

# FAJR PETROCHEMICAL CO.



## THE BEATING HEART OF ESPECIAL PETROCHEMICAL ECONOMIC ZONE



## Sustainability Report 2015-2016

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بِسْمِ اللَّهِ  
الرَّحْمَنِ  
الرَّحِيمِ

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In the name Allah, the Beneficent, the Merciful

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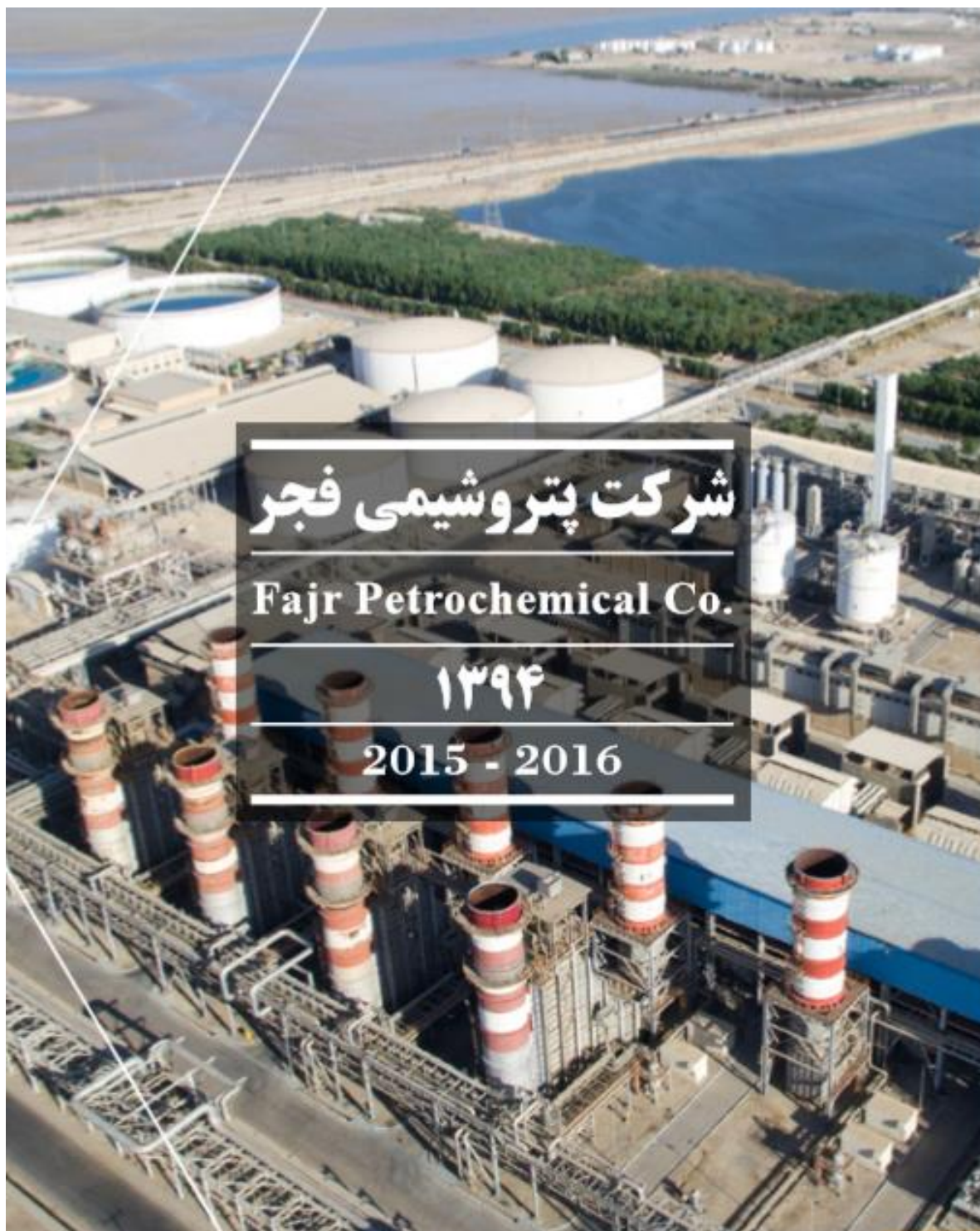
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شرکت پتروشیمی فجر

Fajr Petrochemical Co.

۱۳۹۴

2015 - 2016

## About the Report

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Fajr Petrochemical Company's sustainability report for 2015 is about those performances of the company in the fiscal year ended to March 20, 2015 (29<sup>th</sup> of Esfand 1394). It is the second of such reports published on the sustainable and responsible management of the business by Fajr Petrochemical Company. The company has already published an identical report last year called "Fajr Petrochemical Company's Sustainability Report for 2014". Comparing with previous report (2014), the current one has been improved to analyze different dimensions of the management approaches, to provide more comprehensive information about the related issues, and to develop a writing methodology to restructure the report.

The most important development in the nature and structure of the company in 2015 was its transformation into a public joint stock company based on the minutes of the extraordinary meeting of its General Assembly dated back to July 21<sup>st</sup> 2015 and has been registered in the Stock Exchange in September 28, 2014. These events led to some limited changes in the shares of the shareholders which have been mentioned in the report. Accordingly and currently, Persian Gulf Petrochemical Company (Public Joint Stock Company) is the main shareholder of Fajr Petrochemical Company. It's geographical range and at the same time its market is located in Iran and mainly in Khoozestan province. The company's operational area and its main fields of service and products provision are still left intact. The activity reports mentioned in this very report covers the activities of both site 1 and 2 of Fajr Petrochemical Complex, the main center of which is located in the Imam Khomeini port city Especial Economic Zone.

We have in this regard applied the Global Reporting Initiative and Sustainability Reporting Guidelines (GRI-G4) while preparing the report. It has undergone no third party evaluation process to receive any related confirmation, thus we have mainly focused on the audit process and internal control of the company in order to assess the authenticity and the reliability of the provided information and data. So we have followed a especial process of data collection and content improvement to prepare

the report based on the study of the official documents and reports of the company, making interviews with the senior managers, holding numerous meetings with the managers and experts of different units, interviewing with the key beneficiaries from outside the company, through field observations within the company and its surrounding local community.

## The statement by the Managing Director of the company

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### ***In the name of God***

Fajr Petrochemical Company acts as clean lifeblood in the Petrochemical Especial Economic Zone. As far as, "how to be and how to live (quality and methodology)" of a human being well affect the whole community, we believe, the quality of Fajr company as a legal entity, its presence in the zone and its activities can also well affect the economic activities of the zone and determine the social health and the natural life of its surroundings. So, to enjoy a stable, flourishing and well grown up Fajr Petrochemical Company, it fully and deeply depends on the sustainability and satisfaction of its key beneficiaries.

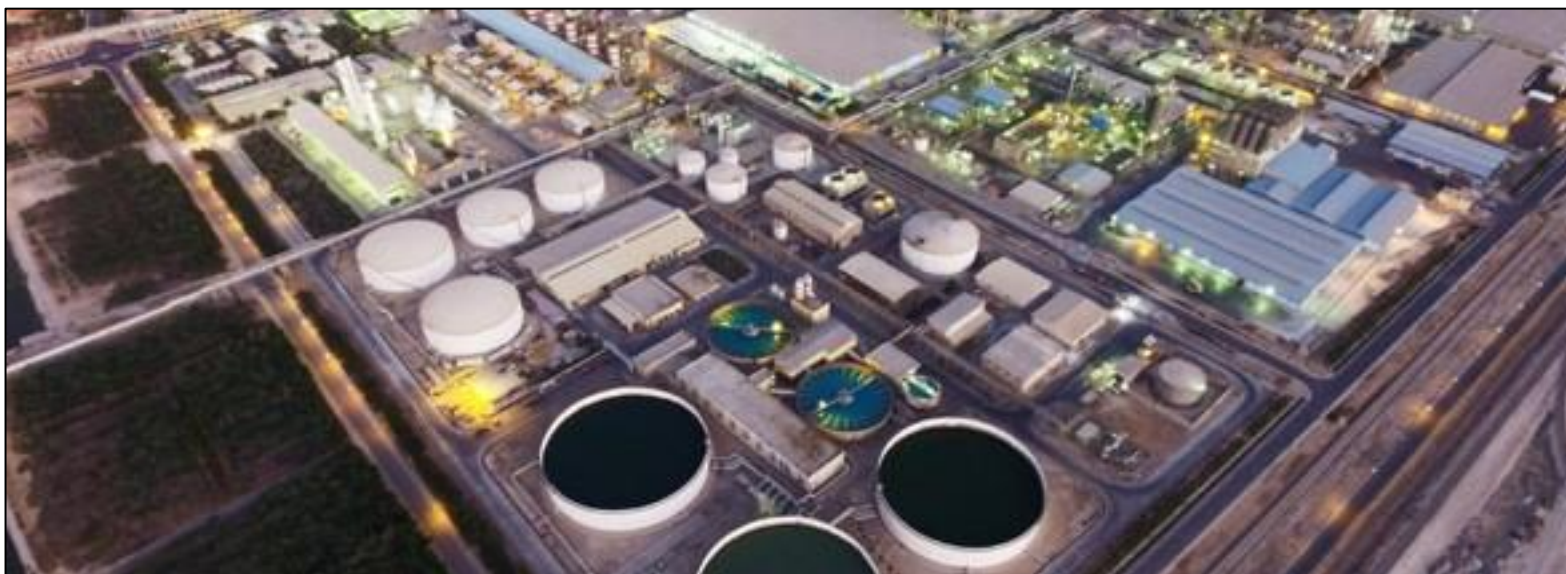
We have so far managed and acted in a way to be able to contribute to creating some common constructive economic, social and environmental values for all through our own efforts and cooperation with other beneficiaries. Hence, the change in the legal nature of the company from a private joint stock company to a public one and its registration in Tehran Stock Exchange in 2015 was an important step to improve the business as an economically transparent and accountable company. It is indeed a turning point which can well prove the good confidence and trust of the beneficiaries and shareholders to the company. At a strategic level, we have combined the production sustainability resulted from the qualitative and quantitative development of the products and services with environmental management of the surrounding area and developed the job and life quality of the employees, supported the development of surrounding local communities and contributed to a protected and healthy economy. Fajr Company is committed to a constant and steadfast improvement of the systems, programs and measures which can involve taking the economic, social and environmental responsibilities of the company and guarantee them as

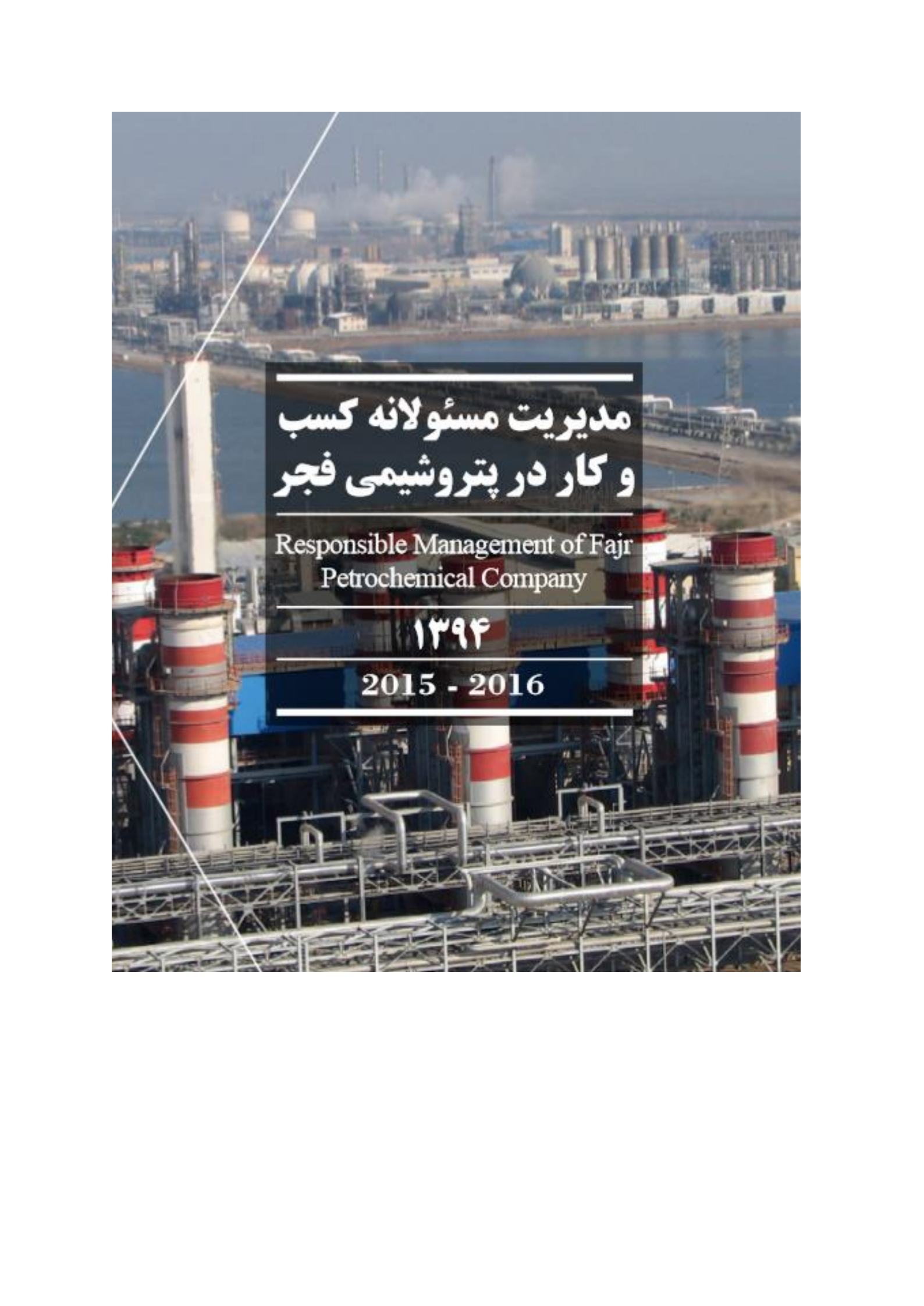
well. The nature of the company's products and services has a vital impact on the environmental protection and safeguards natural resources in the region. On the other hand, costumers are depending on these products and services to enjoy good quality and stable products. Thus, we are to institutionalize the strategy of respecting manpower in the work places as a valuable organizational and social capital. Accordingly, we have executed some related programs to empower the human sources, balance work and life, lay the bases for a secure and healthy work place, adjust the (service) compensation system and promote personal and professional ethics. Fajr Company enjoys some distinctive and up to date programs in the energy and environment management which not only made it competent to reduce some negative impacts of its operations on the environment but also has brought some economic benefits to the company. Fajr Company's contribution to empower and support the local communities materially and spiritually and to promote and promulgate common good among them serves as a privilege for the company to make industrial activists to permanently trust it and lean to it.

