 500 million Rials per month.



Chapter
Six | **Economic Sustainability;
Playing an Influential Role at the
National and Local Levels**



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ASPC Impact on National Economic Stability

Having a distinct position in Iran's petrochemical industry, ASPC contributes to national economic stability. This role-playing has been manifested in various aspects. One of the important influences in this area is responsible interactions with key economic stakeholders, both to fulfill legal obligations and to exchange economic value in a sustainable and empowering manner.

Also, by adopting the policies and implementing the necessary programs in the field of responsible supply and procurement, this company has a serious concern in relation to the prevention of corruption and maintaining the transparency of business practices, promoting quality and meritocracy in the supply and procurement process, observing the principles of social justice and responsibility for the environment and the rights of employees in the field of supply and procurement.

On the other hand, diverse products manufactured by ASPC are offered both in domestic and international markets. This means that this company contributes to the continuation of domestic production of other industries in one hand and national economic stability by foreign currency exchange from the export of its products on the other hand.

Finally, ASPC is a pioneer in the petrochemical industry to support domestic manufacturing and achieve the goals of a resilient economy in the country. Strengthening the internal supply chain, cooperation with knowledge-based companies, and the establishment of the ASPC Innovation Center are among the most important examples of this approach.

Creating Economic Value for Key Stakeholders

Business activities in ASPC form a set of transactions and financial exchanges in relation to its various stakeholders. Some of these exchanges are not purely commercial in nature. But they distribute the economic value created in this company among its key stakeholders in order to strengthen the positive economic, social and environmental impacts of the company's activities.

In this communication network with key stakeholders, which includes shareholders, legal authorities, customers, employees, suppliers, contractors and residents of the surrounding community, the flow of creation and distribution of economic value reflects the extent of influence, which is resulted from the responsibilities of ASPC. With such a view, it is consciously taken steps towards fulfilling the company's legal, ethical and voluntary obligations and responsibilities in the context of economic stability.

In ASPC, the management of such a network and platform for the creation and distribution of economic value is supported by the comprehensive organizational planning system, the stakeholder management system, the risk



management system, and the internal control system. As a result, in addition to fulfilling legal obligations through internal systems and procedures, financial / economic interactions that can create mutual benefits for the organization and each of its stakeholders are defined and followed in a planned and targeted manner.

Item	1401 SH	1400 SH	1399 SH
Operating income (million Rials)	274455486	265321339	180452040
Net profit (million Rials)	110260732	134641589	110757553
The total assets (million Rials)	209681894	184635846	144610952
Total debts (million Rials)	79054799	35005195	24193570
The registered capital (million Rials)	13751520	13751520	9167680
Rate of return on equity	84%	90%	92%
Earnings per share	8018	9791	8054

A review of ASPC financial performance

Item	Related stakeholder	1401 SH (Million Rials)	1400 SH (Million Rials)	1399 SH (Million Rials)
Performance tax	Legal authorities	202015	84711	50974
Value-added tax	Legal authorities	0	1274559	1476096
Withholding taxes	Legal authorities	181507	147050	109421
Proportionate rate of social responsibility to the strategic council in the region	Society - legal authorities	160000	60000	30000
Independent budget for charity and humanitarian affairs	Society	160000	90000	350000
The amount of purchases and supplies from local or indigenous suppliers	Suppliers - Society	94758787	104622049	60781131
Amount of payment to banks and financial institutions	Society	-	17696	8843
Employees' training budget	Employees	49090	39940	59564
The budget for facilities, amenities and loans granted to employees	Employees	1371281	1004233	765704
Employee termination benefits	Employees	3670842	1447884	608860

Economic value distribution among different stakeholders of ASPC

Responsible Supply & Procurement

The field of supply and procurement can play an important role in managing the economic, environmental and social impacts of the company. In ASPC, supply and procurement have a specific procedure and structure, in which important considerations have been reflected for having a responsible and value-creation performance.

The rules of transactions, the document on the limits of authority, the procedure of purchasing services and concluding contracts, as well as the procedure of supplying goods and services are the main organizational documents that are cited in this field. On the other hand, the entire supply and procurement process in this company is supported



by the BPMS system and the IFS system. In this way, from the starting point of declaring the need to ordering, the supply and procurement process of the company is managed electronically in the e-Procurement module. Based on the mentioned organizational documents, the limits of authority in decision-making and final approval of the purchase have been determined at the level of senior managers, trading commission, CEO and finally the Board of Directors.

Prevention of Corruption & Maintaining Business Transparency

One of the unique features in the supply and procurement process in ASPC is the mechanism defined in it to prevent corruption and maintain transparency in commercial/financial performance. With the full commitment of managers and employees to comply with legal duties and specified organizational requirements in the field of supply and procurement, the risk of various types of corruption (such as collusion, bribery, etc.) has reached the minimum possible level. The following can be listed as examples of such features:

- Different authority levels have been set for different organizational positions to register the demand for goods and services from outside the organization.
- The condition of holding public or limited tenders for receiving goods and services has been set.
- The units applying for receiving goods and services, receiving service delivery and selecting service providing sources perform their duties in separate parts of the supply process.
- Like all organizational units, the internal control expert has internal supervision as a representative of over the supply and procurement process.
- According to the document on the limits of authority and the trading regulations of ASPC, the decision-making levels of high financial value cases have been assigned to the trading commission and the board of directors.
- The system mechanism is defined in such a way that the technical and financial information of the bidders is archived in a classified manner.

Improving Quality & Meritocracy in the Supply & Procurement Process

Upon receipt of requests for the purchase of goods by the procurement unit, this unit takes necessary approvals and creates a purchase file. Then, the case is referred to the purchasing resource development unit to determine and register the suppliers who have the necessary capacity to participate in the tender. In this step, in addition to referring to the suppliers who are in the Approved Vendor List (AVL) of the company, necessary checks and monitoring are done to complete and add qualified suppliers. Next, after receiving the final list of eligible candidates to participate in the tender, the procurement unit will hold a tender on the e-Procurement platform. Each supplier uploads his technical proposal by logging into the company's portal. Proposals are reviewed and approved by technical evaluators. In the next step, the financial proposals are obtained and based on the proposed prices, the decision level of the case is determined according to the classification described in the authority limit document. Finally, based on the commercial technical comparison form of the offers and comparison with the latest purchase records, the preferred option is announced to the decision maker of the case to issue a purchase order.