Publication of the company's sustainability report here for the second consecutive year is an explicit example of its commitment to go ahead along with its mission and an instance of its eagerness to keep a constructive and all out link with its key beneficiaries. Comparing this report with the one published last year, we can claim that the very report enjoys further integrity and comprehensiveness which by itself well proves the good level of learning and organizational progress in the field. I would like to stick to this very opportunity to extend the heartfelt and urgent invitation of the company' leaders' and all the colleagues to the readers of this report to join us to make a better world to live for all human beings. We do believe and hope so. Inshaallah (God willing).

**Director General**

**Alireza Shamim**





# مدیریت مسئولانه کسب و کار در پتروشیمی فجر

Responsible Management of Fajr  
Petrochemical Company

۱۳۹۴

2015 - 2016



## **An introduction to Fajr Petrochemical Company**

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Fajr Petrochemical Company has been established in 1998 in order to meet the utility and service needs of the companies in the Especial Petrochemical Economic Zone in the port city of Imam Khomeini in the site 4 and became operational in 2002 as the first concentrated utility entity in Iran. The site is called “Fajr Company 1” or “District 1”. Expansion of companies and the multiplication and also further implementation of the plans by the National Petrochemical Industry and investment of private sectors in Sites 2 and 3 has led to pay much urgent attention to the utility supply of the new plans in the company. As a result, we decided to develop Fajr Petrochemical Company in Site 2 in 2007, made it to be fully operational in 2012. This new site of the company nowadays is called “Fajr 2” or “District 2”. The total area of Fajr’s main campus is 70 acres, 30 acres of which are allocated to District 1 and 40 acres of which to District 2. The main products and services of the company are provided in the form of electricity and water supply, air separation, water treatment and waste water treatment.

Geographically, Fajr Petrochemical Company is located in the Especial Petrochemical Economic Zone in the port city of Mahshahr in Khoozestan province in the South West of Iran and North West of Persian Gulf. This EPEZ is the first professional especial zone in Iran, the main propose of which is to have easily and quick access to up to date knowledge and technology, optimal exploitation of the rich oil and gas resources and utilization of the added values resulted from the development of the downstream industries and free exchange of petrochemical products. The zone is divided into two “Southern” and “Northern” parts in site 5.

## **Major Responsible Approaches**

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## Perspective

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Fajr Petrochemical Company has emerged to be active in the energy market of the regional countries to attain a sustainable production and satisfy its beneficiaries in the horizon of 2020 in order to increase profits.

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## Mission

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Fajr Petrochemical Company has accepted to provide the companies located in the Especial Economic Zone in the port city of Imam Khomeini from 2003 with their utility requirements. In this respect, it started to sell the power surplus of the companies stationed in the zone to the neighboring countries in order to increase its profitability and meet the beneficiaries' satisfaction, and enjoy more stakes in the target market.

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## Corporate Values

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- Beneficiaries' satisfaction
  - Accountability and the providence of the employees
  - Progress and creativity
  - Transparency in reporting
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## Responsible strategies of the organization

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Fajr Petrochemical Company acts as a clean life blood in the Petrochemical Especial Economic Zone. By adopting a holistic and systematic approach, it ponders that its presence quality should be as effective on the environmental, social and economic ecosystem of the region and on the presence quality and existence of other components and activists, and weigh them up as reciprocally (equally) effective on itself, as well. Consequently, it should be noted that the organizational excellence in Fajr Petrochemical Company is laid on the two main axis of beneficiary-orientation and sustainable production. We have set the strategies and the organizational goals in a way that they can easily materialize value creation in relation to different beneficiaries of the organization and all around the important identified issues (such as economic, environmental and social).

We are certainly doing our best to increase the economic, social and environmental effects and achievements our business. We are also committed to avoid any negative effects of taking any measures contrary to the current rules and standards, if we feel

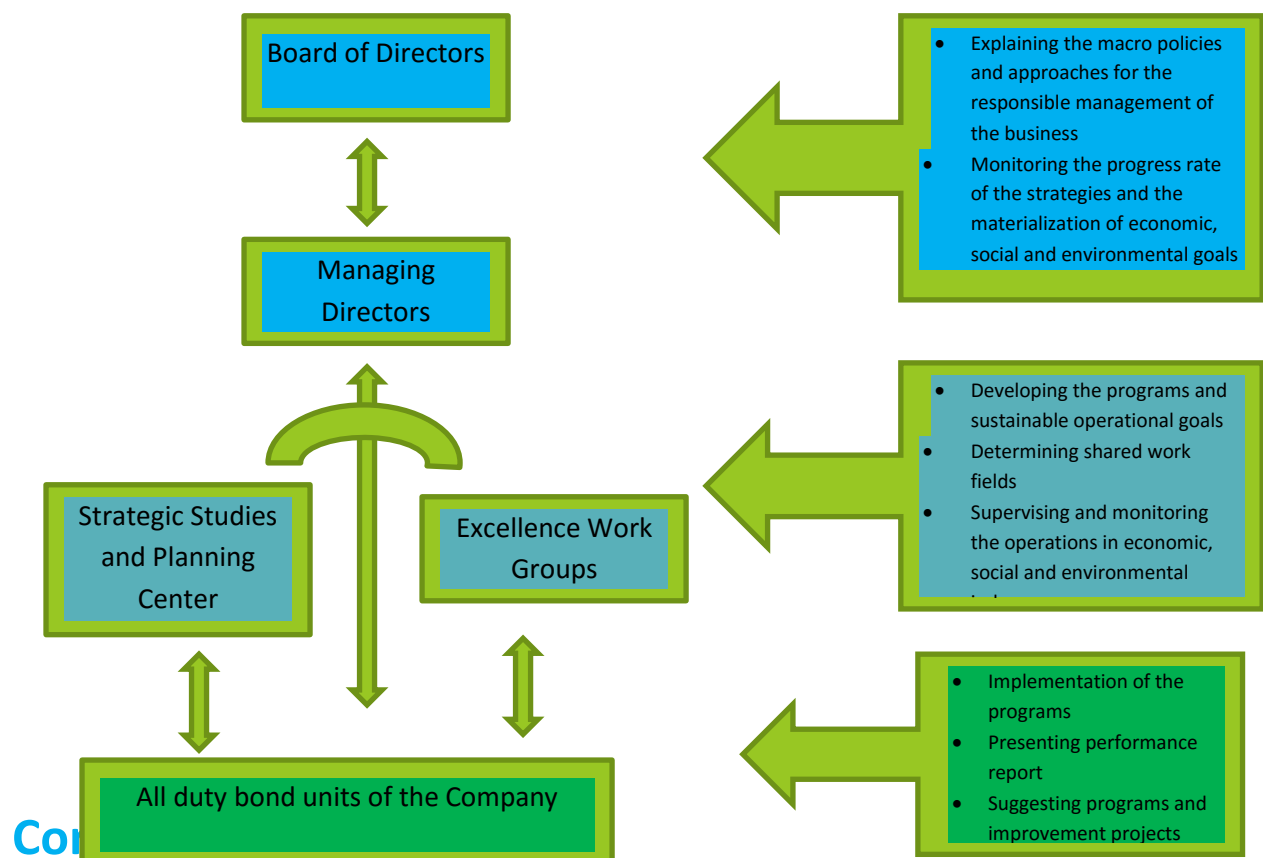
any internal or external organizational constraints is to stop or hinder the improvement process or is to slow down the progress in the company.

We have formed Fajr Petrochemical Company's strategy for responsible management of the business on three axes of strengthening competitiveness (within the company and among its key beneficiaries), risk management and improvement of its reputation and organizational brand.

### Organizing the responsible management of the business

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Responsible management of business in the company is guaranteed with the constant commitment of its managers, chiefs and other employees, through defining new official organizational structures to determine collective or private responsibilities and duties for all.



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### Legal structure of the company

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Fajr Petrochemical Company has been established in June 24, 1998 as a joint private venture. It has primarily been a subsidiary company affiliated to the National Petrochemical Company of Iran which has been conceded to Persian Gulf Holdings based on the Article 44 of the Constitution of the Islamic Republic of Iran in 2009. Fajr Petrochemical Company has been turned into a public joint stock company based on the minutes of the extraordinary meeting of its General Assembly dated July 21<sup>st</sup> 2015 and has been registered in the Stock Exchange in September 28, 2014. Now it is of the trade units of Persian Gulf Petrochemical Company (Public Joint stock company) and its main campus is located in the Imam Khomeini port city Especial Economic Zone.

The names and the combination of the shareholders at the end of the fiscal year 2015 are as follows:

Names of the Shareholders	Number of shares	The percentage of the shares
Persian Gulf Petrochemical Company (Public Joint stock company)	1,501,497,000	60
Equity share Investment Company (active in 30 provinces)	750,000,000	30
Imam Khomeini Petrochemical Company (Private Joint Stock Company)	1,000	0
Petrochemical Industries Development Management Company (Private Joint Stock Company)	1,000	0
Other shareholders (Tinny shareholders)	248,500,000	10
<b>Total</b>	<b>2,500,000,000</b>	<b>100</b>

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## Board of Directors

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- 1) Based on the annual official report of the Board of Directors dated March 20, 2015, the board members and their representatives are as follows:

Members the Board of Directors	Number of shares	The percentage of the shares
Petrochemical Industries Development Management Company (Private Joint Stock Company)	Jamshid Sabzkar	Chairman of the Board of Directors (Non-bound Member)
Imam Khomeini Petrochemical Company (Private Joint Stock Company)	Ali Reza Shamim	Deputy Chairman of the Board of Directors and Managing Director
Equity share Investment Company of Mazandaran province (Private Joint Stock Company)	Hossein Shariyari	Non-bound Member
Mobin Petrochemical Company	Seyyed Rahim Sharif Mousavi	Non-bound Member
Persian Gulf Petrochemical Company (Public Joint stock company)	Hassan Taqavi Ganji	Non-bound Member

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Fajr Petrochemical Company enjoys a specific and transparent approach to the conflict of interest among the board members. The Board is duty bound to officially disclose any of its disputes and conflicts of interests with the company based on the Article 129 of the Trade Laws concerning their economic activities. On the other hand, if there happens any discussion or dispute in the formal voting of the Board members meeting, the member who is involved in the very dispute will not participate in voting.

## Management of the Beneficiaries

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We can refer to the privatization of the company in 2009 as one of the most effective development in the process of Fajr Petrochemical Company's approach to invigorate its beneficiaries. From then on, all efforts to establish a model for organizational excellence (EFQM) were effective enough to lay the bases for organizational

improvement, divert the direction of separate measures in relation to different beneficiaries toward monitoring and receiving the beneficiaries' view points and suggestions, and finally develop a strategy for the company based on creating a balanced interests for the company and its beneficiaries. Practices to meet these requirements and expectations in the process of decision makings and management of the organization have led to both a systematic observation of the rules and regulations in the vast parts of the company's interactions with the society and different beneficiaries and to a transparency in the company's accountability and an active progress toward the standards and legal obligations in the company.



Beneficiaries	Member groups	Expectations	Ways to meet the expectations
Shareholders	Persian Gulf Petrochemical Company; Equity Share Company; Exchange Shares	Increasing incomes; managing the expenses; production sustainability; true, transparent and on time reporting	Participating in the meetings in Persian Gulf Holding; reporting leaders' activities every three months and or every year; responding to auditors; holding the assembly's meetings
Customers	Within the Special Economic Zone; Out of the Special Economic Zone	Prices and incitements; the provisions and contents of the contracts; communications and the quality of this communication; customer orientation; the quality of products and services	Holding a systematic relation with National Electricity Distribution Network; communicating with customers
Employees	Official, specific (fixed) term, temporary, contracting forces	Reducing job tensions; improving activity evaluation; developing communication; health and therapy programs; qualitative and quantitative boosting of services and	Holding rotational meetings with managers and employees; conducting opinion poll from the employees; setting up an internet portal; creating a system of proposals; setting up an

		facilities; reducing difficulties of the role; improving developmental leadership	administrative automation; laying bases for internal email exchanges; publishing an internal periodical
Suppliers	Material; spare parts and services	On time payments; pledging to commitments; transparency in recognizing and assessing the suppliers; creating a just and fair competition; preparing a secure work environment	Holding rotational meetings; setting up a committee for settlement of the disputes; doing formal communication and correspondences; dissemination Information in media
Society	Residents of Mahshahr region; governmental and public organizations; NGOs; Media	Social and therapy related issues; observing the obligations and regulations; educational and constructional issues; transparent making of the activities and reports to the public opinion	Conducting opinion poll from community members; Participating in the administrative council meeting; participating in the steering council of the regional Managing Directors; Giving environmental activity report; setting up an internet website; releasing the sustainability report

## Risk Management

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As far as there happens to be diverse risks in industrial complexes in different areas such as environment, professional health, business process, marketing, trading, financial affairs, legal issues, human resources and etc., the Business Continuity Management System (BCMS) project mainly focuses on detecting maximum threats which will, from a process and benefit point of view, stop the production process in the complex. In this regard, ISO 22301 which has become the laying stone for implementation of the system in Fajr Petrochemical company, defines BCMS as: “It is a holistic management process which detects potential threats and their effects on the organizational activities and determines a framework for organizational resiliency through creating an effective reaction potentiality to protect interests of main beneficiaries, and the organization’s credibility, brand and value increasing activities”.

So, the main objective for BCMS is to empower Fajr Petrochemical Complex when it faces threatening accidents during its activities through the continuation of those vital activities during the accidents as a stumbling block for all activities; to an extent that it would protect and secure the interests of the beneficiaries (including shareholders, clients, suppliers, employees and the whole community), and the credibility, reputation and the value increasing process in the organization, as well. This management system is a steering process for the organizational activities which create an operational framework in order to achieve the following results:

- To promote the resiliency level of the organization, while it faces some potential defeats and lead to lose its capability to meet the main organizational goals.
- To create a restoring and recovery method to recover the capabilities and potentialities of the organization for further production and to provide its

main services at an agreed minimum level and in an agreed time span after the accidents.

- To promote a proved capacity and potentiality to manage crisis and protect the record, credibility and reputation of the organization.