The main steps described have had important positive effects both for the organization and its supply chain. First, the organization ensures that it receives the desired goods and services with high quality and standard according to its desired characteristics. Second, the competition between the suppliers is maintained and their presence in the supply and procurement process is based on their facilities and capabilities. In this case, there is no discrimination among qualified suppliers to participate in the tender. Third, the decision to choose a supplier is made based on its facilities and capabilities in providing the goods and services needed by the organization. As a result, the principle is based on meritocracy.

Responsibility for the Environment & Employees' Rights in the field of Supply & Procurement

The supply and procurement process in ASPC is not only focused on technical and financial evaluations, but also environmental and social considerations are included in this process to be able to fulfill the responsibilities of the organization in these aspects during the implementation of contracts or the use of goods and services received.

Considering the establishment of the environmental management system based on the ISO 14001:2015 standard in ASPC, the necessary considerations and characteristics in the environmental performance of contractors, their goods



and services are considered as an important criterion in the initial and technical evaluation of suppliers to participate in tenders. It should be noted that if the relevant requirements are not met, it will not be possible to start cooperation with ASPC. Potential contractors and selected contractors are required to provide all additional documents related to the characteristics of the goods or the conditions of providing services that have environmental impacts (positive or negative). For example, at the time of creating a tender for the purchase of chemicals, one of the things that must be requested from the suppliers is the raw material safety information document. In this document, all matters related to storage, transportation and consumption are mentioned. So, necessary measures should be taken in order to prevent pollution, ignition, damage to human resources and the environment. Also, if these items are rejected or not approved, there are necessary instructions in the HSE unit to explain how to transfer and destroy them.

Paying serious attention to employees' rights, especially in continuous contracts, is another feature of responsible performance in the supply and procurement process in this company. Providing documents related to having a contractor safety qualification certificate, inquiring about the absence of worker complaints from the labor department, not registering complaints due to non-payment of salaries and debts, good reputation and no insurance debt (required to provide social security insurance balances), including examples are criteria and requirements that contractors are evaluated based on in this process.

In the final step and at the time of signing the contract, various attachments that include the requirements and obligations of the contractors in complying with environmental responsibilities and employees' rights are attached to all contracts. Among the obligations that are defined for contractors, compliance with health and personal protection such as workplace safety and health controls and personnel accommodation, water and food, use of personal protection equipment suitable for the job, continuous training of employees working in the contract, having a health and safety certificate for the equipment used, the need to pay insurance premiums and workers' salaries on time, can be mentioned. Also, the supervisory responsibilities of various organizational units (such as human capital management, HSE and financial management) are clearly determined during the execution of the contract, and contractors are required to provide the necessary reports and cooperation during visits and related inspections.



Considering Social Justice Principles

In ASPC, the principles of social justice are considered as one of the foundations of sustainable development in the company's procedures and guidelines, especially in the commercial sector that interacts with its surrounding environment.

Considering the principles of social justice in the business sector in this company is achieved by committing to the following:

- Respecting the rights of workers in contracting and service companies (with the cooperation and supervision of the management of contracts and legal affairs).
- Non-destructive exploitation of the environment (with the cooperation of safety, health and environment management).
- Paying a fair price to suppliers of raw materials and equipment.
- Considering intellectual property rights and necessary licenses for buying and selling goods.
- Paying taxes related to business activities (with the cooperation of financial management).
- Creating equal opportunities for suppliers and contractors according to their capabilities in the company's purchase requests.
- Creating a completely transparent and safe software system to prevent weakening the rights of suppliers and customers (in cooperation with information management).

Products & Customers

ASPC's commitment to continuous production, maintaining the quality of products and having timely response to customers has introduced it as a credible and reliable company in commercial cooperation in the Iranian and international markets. Providing the company's products in the domestic market supports the continuity of production in other industries. The export sale of products has followed a flow of foreign exchange into the country and has contributed to the continuation of the cycle of international trade activities of the economic actors of the country. In all these transactions, ASPC has maintained its commitment to respect the rights of customers as one of the key stakeholders of the organization.

Domestic & Export Sales of Products

ASPC operates as one of the largest polyethylene producing companies in Iran. The company's polymer products are one of the most widely used products in the petrochemical industry, which are used as raw materials for many products in downstream industries, including packaging, automobiles, home appliances, agriculture, and electronic equipment.

The main products of this company are offered to customers in three categories including ethylene, light polyethylene and medium/heavy polyethylene with different grades. By-products also include products from the production process of the main products, including C3+ and its derivatives, and non-conforming products or polymer waste.

The current practice of selling the company's polymer products in the domestic sector is through the supply in the Iran Commodity Exchange. In the export sector, products are sold both through two export brokers (Tejarat Sanat Company and SPII Company) and through direct supply by the company's sales unit with a limited auction call mechanism between customers approved by the KYC committee and finally with the approval of the company's sales committee.

The main product of ethylene is used as a feed for the internal units of the company to produce polymer, and its excess amounts are sent to petrochemical companies in the country along with the side product C3+. With planning and marketing done, as well as obtaining an export license from the National Petrochemical Industries Company, part of the excess ethylene will be exported to China.

Light polyethylene (LDPE) is used in various industries such as packaging and household appliances and to produce a wide variety of plastic goods such as nylon bags, films, containers, toys, lids, household items and flexible injection parts.

Medium and heavy polyethylene (MD / HDPE) are used in the production of a wide variety of plastic products such as film, barrels and tanks for food and chemicals, bottles, plastic car parts, household items, irrigation pipes and fittings, and blow molding parts.