The third phase to implement the system (BCMS) is to manage those risks which are resulted from some vital recognized activities in different operational units, the main objective of which is to detect and identify the factors which stop production and service delivery. Therefore, we have applied the Fault Tree Analysis (FTA) method all over Fajr Petrochemical Company in accordance with the standard recommendations of relevant international societies. All different risks recognized in the company are resulted from a halt or distortion in the production line of any one of the following products respectively, with an emphasis on the main productions of the complex (i.e. electricity):

- 1- Electricity
- 2- Steam
- 3- Instrument air
- 4- De-mineralized (deionized) water (DM)
- 5- Toilet (service) water
- 6- Nitrogen
- 7- Fire pump water
- 8- Reverse osmosis (RO),
- 9- Drinking water
- 10- Cooling water





# مدیریت و عملکرد مسئولیت های اقتصادی

Management and Performance of  
Financial Responsibilities

۱۳۹۴

2015 - 2016

## A review of economic (financial) responsibility of

### Fajr Petrochemical Company

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The existential nature of the activities in Fajr Petrochemical Company and the sort of its products and services in the Especial Petrochemical and Economic Zone are deemed to be environmental friendly and let the company's clients to effectively manage the products (outcomes) and environmental responsibilities, as well. As a matter of fact, the company feels commitment to manage the environmental consequences resulted from its performances and has always been seriously and actively executing necessary programs in this regard. It has confined its economic success to environmental sustainability, so it has set its strategic goals in relation and in accordance with environmental responsibilities and created a common and collective organizational commitment to apply an environmental friendly approach with an emphasis on the comprehensive system of corporate management policy.

One of the most important factors which is effective on the quality of Fajr Petrochemical Company's activities to perform its environmental responsibilities is its clients' performance quality and their commitment to observe the limits for physicochemical characteristics of the waste waters they sent to Fajr Petrochemical Company for treatment. If the physicochemical characteristics of the waste water received from other complexes exceeds the limits, it not only increases the risks of the exhausted waste water treatment incompatibility with environmental standards, but also let Fajr Petrochemical Company to suffer the risk of encountering an operational equipment disposal, because the capacity and technical conditions of the equipments and environmental ecosystem to provide such services in the company is limited to a specific amount and sort of waste water. Hence, these two important risks make the company to be more serious and be responsive to other beneficiaries such as governmental and public organizations, whole community and the shareholders, as well.

In other words, the company has done its best to launch a systematic and purposeful energy oriented management approaches to create both economic values and the environmental ones. Gas serves as the major and main source

of energy in Fajr Petrochemical Company. The company has programmed to reproduce steam and recycle it in a way that it could make a maximum use of its equipment production capacity from one hand, and to reduce its energy consumption from the other hand, through establishing some up to date energy management standards and a detailed energy audits. Consequently the approach has led to a further profitability, less natural resources exploitation and reduction of the air emission parameters. So, there is certainly an environmental friendly culture widespread at all levels over Fajr Petrochemical Company which functions as a valuable capital in defining and pushing forward the environmental oriented programs and goals. Fajr Petrochemical Company hopes that all its relevant key beneficiaries could also reach to a common understanding and belief that the environmental sustainability keeps a direct effect in the long run on the employees' career and family's health conditions, suitable life conditions of local communities and continuation of the economic and production successes of the company.

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### Created and distributed economic values

The company's capitals	2,500,000 million rials
Accumulated profits at the end of the term	6,711,723 million rials
The net profit of each shares	2,601 Million rials
Sales of products and services	15,127,627 million rials
The wages and benefits paid to the employees	589,035 million rials
Saved benefits paid at the end of the employees' service	195,713 million rials
The charges for contributions to social and charity affairs	28,322 million rials
The costs for the environmental friendly operational programs	257,094 million rials



## Development of systematic platforms for the creation of sustainable values

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Fajr Petrochemical Company believes that process attitude is the best means to achieve the goals and implement the strategies of the organization. These processes are being planned, revised and improved in order to attract the beneficiaries' satisfaction. Fajr Petrochemical Company has established an integrated management system consistent with the organization's policies and governance in 2004 in order to avoid developing and deepening a single and sectional attitude. It has defined, planned and developed a criteria and a monitoring period for the owners and the beneficiaries of each process to make the results of the specific process more effective regarding the interaction and succession among the processes in order to increase the specific clients' satisfaction and to meet their needs and expectations. This very approach has been started in 2004 with regard to the company's strategies and holding the training workshops to establish Quality Management System of ISO9001 and then has been generalized as an Integrated Management System (IMS) after the establishment of an Environmental Management System of ISO14001, Occupational Health and Safety Assessment Series OHSAS18001, Energy Management EN16001/ISO50001/MSE2000. The company has established a revising management approach along with establishing an integrated system of management in order to gain the organizational short term and long term goals and to identify the improvement opportunities to create value added and finally meet the beneficiaries' needs. This approach is mainly fed with the outcomes resulted from the internal and social care audits, increasing monitoring, process changes, the feedbacks from the clients, reports of the system of suggestions, assessment of different aspects and risks in different fields. The last version of the comprehensive policy management system in Fajr

Petrochemical Company was edited in September 2014. So it well reflects the goals, strategies of the responsible management in the company and also covers and includes some important elements such as beneficiary-oriented measures, avoiding environmental pollution, and the effective and sustainable management of the organizational resources.

Fajr Petrochemical Company has created a model of organizational excellence based on the European Foundation for Quality Management EFQM in 2013 along with the policies of National Petrochemical Industry Company in 2014 and also along with the policies of Persian Gulf Petrochemical Company to implement the model. So it has received a Crystal Trophy in the Sixth Petrochemical Industry Festival in 2015.



## Introduction to the company's operational units

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### Electricity and Steam Generating Units

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The power plant in area 1 in Fajr petrochemical Company enjoys seven gas turbines with total capacity of 835 Megawatts electricity which bears power generating and distributing it among the petrochemical industries in the region. To generate this amount of electricity, it enjoys a potentiality to receive and consume 220 thousands normal cubic meters of natural gas in an hour. It also consumes gasoline as a supportive fuel when the gas pressure is down or gas current is halted. Area 2 of the power station is in the generating line with four gas turbines with the total capacity of 648 megawatts electricity.

Majority of the steam in Fajr Petrochemical Complex is getting generated through using the huge heat energy available in the very hot gases evaporated from the combustion of the gas turbines. The steam unit in area 1 has a steam generating capacity of 395 tons per an hour and the one in district 2 has been planned to generate 740 tons of steam per an hour. Boilers feeding water is produced through injection of steam and deoxidizing chemical materials into the no mineral water, and is sent for feeding the boilers with the help of some high pressure pumps. Then, the gas exhausted from the gas turbines exchanges heat with the boiler feeding water in the heat recycling boilers after opening the diverter dumpers, so

transmission of heat from the hot gas to water leads to a steam generation and a heat



reduction in the gas exhausted from the chimney. Consequently there happens

an energy consumption optimization. The thermal efficiency of the boilers in such a system is normally more than 92 percent.

### **Air Separation Units**

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Fajr Petrochemical's air units are located in the areas 1 and 2 of the complex to provide the consumer complexes with 33500 normal cubic meter per hour of instrument air, 6600 normal cubic meter per hour of toilet (service) air, 51000 normal cubic meter per hour of nitrogen gas, 40500 normal cubic meter per hour of oxygen gas, and 217 normal cubic meter of argon gas.

The air units consist of two compressing and separating (extracting) sections. All gas products of each unit are distributed among the regional consumers via gas pipes and the liquid products are transferred to the consumers all over the country by transport containers.

### **Water Treatment Units**

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The company's water treatment units are located in the area 1 and 2 of the complex in order to provide the industrial waters of the procedural units of the region with the requirements and meet their needs. These units include some divisions such as: pretreatment, reverse osmoses, non-mineral water, condensed recycled water, clean water and fire pump water. To depict the working procedure in the units, we



should say that raw water moves into the refineries or gravity sand filters after injection of chemicals in the refineries, sedimentation and normalization process in the clarifiers, and finally the PH is adjusted. The produced water moves into the water tank of the clarifier from reverse osmosis section and then the non-mineral water is produced.

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## **Wastewater Treatment Units**

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Fajr Petrochemical Company has established two refineries to treat industrial and service waste waters of the regional complexes. The incoming waste waters with low dissolved solids will be utilized in both refineries for



the irrigation of the green spaces of the Especial Economic Petrochemical Zone after undergoing a physical and chemical treatment process and extraction of its oil. It will be purified along with the existing service waste water in biological system (or activated sludge), then they will be used for irrigation and dilution of the received industrial waste water with high salinity after being clarified and fully controlled. Wastewater treatment in the area 2 is accomplished in two phases, because of the high pollution in the incoming wastewaters. A heating furnace is being used to dissolve the solid wastewaters, separated and extracted oil in the separation parts. This part which has been planned and implemented based on the technical knowledge of domestic specialists, plays an important role in the reduction of the environmental pollutions resulted from the wastes which contains heavy metals.

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## **Dispatching Unit**

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Dispatching unit is in charge of distribution and transmission of generated electricity in the power plants via two 132 and 400 kilo volts posts. The unit is connected to the national electricity transmission grid.



### **Transferring pipe line unit**

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The transferring pipe line unit is responsible to utilize and maintain the pipes for transfer of the produced utility products in Fajr complex to all active complexes in the Especial Petrochemical Zone and to all wastewater transferring lines. Beside this, the regional complexes receive their urgent requirements



and send the products via the pipe lines under the supervision of the unit.

The operational scope of the transferring pipeline unit is something more than 2700 acres of the complex, distributes, exchanges and manages more than 74 kinds of fluids such as chemicals and utility products via the pipe lines and under the supervision of the unit. The unit is also in charge of maintenance and protection of the pipe lines and related equipment including: tabs, instrumentation systems and the electrical heating systems.

## Responsible delivering of services and products

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Fajr Petrochemical Company produces various ranges of products and services in line with the needs of its clients and the mission of the company. It has always done its utmost to produce high quality products and services in a constant way and fit to related standards with regard to the effectiveness of these products and services for environmental protection in the region, the client companies' ability to keep sustainable production and maintaining the level of operation safety all over the Especial Economic Zone.

### Electricity and Steam Units

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- Electricity
- Steam

### Water Treatment Units

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- Clean water
- Reverse osmosis (RO)
- De-mineralized (deionized) water (DM)
- Tower cooling water
- Boiler's feeding water
- Toilet (service) water
- Fire pump water

### Air Separation Units

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- Gas oxygen
- Liquid gas
- Nitrogen gas

- Liquid nitrogen
- Liquid argon
- Service air
- Drinking water
- Cooling water
- Instrument air

### **Waste Treatment Units**

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- Low dissolved solid waste
- High dissolved solid waste
- Solid waste burning kiln
- Waste burning kiln



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## The Amount of Production

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Group	Products/ Services	Measurement unit	Produced In 2015	Produced in 2014	Produced In 2013
Electricity	Electricity	Megawatt per hour	4,552,982	4,300,837	4,387,334
Steam	Steam	Ton	5,820,275	5,793,822	5,431,462
Air separation	Nitrogen (Gas)	Normal cubic meter	338,237,342	326,629,922	306,544,432
	Nitrogen (Liquid)	Kilo gram	18,312,000	24,516,000	22,393,000
	Oxygen (Gas)	Normal cubic meter	246,716,299	227,880,485	244,776,003
	Oxygen (Liquid)	Ton	13,837	11,343	13,463
	Argon (Liquid)	Ton	2,070	2,029	2,201
	Instrument air	Normal Cubic Meter	196,038,409	166,812,855	158,614,006
	Service air	Normal Cubic Meter	377,557,640	314,924,930	312,604,029
Water	Reverse osmosis (RO)	Cubic meter	40,882,589	41,228,830	38,523,878
	De-mineralized (deionized) water (DM)	Cubic meter	14,699,399	15,417,667	14,293,570
	Service water	Cubic meter	1,036,040	1,090,715	831,501
	Clean water	Cubic meter	1,043,097	1,064,356	988,039
	Boiler's feeding water	Cubic meter	6,380,973	6,391,448	5,855,088

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## The Amount of Sold Products and Services

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Group	Products/Service	Measurement unit	Sold In 2015	Sold in 2014	Sold In 2013
Electricity	Electricity	Megawatt per hour	4,047,247	3,917,442	4,011,771
Steam	Steam	Ton	5,110,570	5,048,493	4,662,484
Air separation	Nitrogen (Gas)	Normal Cubic Meter	378,385,497	282,087,626	256,451,048
	Nitrogen (Liquid)	Kilo gram	3,402,725	1,941,085	211,970
	Oxygen (Gas)	Normal cubic meter	224,720,938	204,239,919	204,863,492
	Argon (Liquid)	Ton	2,264	1,813	2,080
	Instrument air	Normal cubic meter	177,086,198	151,871,023	144,538,750
	Service air	Normal cubic meter	145,380,782	123,375,679	113,222,408
Water	Reverse osmosis (RO)	Cubic meter	13,355,411	12,912,483	12,528,702
	De-mineralized (deionized) water (DM)	Cubic meter	7,955,411	12,912,483	12,528,702
	Cooling towers water	Cubic meter	15,337,354	14,976,712	13,332,103
	Service water	Cubic meter	895,547	946,341	783,501
	Clean water	Cubic meter	879,419	956,812	896,891
	Boiler's feeding water	Cubic meter	742,156	806,406	755,891
Waste water treatment	Waste water treatment LTDS	Cubic meter	3,854,307	3,516,874	3,555,960
	Waste water treatment HTDS	Cubic meter	861,472	1,014,608	734,356

	Service waste water treatment	Cubic meter	445,503	534,127	493,247
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#### Change Drinking Water to Clean Water

A committee has been set up composing the representative of Fajr complex, clients in the region and for National Petroleum Company (NPC) based on the clients' need to specifically analyze the drinking water according to public taste and popularity. Fajr Petrochemical Company, after some doing professional reviews, has put the issues on its agenda as to deliver clean water instead of drinking water to its clients with an aim to create values for clients. During the course of HSE, National Petrochemical Industry Company has supervised all the changing procedures. The process has reduced the final cost prices of clean water in comparison with drinking water, and the process finally led to an increase in the clients' satisfaction.

#### Reuse of waste or rejected water in Reversed Osmosis (RO) unit (RO Reject)

Fajr Unit of Research and Development has put a research project on its agenda as to use Rejected water (RO) in the water treatment unit along with its strategic goals, and to manage feeding consumption. It has used the feeding water of RO blocks in the water refinery unit of site 2 after accomplishing some research stages and implementation of the project for setting up a rejected water transmission pipeline to RO reject unit in area 2. It

has done too many frugalities and savings by accomplishing the project in water resource preservation, environmental protection and securing the regional ground waters and managing the costs. On the other hand, it has provided its clients with their necessary subsidiary services more confidently, and increased water production efficiency. It has planned the project of recycling the rejected water (RO) in two main stages, the first of which phase is now operational. This project, which is the largest project of its kind in Iran and in the Middle East, also leads to an increase in the production of rejected water (RO) efficiency from 70 percent to about 85-90 percent.

#### **Stability in electricity frequency**

Fajr Petrochemical Company has bought and installed new (GE model) power plant units in order to stabilize electricity production in the power plant in area 2, and to accelerate controlling of the frequency of the electricity delivered to the clients. Installation of the units in the power plants at area 1 has dramatically reduced times of power failures, resulting from the slow frequency control of Alstom turbines ,and decrease the losses and damages which used to be imposed to the national electricity network and to Fajr power plants.

Moreover, we have also suggested to inter connect the power plants in areas 1 and 2 to each other through a 40 kilo watts post in order to benefit full capacity of the power plant and send the over production electricity to the national electricity network and to further stabilize the conditions. This project has been fulfilled by underground cables. We have also offered a proposal in the form of implementing a project to install a 132 kilo aerial cable between the power plants in the areas 1 and 2 in order to avoid the problems resulting from the underground cables. The company is trying to transfer the power

surplus, to stabilize the power plants in both areas, to securely connect it to national power network, and to promote the market shares through fully implementation of the project in 2016.

**Establishing argon treatment unit alongside the air separation unit in area 1**

~~We are not only able to produce nitrogen and oxygen but also~~ argon in the production process from environmental atmosphere. In a creative and innovative move, Fajr Petrochemical Company has put on its agenda to produce not only the necessary nitrogen and oxygen, but also argon; consequently, it can both produce a new production and increase its market share, and meet a part of the country's needs to this production.

## Managing to Communicate with Clients

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One of the strategic goals of Fajr Petrochemical Company is to improve its beneficiaries' satisfaction. So the company has always been trying to play its role for a mutual success through promoting a constructive, innovative and win-win communication with its clients. It has always been updating the communication with its clients and been sensitive to collect their view points and expectancies with the help of different ways such as: doing rotational surveying, holding personal meetings, doing organizational correspondences, attending in societies and common work groups in the region. These activities are followed at different levels from the organizational leaders up to the experts in charge of relevant units including the departments of sales and customers' service. The endings of the continuous communication with the clients are being raised in the meetings for management revision, and the company considers suggestions and necessary measures to response to the needs and expectations of its clients with regard to an agile and problem solving based approach.

The nature of the activities and products and services in Fajr Petrochemical Company led to an improvement of the quality and quantity of corporate activities which have had a direct effects on the potentialities of the customers for and efficient and effective management of their business. The company has always been avoiding monopolistic attitudes, which is one of the important issues in such situation, because the way of providing the products and services in Fajr Petrochemical Company by itself is still a monopolistic one. There always used to be a close relation between Fajr Company, the society of petrochemical employers and the customers in pricing the products and services. The clients

are even enjoying discounts and financial incentives based on the situations and conditions.

From the other hand, the company has always been ready to exchange knowledge and experience with the customers and to make suitable technical adjustments in the defined cooperation with its customers, some examples of which are referred as follows:

**Training and setting up some production units in the regional complexes**

Fajr Petrochemical Company provides its customers and partners with technical experiences, skillful human force and if needed, its own potentialities and facilities in order to create values for them. For example, Fajr company's specialists have played a key role for the inauguration of air separation units in the petrochemical companies such as Maroon, Ghadir and Arvand and also for installation of a water refinery in the Organization of Especial Economic Zone. These measures have played an effective role in the social responsibilities of the organization and boosting customers' satisfaction beside the development of knowledge management in the region.

**Installation of dehumidifiers in the course of incoming toilet (service) air to Shahid Tondgooyan Petrochemical Company**

Fajr Petrochemical Company has developed a technical service application to provide and install a dehumidifier in the course of toilet (service) air in Shahid Tondgooyan Petrochemical Company based on a request by the company in order to increase the clients' satisfaction despite a contracting commitment.

**Adjusting the steam PH sent to Amirkabir Petrochemical Complex**

Fajr Petrochemical Company has injected cycle amine to the boiler feeding water to solve the steam PH issue and enjoy further client's satisfaction for the

steam delivered to the Amirkabir Petrochemical Complex based on a request by the company in order to increase the PH of the steam sent to the complex after reviewing the engineering process.

#### **Voltage sustainability in Arvand Petrochemical Company**

High sensitivity of Arvand Petrochemical Company to the normal fluctuation of the electricity network has led to an emergency exhaust of the production units in the company. Fajr Petrochemical Company has introduced an experienced advisor to Arvand Petrochemical Company who had reduced the rate of the emergency stoppage in the voltage, after holding some joint professional meetings with that complex (Arvand) and has offered a technical proposal to mend some relay adjustments, as well.



## Sharing a healthy and transparent economy

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### Tacking Money laundering

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Fajr Petrochemical Company has approved in the 13<sup>th</sup> session of its Supreme Council of Money Laundering a directive in 24 articles and 7 clauses dated back to June 13, 2012 which is binding from the date of notification to tackle money laundering in the business companies and non-commercial institutions. The company is performing the following measures in order to implement the above directive:

- It has requested the customers and referred clients' necessary documents to form a file based on the articles 4 and 50 of the directive.
- Based on the articles 8 and 20 of the directive, all legal entities should submit some detailed information about their national identification book, and all individuals should submit the information about their national identification code (ID), postal address and postal code while filling the forms in all received and delivered invoices and the contracts.
- Based on the article 10 of the said directive and the correspondence No P.S-s1 /117 dated back to May 21, 2014, Fajr Company is responsible to introduce an individual in charge of combating money laundering to the Supreme Council of Money Laundering and receive the codes and passwords of entering the council's website from its secretariat.
- Based on the article 11 of the directive, all employees in the departments of administration, financial, commerce, legal affairs and contracts and also the chiefs of the said departments should have passed some introductory and advanced courses on the laws of combating money laundering and should have received the certificates for the training

courses, as well. In this respect, a work group has been formed for combating money laundering, in which the representative of all departments of internal auditing, finance, legal affairs, commerce, and security affairs are present.

- Necessary cooperation has been made with the independent auditors based on the articles 12 and 13 of the directive. We have let the person in charge of combating money laundering to have full access to the files covering the customers' personal information and his/her financial systems.
- Based on the articles 11 and 14 of the directive, all staffs have access to the legislations and related directives for combating money laundering in all commercial companies and non-commercial institutions. They also have access to contact numbers of the person in charge of combatting money laundering in Fajr Company for further awareness and information.
- Based on the article 15 of the directive, all receipts and payments are done via banking accounts and bank transfers.
- The person who is in charge of combating money laundering can easily visit the website of the secretariat of the Supreme Council of Money Laundering, and receives the latest relevant information and instructions.
- In order to implement the said directive, a special form of commitments has been prepared to observe the laws and regulations for combatting money laundering and has been attached to all contracts to obtain the contractors commitment to the rules.

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## Avoiding monopolistic measures

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Fajr Petrochemical Company provides its products and services in a monopolistic way based on some plans to develop the Especial Economic Zone. It is principally performing the decision this way in order to provide such products and services effectively and economically. Fajr Petrochemical Company feels commitment to a sustainable regional development with a long term perspective. In this respect, it has always been trying to commercially interact with its key beneficiaries in order to reach a win-win consensus and agreement. Concerning the pricing of the products and services, it has acted according to an agreement which has been signed with the Society of Employers and Customers in petrochemical sector. The company's customers have also received, even in different situations, different incentives and discounts from the company. On the other hand, it has clearly defined a procedure to review and choose the suppliers (of materials, spares and services) who can be easily reached by publics based on the legal obligations. The company is to provide clearly and justly different groups with the commercial opportunities in order to create competition among different suppliers and finally to share with them the quantitative and qualitative improvement of the activities to make a distinctive competition atmosphere.



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## **Transparent and accountable financial management**

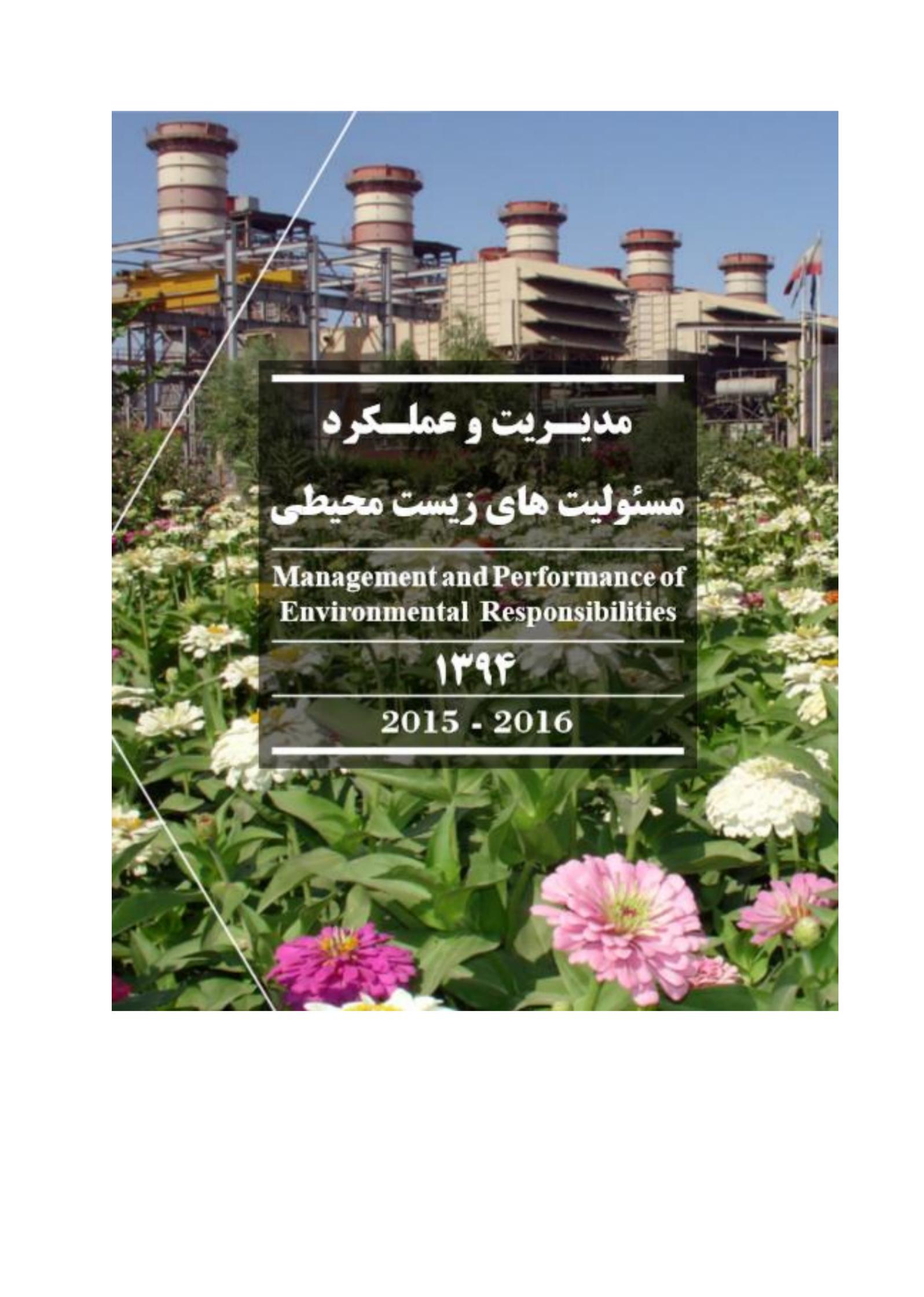
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Fajr Petrochemical Company is controlling and registering all its financial activities according to financial governance process and in accordance to all relevant organizational levels of activities. It has developed guidelines, circular directives, various laws and regulations such as: some budget related guidelines and regulations, trading transaction by-laws, accounting and auditing standards, the resolutions and approvals of Fajr Company Board of Directors, Persian Gulf Petrochemical Industry Company, the Department of Oil, etc., and has made use of them to play in all financial procedural levels in order to make them compatible with all events bearing financial dimensions and effects. The financial auditors of fajr Petrochemical Company are constantly approving and confirming the company's activities through some measures such as budget controlling, property controlling, making formal documents from all financial periods, insurance auditing, tax census and auditing, and also providing Court of Audit and Inspection General and all other financial referees with information about the financial governance process of all levels of the organization.

Of other financial governance process of Fajr Petrochemical Company we can refer to annually auditing by the auditors and legal inspectors in order to study the financial activities of the company and comment about the acceptability of the financial invoices based on the accounting and auditing standards and the reports by the Board of Directors to the meeting of its shareholders, and to increase the activity range of internal audition unit, as well. And of its distinct cases of financial governance process we can refer to the implementation of effective internal controlling in order to achieve an acceptable level of financial risks.

As far as there is no disagreements and contradiction in the company's activities with regard to the improvements in the financial process of the company with an aim to clarify the financial reporting of the activities, the auditor's comments on the company's activity and financial invoices have for years been positive and compatible with audition standards.





**مدیریت و عملکرد  
مسئولیت های زیست محیطی**

**Management and Performance of  
Environmental Responsibilities**

**۱۳۹۴**

**2015 - 2016**

# Reviewing the environmental responsibilities in Fajr Petrochemical Company

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The products and services provided by Fajr Petrochemical Company in the Especial Petrochemical Economic Zone, by nature are environmental protective and let its customers to effectively manage the environmental consequences and responsibilities. Besides the fact, Fajr Company feels commitment for the management of the environmental aftermaths resulting from its activities and has always defined and implemented very seriously and actively the necessary programs in this regards. Therefore, determining a strategic goal related to environmental responsibilities and creating a comprehensive organizational commitment normally leads to taking an environmental friendly approach highlighting the company's comprehensive system of management policy. So the main element of the economic success in Fajr Petrochemical Company is laid on its environmental stability.

So, the quality of the customers' performances in Fajr Company and their commitments to observe the physical and chemical limitations and characteristics of the waste waters sent to Fajr Company for treatment is one of the most vital effective elements in Fajr Petrochemical Company's performance quality to accomplish its environmental responsibilities. As far as the prepared equipment and the biological ecosystem to deliver such services enjoys some technical peculiarities which to some extend can change the limitations, it will not only adds to the risks of waste water treatment incompatibility with the environmental standards but also makes Fajr Petrochemical Company to face the risk of getting out of equipment operation, providing that the physical and chemical characteristics of the waste water sent

by other complexes exceeds the limitations. These two important risks also make the company to seriously response other key groups of beneficiaries such as governmental and public organizations, society and shareholders.