Product type	1401 SH	1400 SH
Ethylene	16	15
Light polyethylene	24	27
Medium/Heavy polyethylene	11	13
C3+	19	22

The production Rate of ASPC products from the total production of the country (percentage)

Product Type	Type of sales market
Ethylene	Inter-complex sales (about 65 percent), west ethylene line (about 4 percent) and export (about 31 percent)
Light polyethylene	Domestic market through the Iran Commodity Exchange (about 21 percent), export (about 79 percent)
Medium/Heavy polyethylene	Domestic market through the Iran Commodity Exchange (about 25 percent), export (about 75 percent)
C3+	Selling directly to other petrochemical companies (100 percent)

Sales analysis of ASPC products by market & major customers

Selling Type	1401 SH		1400 SH	
	Tons	Million Rials	Tons	Million Rials
Domestic Sales	448042	94659176	441211	87090177
Export Sales	635772	179796310	664311	178231162
Total	1083814	274455486	1108522	265321339

Analysis of the sales of ASPC products by domestic and export sales

1401 SH	1400 SH	1399 SH
640653052	722683524	522917313

Amount of Dollar allocated to Foreign Exchange Management Integrated System (NIMA)

(as a result of the export of ASPC products)

Commitment to Customers' Rights

ASPC cooperation and relationship with its customers is formed both directly and indirectly (through sales intermediaries). However, this company is committed to respecting the rights of all its customers as one of the organization's key stakeholders. Undoubtedly, receiving the company's high-quality products has a significant impact on the production of quality products by its customers. In this regard, necessary arrangements have been made for effective interaction with customers and accompanying them in an informed purchase, proper use of the product, and receiving after-sales services. The quality of the company's products is guaranteed for six months after sale. If the customers are not satisfied, the reasons for the problem are taken and compared with the comparable samples.

Product information and its technical and functional characteristics are presented to customers through catalogs prepared in Persian, English and Russian languages. Also, the mentioned information is available to visitors on the



company's website. In case of customer's request via e-mail, information links related to production grades along with a brief description of the sales procedure will be announced to them.

While establishing an integrated management system, ASPC is committed to creating an effective mechanism to properly receive the voice of customers and provide appropriate feedback. This important matter is also reflected in the policy of the organization. In order to achieve customer-oriented goals, this company is one of the first companies in the petrochemical industry that has implemented a complaint handling management system based on the ISO 10002:2018 standard and a customer satisfaction measurement management system based on the ISO 10004:2018 standard since 2017.

In general, the customer satisfaction in ASPC is observed through evaluation forms in six-month periods from customers who have made purchases in the given period. The preferred method of sending customer satisfaction form is electronically through ASPC website. The customer satisfaction is analyzed in five indicators, and in case of a decrease in satisfaction, the analytical reasons are investigated and dealt with. The results of each course are reported to the managers of the departments in the meetings of the senior management of the organization, and management's opinions are asked.

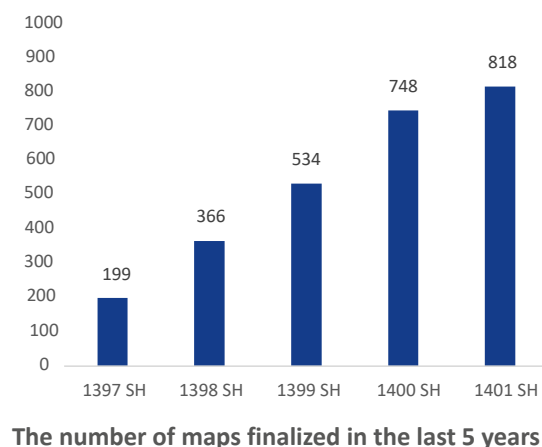
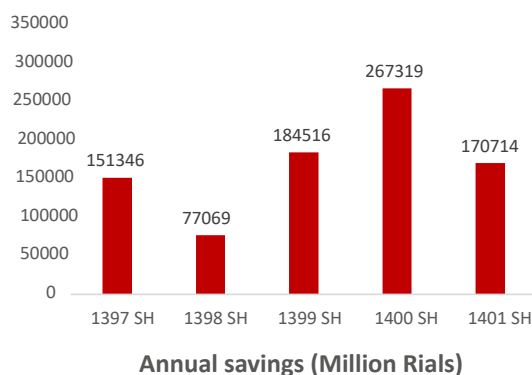
According to the survey conducted in the last two years, the total customer satisfaction rate has been constant at 90%. In 1400 SH, seven cases of customer complaints regarding product quality were received, of which only one was found to be acceptable. In this regard, satisfaction was achieved by replacing the product with the customer. Investigating the cause of dissatisfaction led to corrective measures, the most important of which was to modify the process of washing product silos. In other complaints, the company's technical experts provided expert advice to customers. In 1401 SH, five cases of customers complained, two of which were related to the delay in obtaining the import certificate to Europe, which was approved.

Supporting Domestic Production & Resistance Economy

Considering the political conditions and international relations that Iran is facing, in recent years, the private sector has faced various problems in supplying goods and services from abroad due to the current sanctions. As a result, in order to maintain domestic production capability, continue employment opportunities and meet the domestic needs of customers and the general society, strengthening the resistance economy has been emphasized in the country's general development policies. Current development approaches and programs in ASPC have also contributed to supporting the continuity of production and employment in the country and strengthening the resistance economy.

Strengthening the Internal Supply Chain

In line with the country's general policies in the field of resistance economy, ASPC has also supported domestic production in order to supply the goods and services with the aim of maintaining the continuity of production. This issue includes the use of domestic raw materials, domestic equipment and spare parts, contracting services, engineering, manufacturing, production and the use of domestic consulting.



ASPC has always tried to be among the leading companies in the field of innovation and creativity. Accordingly, after the cruel sanctions on the country, which included all important industries, such as the petrochemical industry, ASPC decided to rely on its internal knowledge and expertise, as well as using the internal experience and expertise of knowledge-based companies to provide its spare parts. The operationalization of this approach started in 2013 with the formation of a reverse engineering and domestic manufacturing unit to produce spare parts and equipment. This process has gradually matured over many years with the training of personnel, provision of infrastructure and required equipment, including up-to-date equipment, dimensioning, control, material analysis, etc. participates in realizing the strategic goal of “utilizing internal capabilities and capacities to supply goods and provide services” (localization) and company’s optimization costs plans; so, it’s directly involved in realizing the macro strategies of ASPC.

The performance of the reverse engineering and in-house manufacturing unit has led to the finalization of 2,665 maps of various equipment and parts from 1397 to 1401 SH. Out of this number, 1,181 maps equivalent to 44.3% have led to internal construction, which according to the received reports, the level of satisfaction with the performance and quality of the manufactured parts is above 95%.

Also, as a result of cooperation with suppliers and domestic knowledge-based companies to manufacture the required equipment and parts based on the prepared plans, cumulatively from 2017 to the end of 2011, 850,973 million Rials have been saved for the company.

In the following, some achievements and improvements made in the internal construction engineering unit are mentioned:





Improvement in the design and material of the Layer feeder shaft of the packaging unit; In such a way that the original sample needed to be replaced every 12 months due to failure, but the improved sample made inside is still in service after 60 months and does not need to be replaced.

Improvement in the design of the Retaining Plate related to the S-202 filtration equipment of the Olefin unit, which due to the weakness in the strength and the design defect led to the leakage of contaminated fluid into the environment. In addition to repair costs, it also caused environmental damage. After the studies done for changing the design; Improvements needed in the equipment made and the problems completely solved.

Another improvement made on the gear wheel of the packaging unit that acts as the holder of the rotating mechanism of the product bags.

Due to its rapid and severe movement and stops, its gears, which were not hard-worked, suffered wear and tear. So, they needed to be replaced on average every 12 months. In order to solve this problem, the gears of the mentioned part were hard-worked by induction method. After 36 months of installing the new part, no reports of its failure have been received.

Improvement in the cover of the Valve Spindle related to the steam turbine of the olefin unit, which led to an increase in the life of the part compared to the similar foreign model.

Acquiring technical knowledge of engineering and manufacturing spare parts for pumps, valves, compressors, etc.

In addition to the activities of the reverse engineering and in-house manufacturing unit that was described, in 1401 SH, the organization's participation in the resistance economy and supporting localization became more serious by setting the strategic goal of "utilizing internal capabilities and capacities to supply goods and services". Considering the fact that taking executive steps and leading to results in this area requires cooperation and synergy between different units of the organization; "Committee for self-sufficiency and support for domestic manufacturing" was formed with the presence of representatives of related operational units including reverse engineering, procurement, development of purchasing resources and internal warehouses.

In this regard, various examples of ASPC performance in support of domestic production and resistance economy in providing goods and services can be cited, the most important of which are:

- Training and awareness raising in support of domestic construction
- Cooperation with knowledge-based companies
- Increasing the number and volume of supplied goods and services from domestic suppliers and contractors



The development of organizational culture is a vital matter in line with the goals of resistance economy and sustainable development. Fortunately, this matter is clearly visible in the perspective of the senior management of the organization and the macro-policies of the commercial sector. Improving the quality of production and the ability to compete with imported goods inside the country in one hand, and improving the ability to export products that have more added value for the company and the country, on the other hand, are among the most important goals of holding specialized training courses and improving the skills of employees which are followed in line with the self-sufficiency approach in the company. Also, the senior managers of the organization have always declared their commitment to supporting domestic manufacturing, prioritizing domestic purchasing and participating in the resistance economy in discussions with the organization's employees and key stakeholders in order to contribute to effective awareness raising in this field.

Considering that in the last decade, supporting the activities of knowledge-based companies has been one of the important policies in the country, the presence and activity of these companies to support the continuity of production in the petrochemical industry is bold and meaningful. In the last few years, this matter has been included in the commercial policy of ASPC. As a result, ASPC has been able to benefit from the expertise and innovation of knowledge-based companies to supply components, chemicals and maintenance services. Continuity of production, protecting the rights of stakeholders, maintaining the quality of products, supporting domestic manufacturing, honoring the activities of elites and specialists in the supply chain of the petrochemical industry, and finally preventing the outflow of currency in the conditions of sanctions and economic hardship are considered the most important positive impacts achieved.

The path taken in recent years in ASPC to support domestic manufacturing and participate in the resistance economy has resulted in distinct performance results in 1401 SH. The most important achievements are:

- Increasing the number of identified and evaluated domestic producers of spare parts and chemicals to more than 700 companies by the end of 1401
- Use of more than 400 domestic manufacturers and producers only in the field of supplying spare parts and equipment
- Saving nearly 700 billion Rials through in-house manufacturing and localization for first-time manufacturing spare parts (subsequent orders are not included in the savings calculations).

Product Diversification

By defining development plans in its products, ASPC increases the country's domestic production. These plans include focusing on the production of new grades of polymer products for specific applications within the country and reducing dependence on imports. In this regard, the definition of development projects such as the launch of a new MDHD production unit and a C3+ derivative extraction and separation unit can lead to an increase in domestic production, job creation and economic growth in the country. Planning and implementation of such development projects have been done in line with participation in the resistance economy in the country.

ASPC Innovation & Knowledge-based Center

In 1401 SH, with the order and support of the CEO, the innovation and knowledge-based center was launched in ASPC. The activity of this center aims to achieve goals such as "supporting and empowering the innovative solutions of industry activists and experts", "helping to promote the role of elites in the development of the industry", "creating new products and accelerating the transformation of ideas and solutions into products and their commercialization" and "supporting and knowledge-based business and industries".

Taking steps in this direction has been started with the support of the experience and expertise of the company's human resources. Based on the knowledge gained in more than 18 years of distinguished and influential activity in the petrochemical industry in Iran, which has been aligned and at the level of world standards and best practices, ASPC Innovation & Knowledge-based Center aims to play a prominent role by using and learning from the world's modern knowledge and localize/adapt them to the country's technological industrial needs and challenges.

ASPC Innovation & Knowledge-based Center held a national conference in 1401 SH to introduce related technologies and solutions to move towards digital transformation in order to support the influence of innovation and digital transformation in various industries of the country. In this conference, new and required technologies in the fields of industrial security, internet of things and how to manage risks with a macro approach in the fourth industrial revolution were discussed. Discussion and exchange of opinions with universities, science and technology parks and reputable



knowledge-based companies across the country was another part of this conference.

Also, in this conference, the production of an innovative product, named Data Rain, was announced and it was unveiled by the experts and specialists in the ASPC Innovation Center. This product, which was produced by the experts of this center in less than 3 months, is actually a hardware network equalizer that improves network security. It should be highlighted that before this, the technology of this type of equipment did not exist in Iran.

ASPC Impact on Local Economic Sustainability

Although ASPC is a company with a wide national influence and international presence, it has not forgotten its role in supporting economic sustainability in the surrounding local community. This issue is important from the point of view that the company's employees who cooperate with the company under continuous contracts are mostly residents of the region. As a result, the stability of the local economy in this region can lead to the strengthening of the supporting socioeconomic subsystems to improve the quality of life for them and their families. On the other hand, in supporting the sustainability of the local economy, ASPC is focused on partnering with small and medium-sized suppliers so that employment opportunities independent the oil industry are maintained and local and native residents of the region can settle in their hometown. In the rest of this part of the report, more specific examples of how the company has a positive and empowering impact on the economic sustainability of the surrounding community where it operates are discussed.