On the other hand, the company has done a lot to draw a connection between economic value creation and environmental value creation by establishing a systematic and intended energy management approach in the organization. As far as, natural gas is the main energy source in Fajr Petrochemical Company, the company has done some production reprograming and heat recovering through establishment of some up to date standards of energy management and doing a detailed energy audit in a way that it would make maximum use of the production capacities of the equipment from one hand, and reduce the rate of energy consumption from the other hand. So it has reached to a level of making more profits, use less natural resource and leave less air pollution emissions.

The environmental supporting culture prevailed at all levels of the organization in Fajr Petrochemical Company can absolutely be considered as a valuable capital for the company to define and develop its environmental programs and goals. So the company hopes that all its key beneficiaries would someday reach to a common understanding and belief that the environmental sustainability can directly affect conditions of the employees' career and family lives, make a suitable life condition for the local communities and affect the stability and continuity of production-economy success in the long run.

### **The budgets dedicated to environmental programs in 2015**

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The investment costs in the waste water treatment unit	628592 million rials
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The current costs in the waste water treatment unit	192582 million rials
The current costs for the waste disposal in the waste treatment unit (Waste burning kiln)	2987 million rials
The costs for the waste disposal in water refinery unit	8566 million rials
The costs for the monitoring of pollutants by an accredited laboratory	262 million rials
The costs of the waste water recycling of reversed osmosis (RO)	257094 million rials

## Management of water effects



Annual receiving and treating of 5,300,000 cubic meters waste water in the petrochemical complexes stationed in the region

Establishment and installation of a waste water treatment pilot with an expense of 7 billion rials



Recycling and treatment of 45 percent of the boiler's feeding water sent to the complexes

Forwarding about 850,000 cubic meters of the treated waste water per annum for the irrigation of 85 acres green area in the Especial Zone



Recycling 1,132 cubic meter per hour of waste water to the desert lands of the region through the implementation of the recycling project (RO reject)

## Management of air effects

- Bringing the emission of 40,200 tons of CO2 gas to a standstill annually through maximization of the production in the heat recycling boilers
- Use of gas turbines compatible with the environment in the units of the power plant
- Defining a project to delete the volatile organic pollutants
- Developing, preserving and expanding of green areas in the complex up to 4 acres

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### Management of soil effects

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Burning 10 tons of sludge resulted from the treated waste water in the waste burning kiln

Using the ashes of the waste burning kiln to make concrete, and construct park area and avoid sending them to waste burning places



Buying and setting up a solid burning kiln to remove the wastes of waste treatment units with an expense of 60 billion rials

## Management of natural resources effects

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- Reducing the consumption of 21,660,000 standard cubic meter of gas per annum through maximization of the production of heat recycling boilers
- Reducing the exploitation of 1,132 cubic meter of water from Karoon River per hour through the implementation of the RO Reject project

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## Creation of economic values through creation of environmental value

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Materialization of more than 31 billion rials profit through the maximization of the production of heat recycling boilers



Economically saving of about 150 billion rials per annum through the implementation of RO Reject project

# Environmental Management

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## **Developing the systemic bases for an integrated environmental management**

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At a strategic level, the strategic goal is “to improve the quality of observing the rules and environmental requirements and standards” which well reflects the rate of the senior managers’ commitments in the organization to approach and use the business development programs in a way that they could be environmental friendly, as well.

In this respect, managers and employees of Fajr Company have pledged to protect environment as a policy for a comprehensive management system. The following three articles from the comprehensive management system policies clearly reflect the company’s commitment to unify the environmental friendly approaches and view point at different strategic and operational levels.

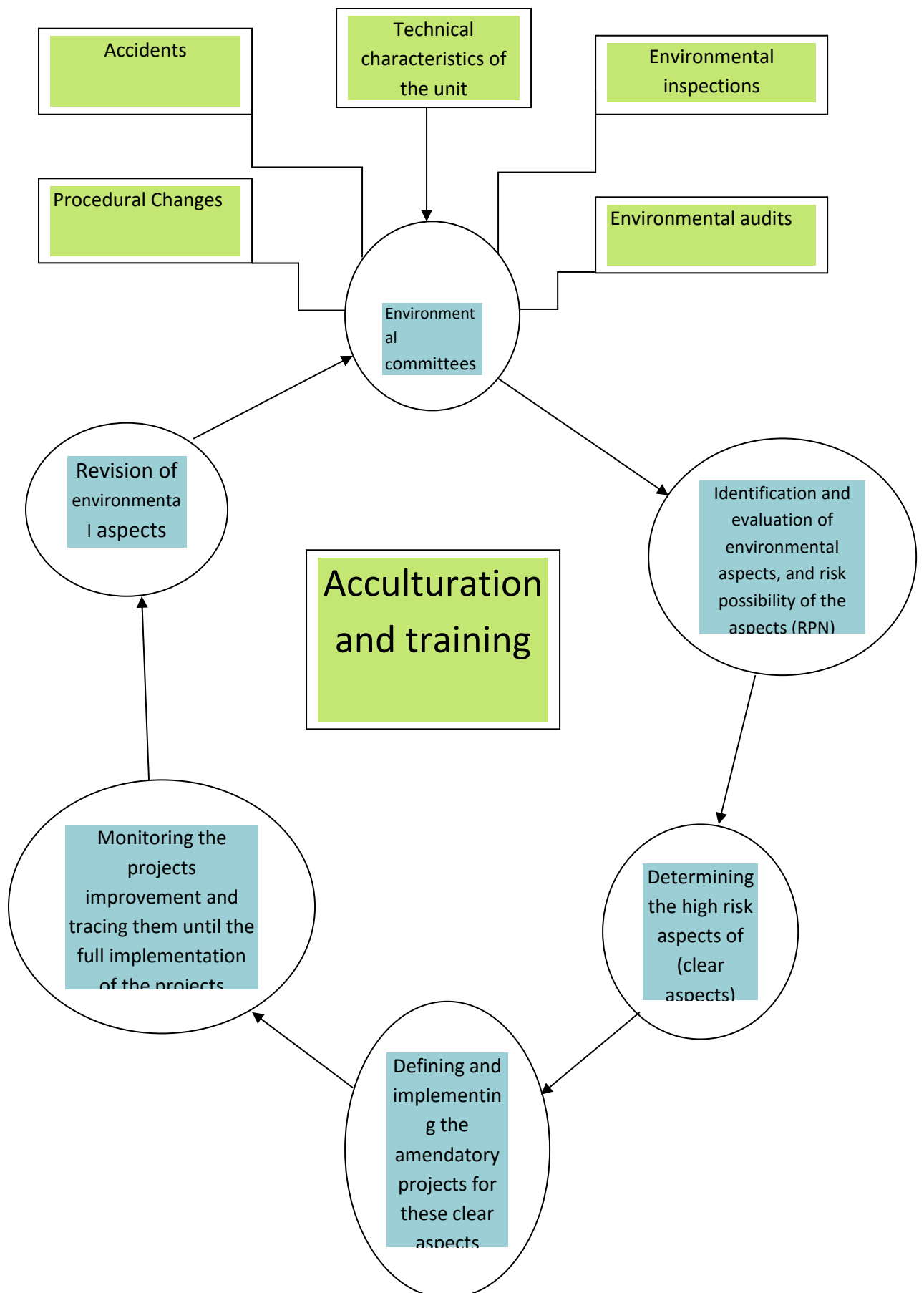
- Plight to continuously improve the quality, immunity, occupational health conditions and the energy efficiency abased on the assessment of the comprehensive management system.
- Preventing accidents, environmental pollutions and energy wasting through controlling and analyzing the potential factors which affect them.
- Detecting services and products and to adjust them to the legal requirements and other commitments related to the company’s activities in the field of quality, immunity, occupational health conditions, environment and energy in order to manage and control the environmental effects of pollutions on the ecology (plants, animals, landscapes and human being) and on natural resources (agricultural lands, water, jungles, energy, marine and mineral resources), and on air from 2004 based on the quality code of conducts. So the company has managed to set up a system of environmental quality

management (ISO14001). We normally use the means such as: internal and external audits, self-assessment, evaluation of petrochemical incentives, measurement of related indexes and reporting about the outcomes in the management revision meetings in such a situation to evaluate and assess the said approaches. We also define indexes such as: the percentage of observing the legal requirements for waste water in the complex, percentage of observing legal requirements for air in the complex, average of risks in their environmental dimension, percentage of compatibility in environmental visits and percentage of determined wastes in order to rate the said approach.

We have also defined and started a necessary and supportive process in the environmental management in Fajr Petrochemical Company, one of the most important of which is detecting process which is by itself the assessment and revision of environmental dimension of the organization.

We can also recognize the environmental aspects and their consequences through specifying the process and related activities with regard to items such as: pollutants' emission into the air, water, soil, and or consumption of the resources and also the existence of some legal requirements in every item. The evaluation of the environmental aspects and their consequences are done for each items based on the Failure Modes and Effects Analysis (FMEA) method, and we can define the Risk Priority Number and the necessary controlling and amending measures for the items, as well.

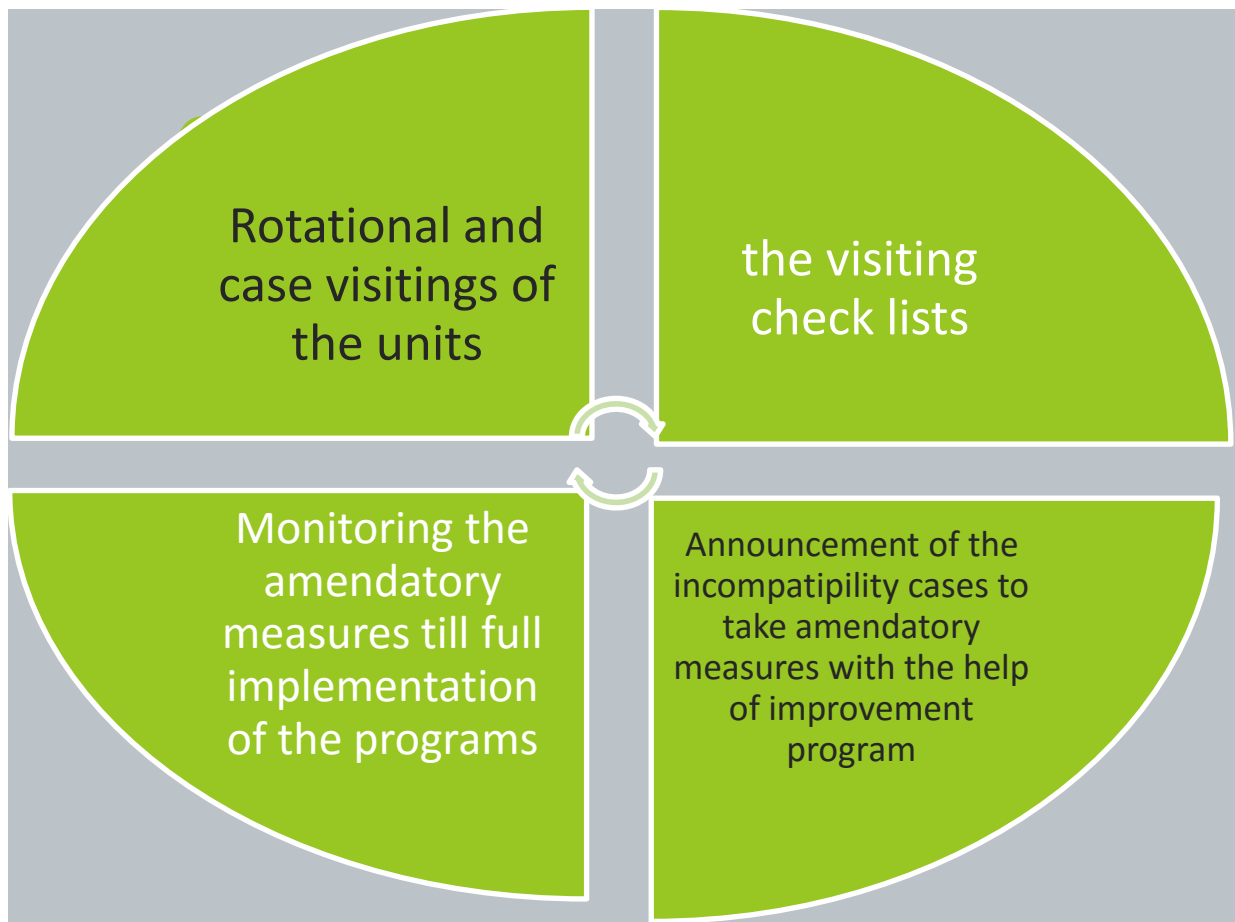
## Methods of recognizing, evaluation and revision of environmental aspects



One of the most important phases in the management circles is the supervising over the activities in order to make sure of the progress in a right way, identification of the errors and take a measure to do on time amendments. As a result, the supervision over the environmental activities of the company is now going on, the most important phases of which are as follows:

- Supervising the environmental parameters of air and waste water outlets
- Reviewing and analyzing these results in the reliable laboratory of the complex which are related to the daily waste water outlets and forwarding the incompatible cases to the relevant units
- Reviewing and analyzing the results of online analyzers which affects the chimneys of the power plant
- Reviewing and analyzing the results of accredited laboratory and sending the incompatible cases to the relevant units
- Preparing a report of incompatible cases of waste waters and forwarding them to authorities of the complexes
- Updating the environmental indexes
- Preparing a monthly report about the environment of the complex and forwarding it to the management programming unit
- Supervising and controlling of environmental aspects of the operation units and forwarding the report to the relevant units