Strengthening Economic Resilience in the Surrounding Community

One of the important areas of social economic influence in the company's activity is its participation in economic development in the local community around its operations. This has a significant impact on strengthening the resilience of local communities and improves the quality of life and livelihood of the residents in the region. The local community surrounding the company operations includes the geographical area located in the cities of Asalouye, Kangan, Lamerd, Parsian and Jam. Important examples of the performance of ASPC in this field are:

- Opening accounts in local banks and increasing cash circulation in local banks.
- Cooperation and purchase from local suppliers such as purchase of parts, kitchen raw materials, office supplies, transportation services, etc.
- Providing shopping cards for use in chain and non-chain stores active in the region to all employees
- Using facilities and services available in the region to provide welfare facilities to employees and their families (such as restaurant, psychological counseling services, etc.).
- Using facilities and services available in the region to provide educational, cultural and artistic facilities to employees and their families.
- Renting sports facilities in the region (including sports fields, multi-purpose halls, swimming pool and other sports facilities) for the use of employees and their families.

Job Creation in the Local Community (18)

In addition to the economic impacts of empowerment that it creates in its value chain, ASPC has an important impact on the resilience and maintaining habitability in its surrounding local community, that is "employment". The company is aware of the importance of employment for each person since it enables everyone to meet the basic needs for the continuation of his and his family's life as well as creates a dynamic and healthy platform for social interactions, being effective in life and maintaining self-esteem.

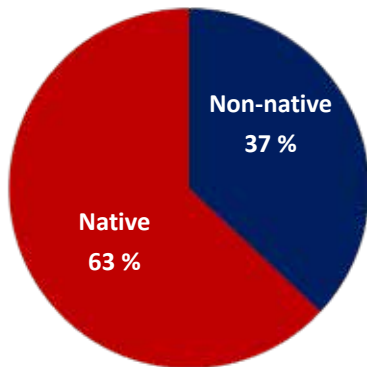
Contributing to job creation for the residents of the local community is followed through the employment of human resources in the company who are indigenous people or resident in the region. This approach is specifically institutionalized in continuous contracting agreements. So that 85% of ASPC employees who have contract with partner companies are residents or natives of the surrounding community where the company operates. In addition, about 30% of the employees having a direct contract with ASPC are also residents or natives of the region. These employees mainly live in Asalouye, Kangan, Lamerd, Parsian and Jam cities. In this way, the socio-economic resilience of local communities has been strengthened by supporting the employment of their residents. This matter has an important contribution in reducing the migration process from small towns to big cities and is effective in maintaining the social system in small towns and the ethnic cultural ties of the residents.

In addition to direct employment opportunities for residents and natives of the region, ASPC has also had an impact on indirect job creation in its surrounding local community. The families of employees living in the area purchase a diverse range of goods and services they need from small and medium-sized businesses ran by other residents of the area. The mentioned goods and services include items such as the basic necessities of life, educational and cultural services for children, care services for children and the elderly, recreation and entertainment, etc. In this regard, ASPC has also provided the use of sports, educational, cultural and recreational services and facilities for its employees and their families by signing contracts with small and medium-sized businesses that are managed by natives and residents of the region. In this way, an important part of the employees' income is spent in the same local community and region where they live which has an important effect on maintaining and circulating the economic value created within the local community, continuing its habitability and strengthening the socio-economic system in villages and small towns.

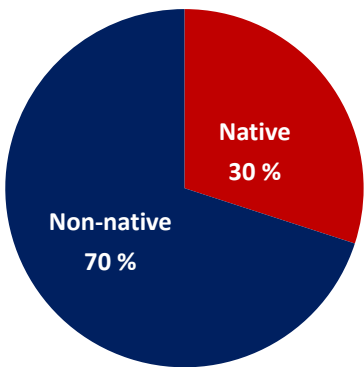
Related to indirect job creation in the value chain of ASPC, the provision of some goods and services needed by the company from its surrounding community can be mentioned. Supplying various goods and services such as food items, office and household supplies, general piping and electronic items, firefighting equipment, workshop clothing, cement and concrete, flowers and plants, restaurant services and transportation services from local suppliers and contractors cause the employment of their employees continue.

Supporting the preservation and expansion of indirect employment opportunities in the company's value chain in the region also contributes to reducing the pressure and demand of residents for direct employment in the oil and petrochemical companies in the region.

Employees of Partners Companies



Employees having contracts with ASPC



Employee statistics in ASPC according to native/non-native classification





Financial and Functional Transparency and Accuracy

ASPC considers itself committed to full compliance with laws and adherence to business ethics in all its activities. This issue has been pursued through the establishment of internal control and monitoring mechanisms in the company, fulfilling legal obligations and timely response to the requests of legal authorities. Undoubtedly, the performance of this company in carrying out its duties and responsibilities in having a healthy business, fighting corruption and complying with laws has been effective in improving the level of economic transparency and accuracy both at the regional and national levels.

Intra-organizational Commitments in promoting Functional Transparency

Formal mechanisms within any organization are necessary to maintain and promote functional transparency and accuracy, to have fair work procedures and executive commitment to ethics in business. In ASPC, various preparations and measures have been taken in this field to fulfill the rights of the beneficiaries and fulfill the legal responsibilities of the company in the best way.