**The supervision process over the environmental activities**

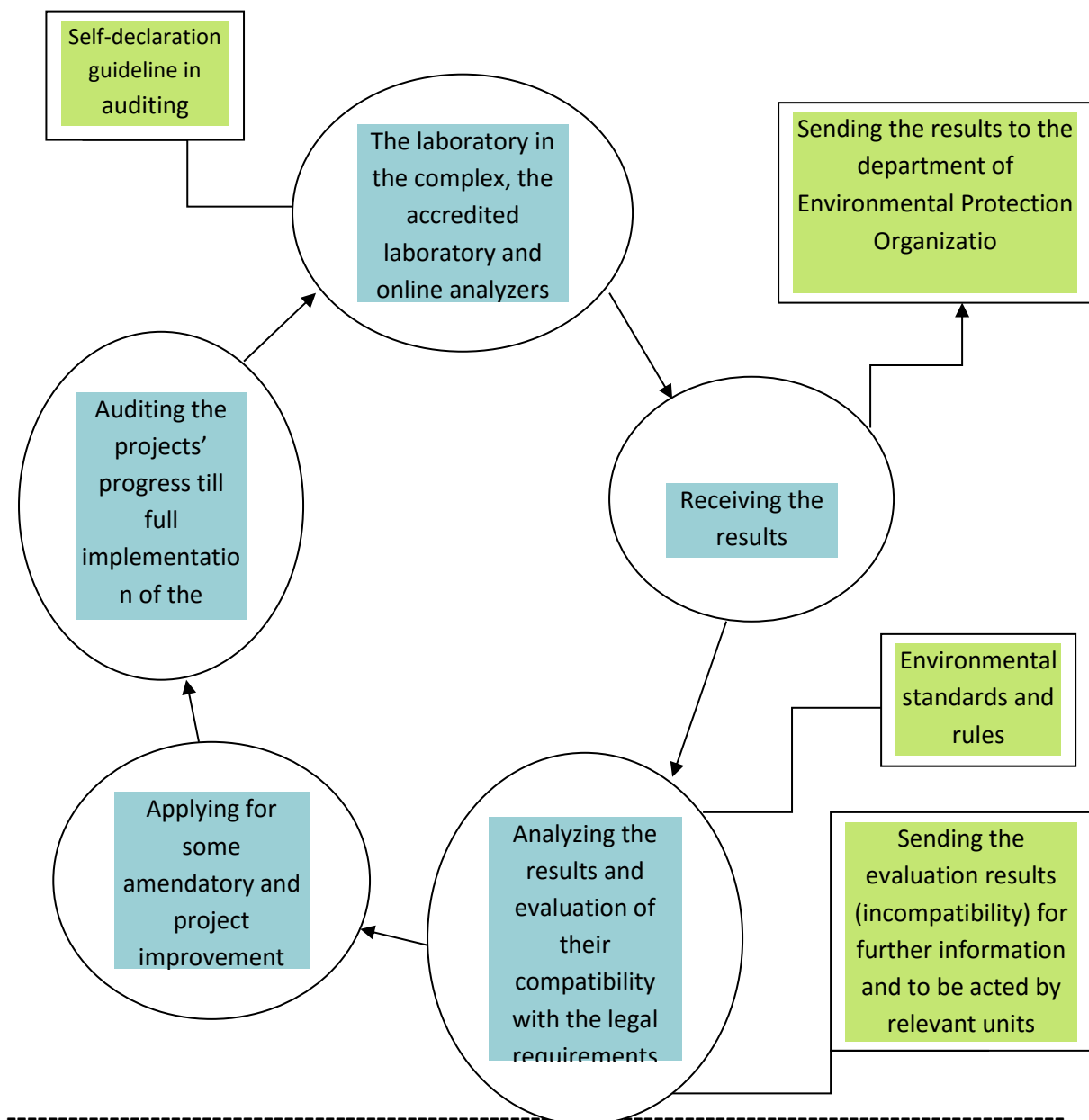


The pollution parameters of the waste water and air are measured at the outlet of the complex as a rotational self-declarative plan by the complex's laboratory and also by the accredited laboratory of Environmental Protection Organization in order to make sure that the environmental standards are observed. These are accomplished through the implementation of auditing process and measurement of the environmental pollutants in Fajr Petrochemical Company. In this respect, some online auditing systems are installed on the chimneys of the gas turbines of the power plant unit and the air parameters such as NO<sub>x</sub> and CO of the exhausted gas are always being measured. The PH and COD parameters at the treated waste water outlets are being audited by an online analyzer. Some important auditing process and measurement moves are as follows:

- Measuring the parameters of environmental pollution on the complexes' outlet by the laboratory of the complex
- Measurement the parameters of environmental pollution on the complexes' outlet by an accredited laboratory

- Measuring the parameters of environmental pollution on the complexes' outlet by the online analyzers
- Supervising over the audits at the accredited laboratory
- Supervising over the air pollution controls through installing suitable equipments (analyzers)
- Doing necessary coordination with the laboratory of the complex in order to measure environmental parameters

### The process of auditing and measuring the environmental pollutants



## **Waste water Management**

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Fajr Petrochemical Company plays an important role in environment protection through receiving and treating the waste waters from the complexes in the Especial Economic Zone. The waste water treatment units of area 1 and 2 are designed and set up to treat the industrial and toilet waste waters of the Especial Zone's complexes in Fajr Petrochemical Company. 15 complexes of the Especial Zone are sending different kinds of their produced waste waters to the waste water treatment units of Fajr Company. These types of waste waters are as follows:

- Greasy with low total dissolved solid waste water or Low TDS
- Chemical waste water with high total dissolved solid or High TDS
- Toilet waste water
- Hydrocarbon waste

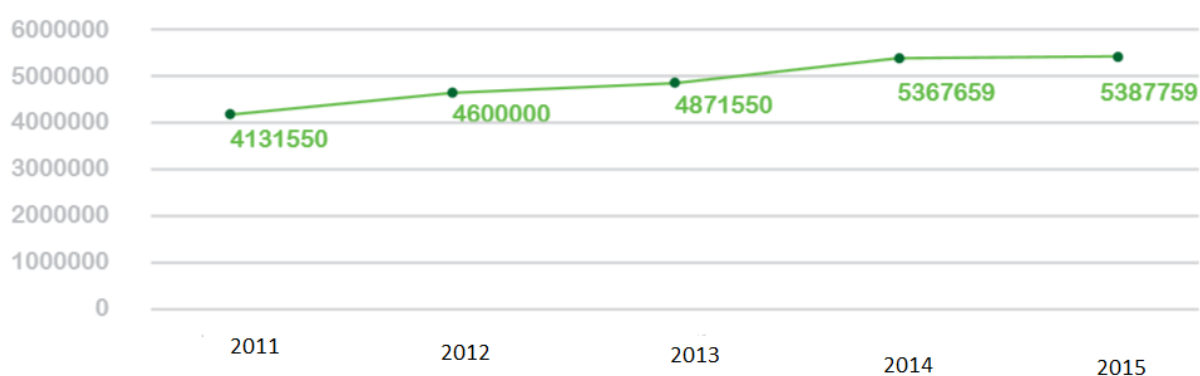
The capacity of the water treatment units in area 1 and 2 are 460 and 520 cubic meter per hour respectively. The Low TDS waste water treatment process is composed of three main sections:

- Section one: Integration and physical and chemical treatment
- Section two: Biological treatment, filtration and disinfection
- Section three: Processing and dewatering of sludge

The Low TDS treated waste water which enjoys environmental standards is used for free for the irrigation of green area in the Especial Zone in order to optimize the water sources. This measure, from one hand is led to a reduction in pure water use for irrigation and from the other hand, to improve the weather condition in the region through developing the green area.

High TDS water treatment process is composed of two kinds of complete and optional lagoons. The High TDS waste water is entering the estuary after undergoing treatment process.

Received and treated waste water index rate (cubic meter per annum)	2011	2012	2013	2014	2015
	4,131,550	4,600,000	4,871,550	5,367,659	5,387,759



### ***Waste water treatment pilot***

We have designed and set up a waste water treatment pilot in Fajr complex in order to review the problems and implementation stages of research projects about treatment process of the received waste water, and to increase performance efficiency of the refinery. We can review different ways of waste water treatment in this multipurpose pilot such as: active sludge, optional lagoon, MBBR, SBR, and MBR. This project became operational with a budget about 7 billion rials.



### **Making waste water recycling project operational in the RO Reject unit in 2015**

The project was designed and implemented to optimize and save water resources. The condensed waters received from RO reject units containing high minerals enter into the regional estuaries. Regarding the high amount of these waste waters, Fajr Petrochemical Company has put on its agenda to plan and set up a unit to recycle RO reject waters. Some domestic companies began to implement the project from 2013 and to accomplished two blocks of the RO reject recycling unit in 2015 through hard working and seriously following up the project. Implementation of the project let to entering 1,132 cubic meters of the waste waters in the regional estuaries. This volume of waters were recycled and returned to the production cycle, too. Exactly the same volume of raw water of Karoon river was left to be intact (i.e. it led to a reduction in the river water consumption). The project also led to protection of the valuable water sources and economically saving of about 150 billion rials per annum.



## **Waste Management**

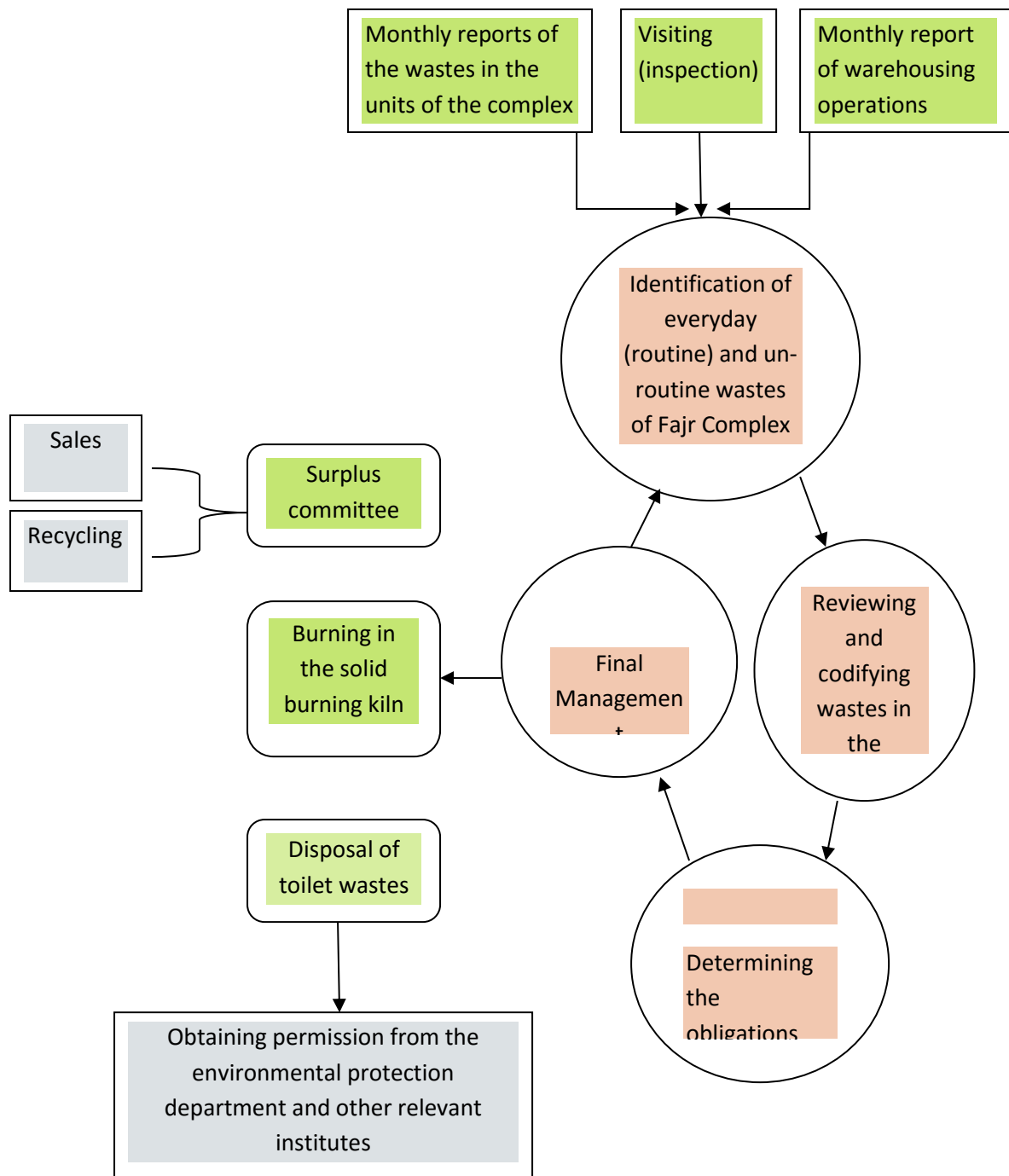
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The wastes are very important with regard to their different environmental aspects. One of the most important cases which is managed by Fajr Petrochemical Company under the current approaches and methods, is the wastes resulted from the procedural and nonprocedural operations in Fajr complex and sometimes in other complexes, as well. These procedural and nonprocedural wastes in Fajr complex are identified, classified and codified

based on the existing methods and instructions. Some important measures done in the process of waste management are:

- Monitoring and tracing the proper and controlled disposal of wastes, especially when they are buried in places approved by the Environmental Protection Organization and or burned under some controlled conditions with the help of modern methods;
- Observing the rules and criteria which are governing over the systems of collecting, saving, processing, transporting and immune disposal of dangerous and non-dangerous wastes;
- Collecting information and monthly reports about the wastes from the units;
- Preparing monthly reports about Fajr complex wastes.

## **Waste management process**



Different wastes which are managed in Fajr Petrochemical Company are as follows:

- Silt (mud) deposits in the water treatment unit
- Silt deposits in the waste treatment unit
- Ashes of the solid burning kiln

- Semi homemade wastes
- Metal waste products
- Rock wool
- Electronic wastes
- The 200 liters plastic barrel
- The 1000 liters plastic barrel
- Coke
- Waste oils
- Cables
- Chemical substance
- Batteries



### Waste stocks and the way to manage them in 2015

Row	Name of the waste	Amount (ton)	Final management (ton)				
		The total stock of the year	Recovered	Sold	Burned	Buried	Temporary saved

1	Sludge in the water treatment unit	56215	0	0	0	56215	0
2	Sludge in the waste water treatment unit	58	0	0	43	0	15
3	Ashes of the solid burning kiln	2.5	0	0	0	0	205
4	Semi homemade wastes	276	0	0	0	276	0
5	Metal product wastes	122	0	92	0	0	30
6	Rock wool	6	0	0	0	0	6
7	Electronic wastes	0.9	0	0	0	0	0.9
8	The 200 liters metal barrel	0.5	0	0	0	0	0.5
9	The 200 liters plastic barrel	0.2	0	0	0	0	0.2
10	The 1000 liters plastic barrel	0.3	0	0	0	0	0.3
11	Coke	404	0	0	0	0	4.4
12	Waste oils	179	0	25	0	0	154
13	Cables	40	0	0	0	0	40
14	Chemical substance	0.4	0	0	0	0	0.4
15	Batteries	0.5	0	0	0	0	0.5
	Sum	56,905.70	0.00	117	43	56,491.00	457.2

The silt deposit in the waste treatment unit is one of the main wastes in the complex which is created largely with the deposit of minerals in a water

treatment process. These kinds of wastes are being transported to a place determined by the Environmental Protection Department after being loaded into a special truck for carrying the sludge and will be buried under the supervision of the department with special environmental considerations. A public call for the supply of these sediments (residues) has been made as a new approach or attitude to determine its recycling feasibility or any sort of using the waste instead of rejecting and wasting it. We are studying to develop a valuable product with the help of these sediments after coordinating with some special research centers and doing different analysis and field visit. Now, we are reviewing the feasibility of using these sediments as a special soil to develop green areas; and if the plan succeeds, we can make use of the sediments to construct more extensive green areas in the region.