- Controlling conflicts of interest, fighting corruption and maintaining work accuracy in the field of purchasing and procurement through:
 - Existence of highly coherent upstream documents in the form of transaction regulations and the authority limit document
 - Specialization of units, segregation of duties and creation of proper workflow between procurement unit, purchasing resources development unit and units requesting to receive goods and services from outside the organization
 - Applying the electronic procurement system (e-Procurement) in the company to carry out all the purchase steps until the time of ordering. This system is part of the company BPMS and is implemented based on the requirements of the organization and suppliers.
 - Activity of purchasing resources development unit for continuous monitoring and evaluation of new and existing identified resources
- Existence of formal internal organizational mechanisms for continuous control and monitoring of financial and non-financial performance, including:
 - Using the management dashboard to receive regular daily, weekly and monthly reports and monitoring of the organization's financial and non-financial performance.
 - Holding Business Review Meeting (BRM) on a monthly basis
 - Internal audit management and integrated control activity in order to provide independent and impartial assurance and consulting services to the Board of Directors and CEO of ASPC, with the aim of adding value and improving the company's operations.
 - Existence of an official organizational position with the title of governance expert in each organizational unit in order to strengthen and continue operational audit and internal control throughout the organization.
- Inviolable commitment to organizational ethics and values in all organizational interactions, including:
 - Development and official notification of ASPC ethical and behavioral codes and organizational values.
 - Development and official notification of work disciplinary regulations
 - Determining the tasks related to continuous monitoring and dealing with encouraging and disciplinary cases in the field of business ethics in the labor relations and social work unit and in the disciplinary committee

Functional Transparency & Accuracy in Interaction with External Stakeholders

One of the main axes in realizing the goals of economic sustainability is fulfilling responsibilities towards external stakeholders. The main duties of the organization in this area are legal obligations, the adherence to which maintains both financial and operational transparency and accuracy in the company and effective management of related risks.

- Transparent, up-to-date and responsible financial performance in the stock exchange, such as:

- Submission of financial statements earlier than the deadline stipulated by the executive directive for information disclosure of companies registered with the Stock Exchange Organization
- Holding the General Assembly only one month after the end of the financial period
- Dividend payment in the shortest possible time after the assembly (four working days) through the deposit company to the account number introduced in the Sejam system
- Providing regular and timely reports to all legal authorities, such as:
 - Monthly production and sales performance report
 - Unaudited 3-month, 6-month and 9-month interim financial statements report
 - Audited 6-month interim financial statements report and 12-month financial year
 - Necessary quarterly transaction reports in the TTMS system
 - Board of Directors' activity report and internal controls
 - Providing domestic and export sales reports in the Samen system
 - Declaration of value added tax and declaration of pollution duties in the EVAT system
 - Providing all legal reports and notices of the Securities and Exchange Organization through registration in CODAL system
 - Minutes of General Assembly meetings
 - Salary tax report and Note-1 of Article 86 in the salary system
 - Performance tax declaration in MyTax system
- Accountability and cooperation for any legal or voluntary inspections, audits and evaluations by responsible organizations and independent institutions:
 - Official auditors
 - Management or specialized standards audits
 - Domestic and international evaluations and awards





Appendices

About the Report

This is the first Sustainability Report of Araya Sasol Polymer Company (ASPC) and was prepared by CEO confirmation. Gathering the information and compiling its content were done by the "ASPC Sustainability Steering Committee" and with cooperation of representatives from all organizational units.

This report presents the sustainable and responsible management and practice of the organization during 1400 and 1401 Shamsi Hijri (SH) according to official Islamic Republic of Iran (IRI) Calendar. This time period corresponds to 21 March 2021 to 20 March 2023 in Gregorian calendar. The end of each year in these intervals corresponds to the financial year of the company, which is based on the Solar Hijri calendar year. Majority of the dates in this report are in SH calendar. So, for the sake of the convenience of the report readers and due to the fact that Solar Hijri calendar and Gregorian calendar don't cover the same period, a table is provided at the end of the report to convert the Solar Hijri years to Gregorian years. It should be noted that publishing next sustainability reports would be perused annually.

This report has been prepared in accordance with the GRI Standards 2018: Core option. GRI content index is provided at the end of the report which lists all disclosures reported. The information provided in this report is related to the performance of ASPC itself and the level of information coverage is specified in each section.

Ensuring information validity and accuracy in the report and the claim made about the compliance level have been made in two ways; first, based on company's internal controls and mechanisms, and second, through having an external assurance. It worth mentioning that conducting a third-party auditing on ASPC 1st sustainability report was according to the Sustainability Committee of the BoD confirmation. It was done by Libero Assurance and its statement is available at the appendices section of this report.

E-versions of this report are available on ASPC website. Moreover, interested parties may contact "the secretary of the BoD Sustainability Committee" at mahsa.esmaeilnejad@aryasasol.com, if they have any suggestions or inquiries regarding this report and company's sustainability and CSR affairs.

Independent auditors' assurance report




Sustainability & Accountability Certificate

This is to certify that the
Sustainability Report of:

ARYA SASOL Polymer Company



شركة پلیمر آریا ساسول
ARYA SASOL POLYMER COMPANY
سازمان انرژی

Pars Special Economic Energy Zone, Asaluyeh, Bushehr Province, IRAN

Has been assessed and verified by LiberoAssurance in accordance with the following Assurance Standards:

Global Reporting Initiative (GRI) Standard (2018) "In Accordance-Core", Accountability, U.K Standard AA1000AS (2008) with 2018 addendum, AA1000AP (2018) and AA1000SES (2015)

The system is applicable to:

Production of Low, Medium & High-Density Polyethylene, Ethylene, C3+ Cut and H₂

Issued 23/02/2024
(Date of issue)

Expiry 22/02/2025
(Expiration date)

at PIRAEUS, GREECE
(Place of issue of certificate)

For the Issuing Organisation
This certificate is valid subject to
satisfactory completion of annual audits.
This document is signed electronically.
Validation and authentication can be
obtained at:
<https://liberoassurance.org/verification/>
Using the unique Certificate number:
IR2209190224SAA

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Document ID: WF_3320



LIBEROASSURANCE

Independent Assurance Statement

Introduction

Libero Assurance (Libero'), has been entrusted by the management of Araya Sasol Polymer Company (ASPC), to conduct independent assurance of ASPC Financial year 2021-2023 Sustainability Report. All contractual contents of this assurance agreement rest entirely within the responsibility of ASPC. Our task was to give fair and adequate judgement on the ASPC Report. This assurance engagement is based on the assumption that the data and information provided to us is authentic and complete.

The intended users of this assurance statement are stakeholders having relevance to ASPC's overall sustainability performance and impact of its business activities during 21 March 2021 to 20 March 2023. Libero Assurance (the Agency), headquartered at Greece, is an international certification body accredited by three Accreditation bodies, IAS (USA based), UNIVAB (USA based) and E.SY.D. (EU based). The agency has experienced and qualified professionals in the field of quality, sustainability services and environment. We maintained complete impartiality and independence during the assurance engagement and were not involved in the preparation of report contents.

Assurance Standard

The independent Assurance was carried out generally in accordance with the Global Reporting Initiative (GRI) Standard (2018) "In Accordance-Core", AccountAbility, U.K Standard AA1000AS (2008) with 2018 addendum, AA1000AP (2018) and AA1000SES (2015)

Scope, Boundary and Limitations of Assurance

The scope of the assurance includes the verification of the content of the Report, prepared based on GRI Standard "in accordance-Core". In particular the assurance covers following:

- Verification of the application of the Report content, principles set out in GRI Standards and quality of information presented in the Report covering reporting period from 1 March 2021 to 20 March 2023;
- Review of the disclosures with respect to policies, initiatives, practices and performance described in the Report;
- Review of the Report against the requirements of Type 1, Moderate level assurance based on AccountAbility's Assurance Standard AA1000AS (2018);

The reporting boundary is as set out in the Report, covering sustainability performance of Arya Sasol Polymer Company. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as part of this assurance engagement. The assurance was based on the data provided in the report, online meetings and documents provided by the company, assuming they are true and complete.

Verification Methodology

Libero Assurance challenged the report contents and assess the process undertaken by ASPC from source to aggregate in disclosure of information/data related to their sustainability performance. Our judgement is based on the objective view of reported information as per criteria defined under Assurance standards.

We used analytical methods and the performance of interviews to verify and validate the correctness of reported data and contents in light of the contractual agreement. For understanding the material issues of the company, we adopted a risk-based approach and verified efforts on the identified issues of high material relevance to Company's business and its stakeholders.



LIBEROASSURANCE

- Verified the sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- Examined and reviewed documents, data and other information made available;
- Conducted interviews online with key representatives including data owners and decision-makers from different functions;

We are of the opinion that our work offers a sufficient and substantiated basis to enable us to come to the conclusions mentioned below:

Inclusivity: The Company engages in direct dialogue with key stakeholders to identify emerging issues through different channels. Although, no specific consultation was done for the purpose of developing this report, material issues that emerged from stakeholder consultation through various channels were fairly collected and prioritized, and the results are reflected in the Report.

Materiality: The Company has reported its material issues of significance. The identified material issues are adequately covered in the Report.

Responsiveness: We consider that the Company's response to key stakeholder concerns, through its policies and management systems, allocation of resources including governance as fairly reflected in the Report.

Specific evaluation of the information on Sustainability Performances

We consider the methodology and processes for gathering information developed by the Company for its sustainability performance reporting to be appropriate and the qualitative and quantitative data included in the Report was found to be identifiable. The personnel responsible were able to demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the Company's sustainability activities.

Positive Observations

- Strong thrust from one and all, within the Organization, on Sustainable Development;
- The company promotes activities with the community by providing jobs, doctor advice & psychologist consultation for staffs and their families and energy usage optimization, Full coverage of GRI requirements in reporting and addressing up-to-date models, techniques and tools in the various assessed areas, especially in the area of human capital;
- The serious effort of the organization to implement legal and regulatory tasks and cover the needs of the interested parties. In addition to fulfilling the obligations and legal requirements of the environment, Support for Gazella Bennettii in Nayband National Park and
- Maturity of the organization in terms of establishment of management systems in all evaluated units/processes.

Opportunities for Further Improvement

- More attention to the results of key performance indicators regarding the achievements of operational plans;
- More attention to validity and reliability of applied questionnaires for measuring of attribute parameters.

For Libero Assurance,

Esmaeil Shayesteh

Lead Verifier

29 Jan. 2024



GRI Content Index

Disclosure	Description	Explanation/Page No.
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GRI 102: General Disclosures		
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102-1	Name of the organization	Front cover
102-2	Activities, brands, products, and services	P. 5, 116 & 117
102-3	Location of headquarters	Back cover
102-4	Location of operations	P. 5
102-5	Ownership and legal form	P. 13 & 14
102-6	Markets served	P. 116 & 117
102-7	Scale of the organization	P. 5, 67, 68, 113 & 117
102-8	Information on employees and other workers	P. 67, 68 & 123
102-9	Supply chain	P. 54, 61, 113-115, 118 & 119
102-10	Significant changes to the organization and its supply chain	No significant changes
102-11	Precautionary principles or approach	P. 19-23
102-12	External initiatives	P. 6, 7, 101, 105, 107
102-13	Membership of associations	Please check the website
Strategy		
102-14	Statement from senior decision-maker	P. 4
102-15	Key impacts, risks, and opportunities	P. 10-12
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	P. 10, 24, 25, 124 & 125
102-17	Mechanisms for advice and concerns about ethics	P. 24 & 25
Governance		
102-18	Governance structure	P. 13-16
102-19	Delegating authority	P. 15-18
102-20	Executive-level responsibility for economic, environmental, and social topics	P. 15-20
102-21	Consulting stakeholders on economic, environmental, and social topics	P. 11, 12, 20 & 21
102-22	Composition of the highest governance body and its committees	P. 13-15
102-23	Chair of the highest governance body	P. 14
102-24	Nominating and selecting the highest governance body	P. 13 & 14
102-25	Conflicts of interest	P. 13 & 24
102-26	Role of highest governance body in setting purpose, values, and strategy	P. 10 & 11
102-29	Identifying and managing economic, environmental, and social impacts	P. 15 & 16
102-30	Effectiveness of risk management processes	P. 16, 22 & 23
102-31	Review of economic, environmental, and social topics	P. 16-20