We have also planned and constructed a waste burning kiln in Fajr Petrochemical Company to get rid of the sludge in the waste water treatment unit. This solid burning kiln has been established with an expense of 60 billion rials. As far as the sludge derived from the waste water treatment process is too much and very dangerous, the said produced sludge is being burned in about 10 tons per day in the kiln and the resulted ashes is also used as one of the constituents to produce concrete and cement.

The waste oils and hydrocarbons are also of the wastes which are used based an old method in the liquid burning kiln, the plan of which dated backs to 20 years earlier. But nowadays these wastes are sent to those companies which have operating license and permission from the Environmental Protection Department to be recycled. Other wastes available in the complex are also managed somehow with regard to the principled methods of managing the wastes such as reusing, selling and recycling, burning, and burying.

Two current important programs in the field of environmental management are as follows:

- Cooperating with Tehran university's faculty of environment in order to comprehensively study and review the wastes in the water treatment unit
- Taking necessary actions or measures to allocate a piece of land in Mahshahr-Omidiye road to Fajr Petrochemical Company in order to dispose the wastes in the water treatment units in coordination with the Department of Natural Resources and Agriculture.



## **Training and environmental culture building**

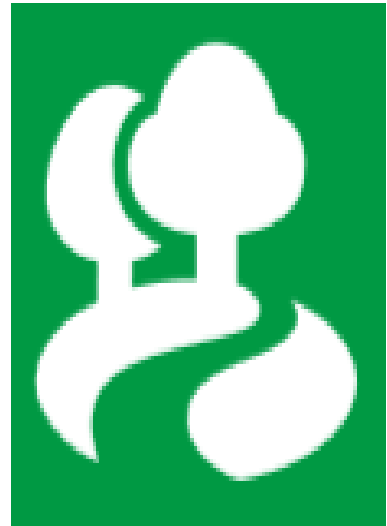
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The key strategies and approaches of Fajr Petrochemical Company are all by nature supportive of environmental training and culture building. The company is implementing different educational (training) and cultural programs and doing various measures in line with its overall goals such as: “development, commitment and promotion of organizational knowledge management” according to paragraph 6 of the company policies, i.e. paying attention to creative and intelligent man power, preserving and improving the scientific and professional ranks of the employees through constant training, development of human resources as the most important capital, and convincing and attracting them to further contribute to the company’s programs. Some of the most important of measures are as follows:

- Holding public and environmental professional training courses
  - Contributing in holding forums and environmental friendly ceremonies
  - Preparing and distributing environmental related books, newsletters and periodicals
  - Establishing the “Fajr Clean Energy” work group for those who are voluntarily interested in different environmental issues
-

## Green Area

Of the other measures done by Fajr Petrochemical Company we can name: developing, preserving, expanding the green areas of the complex in order to improve the environmental situation and the employees' health conditions. So it has allocated a land about 4 acres to develop the green area in the complex, the various plants and trees of which has enhanced pleasing and joyful nature of the environment and the morale of the employees, as well.



## Energy Management

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### Developing systemic bases for energy management

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Fajr Petrochemical Company as the main utility supplier for the petrochemical complexes of the Imam Khomeini Especial Economic Zone has always been attempting to constantly and confidently feed and provide the industrial complexes with their utility requirements. This issue implies adopting a thoughtful approach by the company to simultaneously manage both production and supply of the utilities. Hence it has developed an “Energy Controlling Unit” in the complex in 2006 with regard to the necessity of production stability in order to reduce the finished prices of its products. This unit’s name was changed to the “Energy Management Unit” in 2009. We have also tried to extend energy management for production and consumption to all activities which are somehow effective in energy aspects.

In this regard, Fajr Company has set up an energy management system based on the energy management standards. This very plan has been switched on in 2010 after receiving some systemic consultations and establishing some necessary and related work groups to implement the energy management standards. Fajr Company as the first company in Iran which is active in oil, gas and also petrochemical industry could finally succeed in the summer of 2011 to receive ISO50001 license and also become the second company to gain EN16001 and MSE2000 licenses, too. The company has been able to extend the ISO5001 license each year during the last four years.



## The nature of energy consumption

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Generally speaking and regarding the nature of Fajr Petrochemical Company's sense of duty to supply utilities for the regional complexes and also for the existence of two power plant units in sites 2 and 4 of Especial Economic Zone, main energy consumption conduit of Fajr Company is natural gas. We have considered gasoline as an alternative fuel for the times the power plants faces difficulties such as: natural gas failure or gas pressure reduction. Although the company is selling electricity in the normal conditions to other customers through connecting internal pipelines to the national network, but it has also made predictions to receive – if needed - its electricity from the network, as well.

As a result, necessary natural gas is supplied from Iran National Gas Company via the Organization of Especial Economic Zones. Gasoline is also bought directly from National Iranian Oil Products Company (NIOPDC).

So, we measure gas and gasoline consumption rate and report it in a period of one month.

	Natural Gas (Standard Cubic Meter)	Gasoline
(Liter)		
Area 1 1,937,258	1,086,620,014	
Area 2 18,573,704	597,616,041	
Sum 29,510,962	1,684,236,056	

**Quantities of gas and gasoline consumption in 2015**

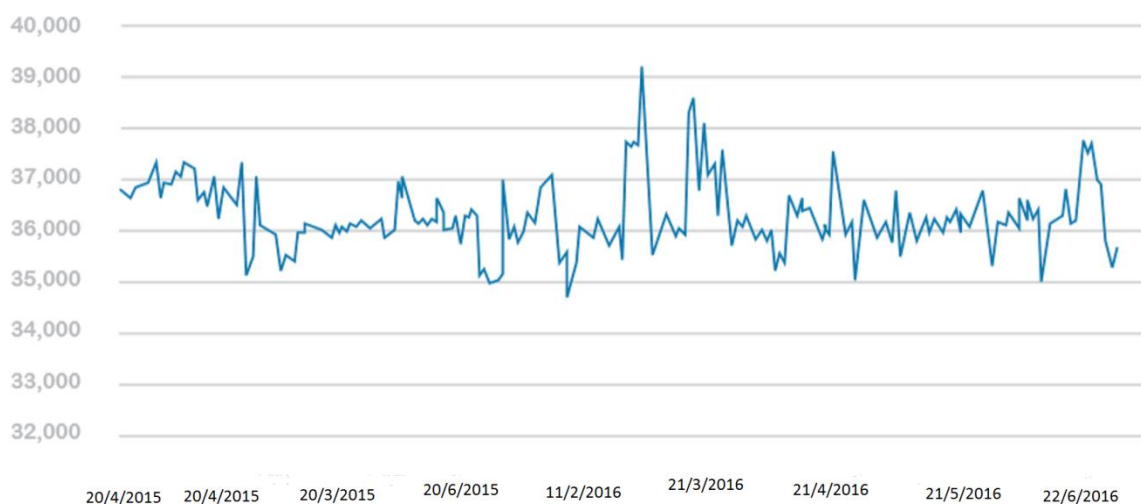


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## Operational and functional requirements for energy management

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As mentioned in the previous section, Fajr complex is main energy utility supplier of the petrochemical complexes in the region. So, any halt in the process and lack of utilities in the supply to the complexes may lead to some miserable environmental disaster, wasting resources, damages to the production lines, and very big economic losses. Therefore, the importance and urgency of non-stop and stable (constant) supply of the utilities for the complexes and also saving Fajr Company's interests are of a great importance for the company and is of its first priority. It means, for this very reason we should never forget to consider an empty capacity for production, because any lack of production may lead in its turn to a reduction of efficiency in the equipment productions such as gas turbines, as well. This issue and also the variable and momentary being of the conditions also may lead to a lack of transparency in the determined safety margin, to the extent that this amount of storage may exceed the actual amount. Tackling the problem, we have done a lot to remove the emerged incompatibilities in energy management through holding training courses, doing strategic projects of energy management for production, performing a "walk-through audits", making a computerized modeling of production units, defining efficiency indexes and writing monthly and some case reports.

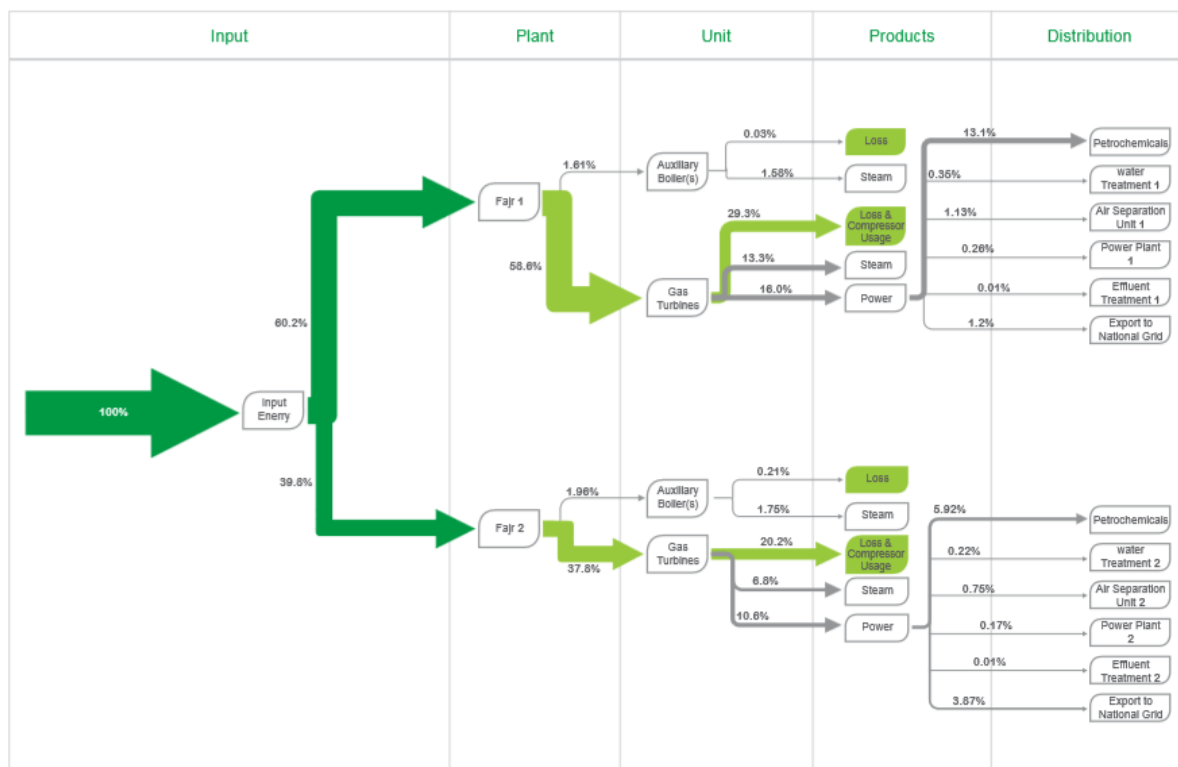


**Changes in the value of low heat fuel based on kilo joules per standard cubic meter**

From the other side, the quality of gas fuel consumption can affect energy management in the complex. Actually, the quality of gas fuel consumption is different from making changes in the composition percentage of its ingredients. Therefore, the energy management unit has been receiving the results of natural gas analysis daily from the laboratory, doing quality assessment on them, and calculating the thermal value of the fuel in its correspondence. As far as the measurement of the quality of fuel is very important while auditing the energy indexes, we try to analyze the sensitivity of those energy indexes which are affected by the fuel parameters.

Enjoying a clear understanding and concrete information about the difficulties and energy consuming nature of the activities in the complex is one of the most important and effective approaches to the energy management in Fajr Petrochemical Company. In this respect, we draw the rate of energy input and the way it is consumed in this complex and in other petrochemical complexes of the region based on a detailed energy audit. So, the findings well proves that majority of the energies are consumed in the power plant units and these units' consumption interval is far more than the other units in the region.

**Fajr Petrochemical Company's Sankey energy diagram**



## Maximization of the production in heat recycling boilers

Implementation of the policies to produce minimum steam in the auxiliary boilers (which are also fuel consumers) and maximum production in the heat recycling boilers installed on the gas turbines normally leads to an increase in their production quota for about 246 thousand tons in the recycling boilers compared to other auxiliary boilers. This very measure saved more than 31 billion rials in 2015 for the company. On the



other hand, the measure had valuable environmental consequences such as reduction of about 21,660,000 standard cubic meter gas consumption annually and preventing the CO<sub>2</sub> gas emission for about 40,200 tons per annum, as well.

### Activity indexes of energy management in 2015

Energy activity index	Unit	Area 1	Area 2	Sum
CHP efficiency	Percent	52,2	50,9	51,7
Net electrical efficiency (LHV)	Percent	27,4	27,5	27,4
Gross electrical efficiency (LHV)	Percent	27,8	28,0	27,9
Percentage of energy recycling of turbine fuel by heat recycling boilers	Percent	23,4	20,4	22,4
Gross heat rate (LHV)	Kilo Joules in kilo watt per hour	12928	12839	12897
Net heat rate (LHV)	Kilo Joules in kilo watt per hour	13156	13069	13125
Efficiency index in steam production	Total HRSG Steam production	84,5	75,3	81,3

Efficiency index in the water unit	Kilo watt per hour in cubic meter of treated water	3,56	2,01	2,80
Efficiency index in the air unit	Kilo watt per hour of normal cubic meter of air production	0,49	0,31	0,41

### **Minimization of production in the auxiliary boilers of the power plant**

While designing Fajr Petrochemical Company's power plants, we have never forgotten the units of auxiliary boilers. The reason to use such auxiliary boilers is the dependency of the steam production units of heat recycling on electricity production units. These boilers are a distinct energy consumer in the complex just because of using gas fuel. Therefore, we must minimize the steam production with the boilers for a better management of energy and costs in Fajr Petrochemical Company. It means we must minimize using these kinds of boilers except in a specific production situation in which the heat recycling boilers and gas turbines are getting out of the production cycle.

For example, if each one of these 4 boilers which have already been installed in the units, is to produce 10 tons more steam, this amount of steam needs 356 normal cubic meter per hour gas. If we consider a 8000 hours operation time for these boilers, we need in total about 5,28 million normal cubic meter of the gas, so the cost of the fuel will subsequently be about 42 billion rials. Now it becomes clear that Fajr Petrochemical Company is saving even more than the estimated amount (vis-à-vis, the

boiler's production rate has already been even two to three times more than the existing ones) through well management of the complex's affairs. Of other outstanding merits of the plan we can say that it could considerably reduce green-house gas emission.