Disclosure	Description	Explanation/Page No.
102-32	Highest governance body's role in sustainability reporting	P. 16 & 126
102-33	Communicating critical concerns	P. 16-20
102-35	Remuneration policies	P. 15
102-36	Process for determining remuneration	P. 15
Stakeholder Engagement		
102-40	List of stakeholder groups	P. 20 & 21
102-41	Collective bargaining agreements	P. 81-84
102-42	Identifying and selecting stakeholders	P. 20 & 21
102-43	Approach to stakeholder engagement	P. 20, 21, 83 & 117
102-44	Key topics and concerns raised	P. 20 & 21
Reporting Practice		
102-45	Entities included in the consolidated financial statements	P. 126
102-46	Defining report content and topic Boundaries	P. 126
102-47	List of material topics	P. 12
102-48	Restatements of information	P. 126
102-49	Changes in reporting	P. 126
102-50	Reporting period	P. 126
102-51	Date of most recent report	P. 126
102-52	Reporting cycle	P. 126
102-53	Contact point for questions regarding the report	P. 126
102-54	Claims of reporting in accordance with the GRI Standards	P. 126
102-55	GRI content index	P. 130-134
102-56	External assurance	P. 127-129
Economic		
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	P. 113
201-3	Defined benefit plan obligations and other retirement plans	P. 113
GRI 203: Indirect Economic Impacts		
103	Management approach	P. 12, 16, 100, 122 & 124
203-1	Infrastructure investments and services supported	P. 105-109
203-2	Significant indirect economic impacts	P. 6, 7, 113-115, 122 & 123
GRI 204: Procurement Practices		
103	Management approach	P. 12, 118 & 122
204-1	Proportion of spending on local suppliers	P. 113, 118-123
GRI 205: Anti-corruption		
103	Management approach	P. 12, 24, 113, 124 & 125
205-1	Operations assessed for risks related to corruption	P. 22, 23, 113 & 114
205-2	Communication and training about anti-corruption policies and procedures	P. 24 & 25



Disclosure	Description	Explanation/Page No.
205-3	Confirmed incidents of corruption and actions taken	P. 13
GRI 206: Anti-Competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	No case
Environment		
GRI 302: Energy		
103	Management approach	P. 12 & 60
302-1	Energy consumption within the organization	P. 61
302-3	Energy intensity	P. 62
302-4	Reduction of energy consumption	P. 62 & 63
GRI 303: Water and Effluents		
103	Management approach	P. 48-51
303-1	Interactions with water as s shared resource	P. 54
303-2	Management of water discharge-related impacts	P. 55
303-3	Water withdrawal	P. 54
303-4	Water discharge	P. 55
304-5	Water consumption	P. 54
GRI 304: Biodiversity		
103	Management approach	P. 12 & 50
304-3	Habitats protected or restored	P. 101-103
GRI 305: Emissions		
103	Management approach	P. 12 & 50
305-1	Direct (Scope 1) GHG emissions	P. 58
305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions	P. 60
GRI 306: Effluents and Waste		
103	Management approach	P. 12 & 50
306-1	Water discharge by quality and destination	P. 55 & 56
306-2	Waste by type and disposal method	P. 52 & 53
GRI 307: Environmental compliance		
103	Management approach	P. 12, 48 & 50
307-1	Non-compliance with environmental laws and regulations	No case
GRI 308: Supplier environmental assessment		
103	Management approach	P. 12, 48 & 50
308-1	New suppliers that were screened using environmental criteria	P. 114 & 115
Social		
GRI 401: Employment		
103	Management approach	P. 12 & 66

Disclosure	Description	Explanation/Page No.
401-1	New employee hires and employee turnover	P. 67, 68 & 75
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 70-73 & 94-97
401-3	Parental leave	P. 93
GRI 402: Labor/Management Relations		
103	Management approach	P. 12 & 66
402-1	Minimum notice periods regarding operational changes	P. 76-84
GRI 403: Occupational Health and Safety		
103	Management approach	P. 12, 28, 31 & 40
403-1	Occupational health and safety management system	P. 12, 28, 31 & 40
403-2	Hazard identification, risk assessment, and incident investigation	P. 28 & 29
403-3	Occupational health services	P. 39-45
403-4	Worker participation, consultation, and communication on occupational health and safety	P. 33, 34 & 81
403-5	Worker training on occupational health and safety	P. 33, 34, 41, 42 & 86
403-6	Promotion of worker health	P. 41, 42, 89-92
403-8	Workers covered by an occupational health and safety management system	All employees regardless of contract type
403-9	Work-related injuries	P. 30-33
403-10	Work-related ill health	P. 44
GRI 404: Training and Education		
103	Management approach	P. 12, 66, 69 & 85
404-1	Average hours of training per year per employee	P. 86 & 87
404-2	Programs for upgrading employee skills and transition assistance programs	P. 85-88
404-3	Percentage of employees receiving regular performance and career development reviews	P. 69 & 70
GRI 405: Diversity and Equal Opportunity		
103	Management approach	P. 12 & 66
405-1	Diversity of governance bodies and employees	P. 14, 67, 68 & 123
405-2	Ration of basic salary and remuneration of women to men	No difference
GRI 406: Non-discrimination		
103	Management approach	P. 12 & 66
406-1	Incidents of discrimination and corrective actions taken	P. 70 & 74
GRI 408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	No case
GRI 409: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No case



Disclosure	Description	Explanation/Page No.
GRI 413: Local Communities		
103	Management approach	P. 12 & 100
413-1	Operations with local community engagement, impact assessments, and development programs	P. 100-109
413-2	Operations with significant actual and potential negative impacts on local communities	No case
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	P. 114 & 115
GRI 417: Marketing and Labeling		
417-1	Requirements of product and service information and labeling	P. 117 & 118
417-2	Incidents of non-compliance concerning product and service information and labeling	P. 117 & 118
417-3	Incidents of non-compliance concerning marketing communications	P. 117 & 118
GRI 419: Socioeconomic Compliance		
103	Management approach	P. 12 & 23
419-1	Non-compliance with laws and regulations in the social and economic area	P. 13

Table of Converting the Solar Hijri (SH) Year to Gregorian Year

The official calendar in Islamic Republic of Iran is Solar Hijri and ASPC's financial year corresponds with it. Therefore, majority of the dates in this report are in Solar Hijri calendar. For the convenience of the report readers and due to the fact that Solar Hijri calendar and Gregorian calendar don't cover the Solar Hijri years to Gregorian years for the date which are mentioned in this report.

Solar Hijri date	Gregorian date
1401	21 March 2022 – 20 March 2023
1400	21 March 2021 – 20 March 2022
1399	21 March 2020 – 20 March 2021
1398	21 March 2019 – 20 March 2020
1397	21 March 2018 – 20 March 2019
1396	21 March 2017 – 20 March 2018
1395	20 March 2016 – 20 March 2017
1394	21 March 2015 – 19 March 2016
1381	21 March 2002 – 20 March 2003
1379	20 March 2000 – 20 March 2001