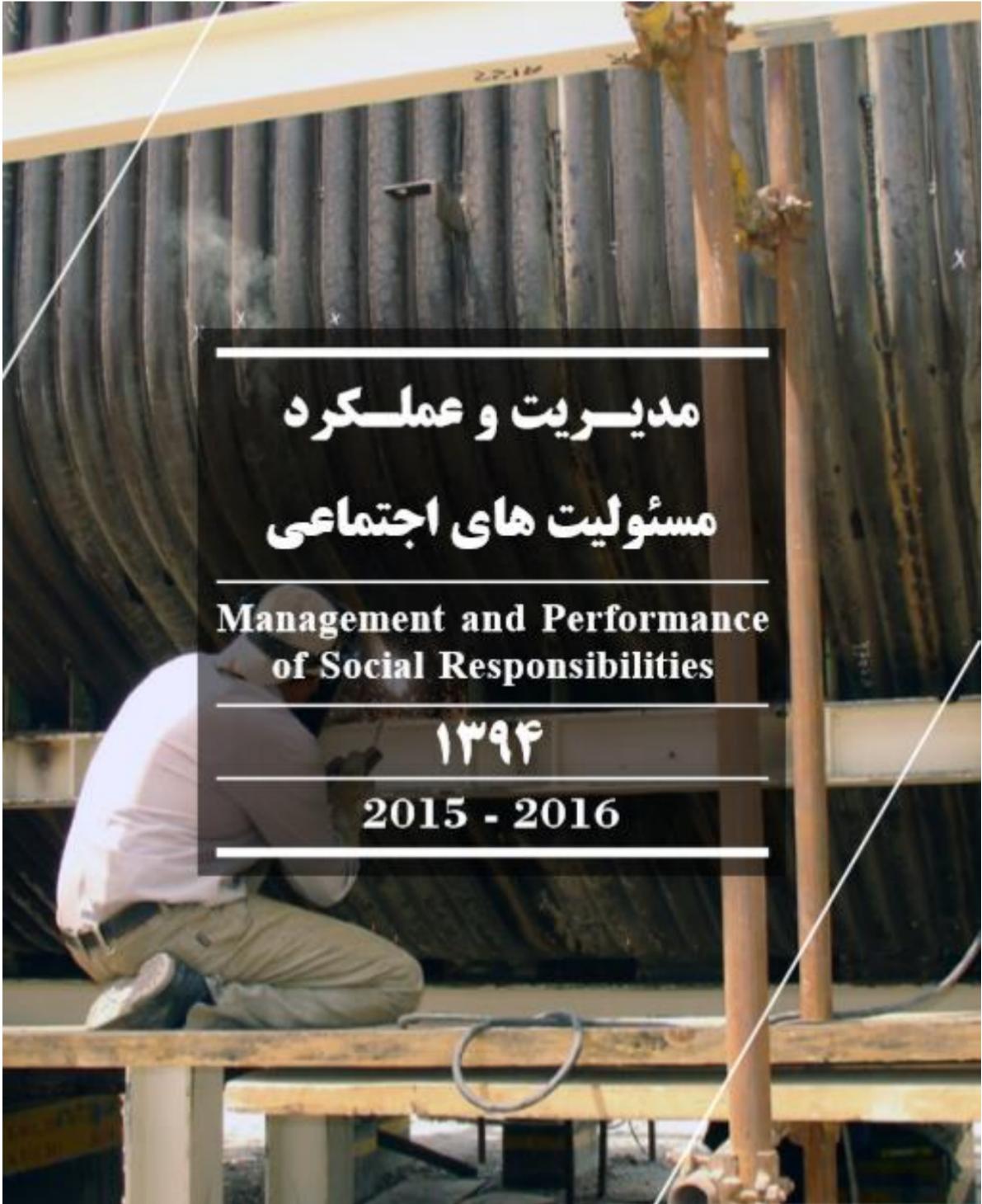
In general, we can summarize and make a list of the most important improvement programs done in the company in the field of energy management in 2015 as follows:

- 1- Performing a detailed energy audition in all the operational units of the company with an aim to diagnose apparent energy aspects of the complex to make them compatible with the legal requirements and determine some mechanisms to solve some evident energy related cases.
- 2- Doing thermodynamic assimilation and engineering of power plant units 1 and 2 with the help of the thermoflex (Heat balance) software.
- 3- Using wasted energy in the gas turbines in order to treat salty water with the help of MED system. Studies show that there is a remarkable amount of steam production potentiality in the complex which are not costly, and are merely for recycling the heat exhausting from the gas turbines. Therefore, the energy management unit of the company has done a initial review over the plan to use this amount of steam to sweeten the sea water.
- 4- The Process Unit of the company has circulated a guideline among the power plant units and asked them to keep their extra oxygen available in the chimneys' gasses within the permitted range in

order to reduce fuel consumption through optimizing the combustion and controlling of extra air in the auxiliary boilers.

- 5- Reducing the fuel consumption in the auxiliary boilers, reducing production of these boilers, and managing the steam production via heat recycling boilers.
- 6- There used to be a degassing pressure reduction from 7,1 load to 7,0 load in the boilers. Degassing pressure which eliminates oxygen of the waters coming to the auxiliary boilers, has previously used to be regulated on 7,1 load, and could let temperature of the saturated water coming to the heat recycling boilers reach to 130 degrees centigrade. So, we can stop steam wasting and increase the total efficiency of the boilers' heat recycling function through execution of the plan and reducing degassing pressure, because of its pressure difference with atmosphere.





**مدیریت و عملکرد  
مسئولیت های اجتماعی**

**Management and Performance  
of Social Responsibilities**

**۱۳۹۴**

**2015 - 2016**

# A review over the social responsibilities in Fajr Petrochemical Company

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Taking a beneficiary oriented approach in a company directly connect social responsibilities to the sustainability of vocation in that company. In this respect, Fajr Petrochemical Company has redefined its strategic goals and developed its macro approaches related to two key beneficiaries, i.e. employees and society, accordingly.

This company considers its man power colleagues as valuable organizational and social capitals in the company. To avoid exaggeration, we can state that man power is one of the vital elements for the company's success to perform its economic and environmental responsibilities. So, of the favorites and interests of the company, we can name: empowering and constant training of the staffs, securing a safe and pleasant working environment for them, defining a meaningful working mechanism, and creating a constant and active relations among the colleagues at different level of organization. One of the challenges, Fajr Petrochemical Company is facing nowadays in the field of human resources management is to employ its employees in four ways. These four different forms of employing had created a challenge which is overshadowing the employees' salary (wage) and benefits, too. Thus, the company has modified and adjusted its system of compensation for the employees' services and benefits at different levels in order to increase the employees' job satisfaction and perform justice in its working place. The company's management believes that the company needs to prepare some bases for development of necessary facilities and capabilities to attract and maintain some skillful, creative and

committed man forces and consider them as a competitive merit and advantage. We should remember the fact that Fajr Petrochemical Company is constantly practicing to act as a new private sector vocational entity (through passing behind its old governmental management system to become a private one in order to enter stock exchange). Consequently, it has defined and implemented two programs to develop a performance management system and a system of succession in 2015, the complementary phases of which will be followed next year.

One of the valuable strength points (advantages) for Fajr Company is its employees' environmental friendly attitudes and behaviors and their humanitarian activities. In this respect, they have voluntarily participated during the past years, in the related programs and events in "Fajr clean energy work group" and "Imam Hossein Mojtaba (SA) charity society".

Fajr Petrochemical Company has always been sensitive toward the needs and expectations of its main beneficiaries insisting that it should consider itself as a member of its peripheral community. So, with an emphasis on the process of decision making and taking some collective action, it also contributes to social and charity programs via the Strategic Council of Manager Directors of the Regional Petrochemical Industries. This very approach has both advantages and disadvantages (merits and demerits). From one hand, we can define some major projects to dissolve and remove important challenges of local communities through the combination of the financial supports of different companies. But from the other hand, it is still not possible for Fajr Petrochemical Company to promulgate and promote its brand name and build a unique and distinctive confidence in the public. It has allocated its assistance for the projects such as: construction, health and therapeutic, cultural and

charity affairs. From a business continuity management view point, it is strategically important to keep constant contact and relation with the community in order to monitor the social risks which affect Fajr Petrochemical Company's performance, and manage them. In fact, Fajr Petrochemical Company is investing on its existing and future social platforms for business development to contribute to building a dynamic and healthy society.



### **Human capital perspective**

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Enjoying some employees with high efficiency and distinctive capabilities (skilled, accurate, healthy, empathic and flexible) in Persian Gulf Holding

### **The mission of human capital**

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Human resources management plays a key role to empower Fajr Petrochemical Company's employees, to develop their creativity and improve their satisfaction and acts as a strategic partner for the organization to materialize its perspective.



### **The Fundamental values of human resources**

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- Creating physical, mental and social well-being and joyfulness
- Having a proper attitude and effectively applying of self abilities to cope with challenges
- Contributing to solving the organizational problems and practicing team working
- Doing predictions, and adapt with positive changes and with new ideas

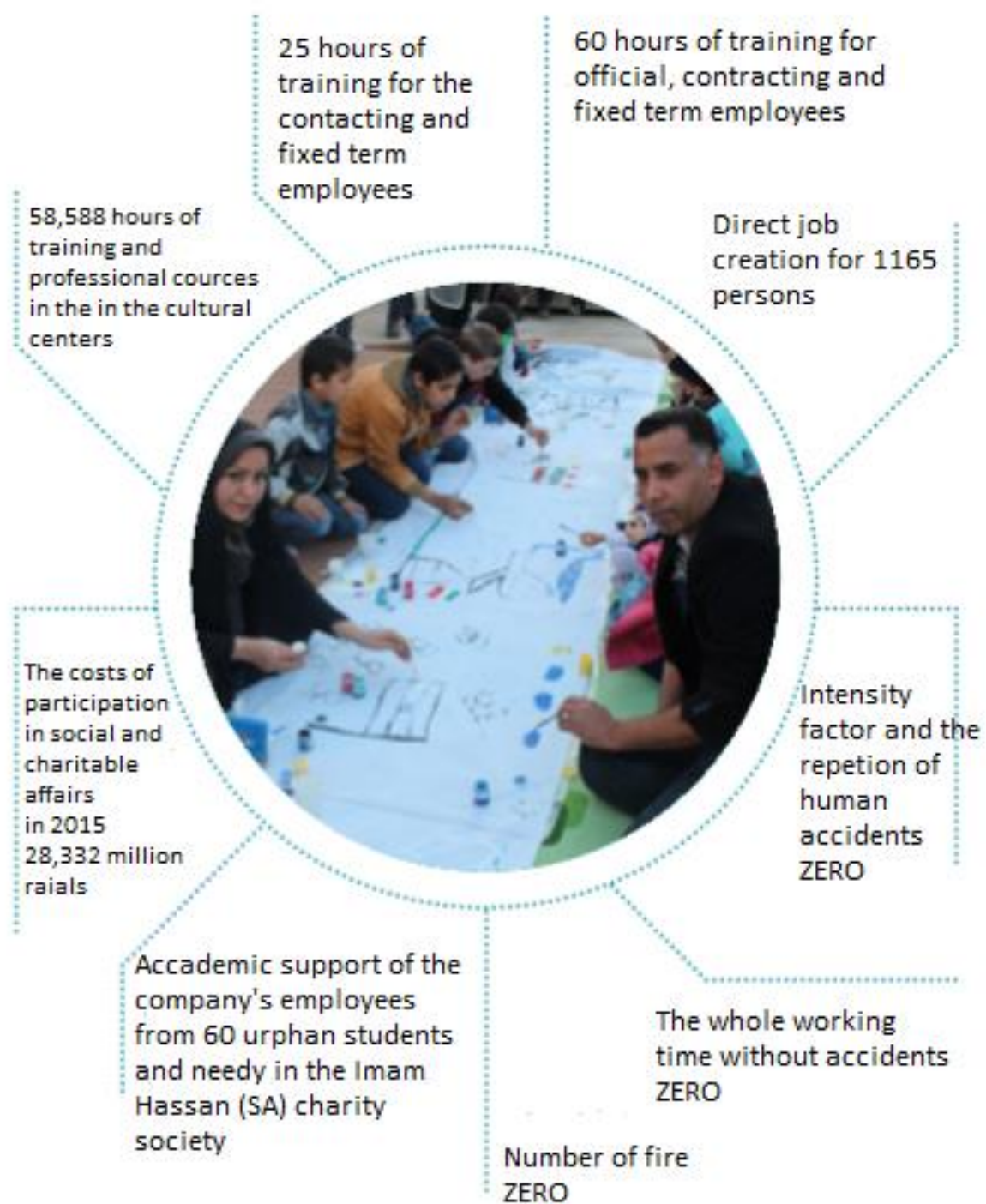
- Constant learning and updating the skills and business experiences
- Being intelligent and accurate in the organizational matters

### **Ideal goals of human resource**

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- Going beyond staff oriented approach and management to human capital management
- Appearing among the best national petrochemical companies active in the field of development and human resource excellence
- Enjoying human resources with merits such as: skilled, accurate, healthy, empathic, flexible and with high efficiency in Persian Gulf Holding





# Management of human capitals

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## Man at work places as an organizational and social capital

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Fajr Petrochemical Company has developed its policies, strategies, goals and human resource programs which have been approved by its senior manager, with the help of chiefs and heads of different sections, believing that its human capital is one of the most important elements to support key process for the materialization of the policies and strategies. In this regard, it has implemented its obligation strategy in line with its business strategy through establishing some procedural committees such as human resource committee which consists of the representatives and trustees of human resource sections at different organizational levels.

A strategic human resource program has also been planned and developed in Fajr Petrochemical Company to achieve that very great change in its approaches to employees, i.e. from the resource paradigm approach to a capital approach, and to extend way of thinking all over the company. This very change implies cooperation among the companies, employees and the unit of human capital management, while every one of these plays a unique role in the change. The first role is for the managers and heads of all units to help the advancement and excellence of employees through applying their leadership capacities and skills. The second role is for the employees to set forth for a self-development with a firm decision and a unique organizational commitment. The third role is for the unit of human capital management which takes the responsibility of preparing the necessary requirements, and securing structural and functional super structure for the materialization of the programs. Based on the studies, these programs has been developed in three phases of

diagnose, prescription and change on the axis of changing human resources to organizational capitals, to an extent that employees are considered to be as the most vital properties of the organization and play key roles in solving current problems and for the development in the future.

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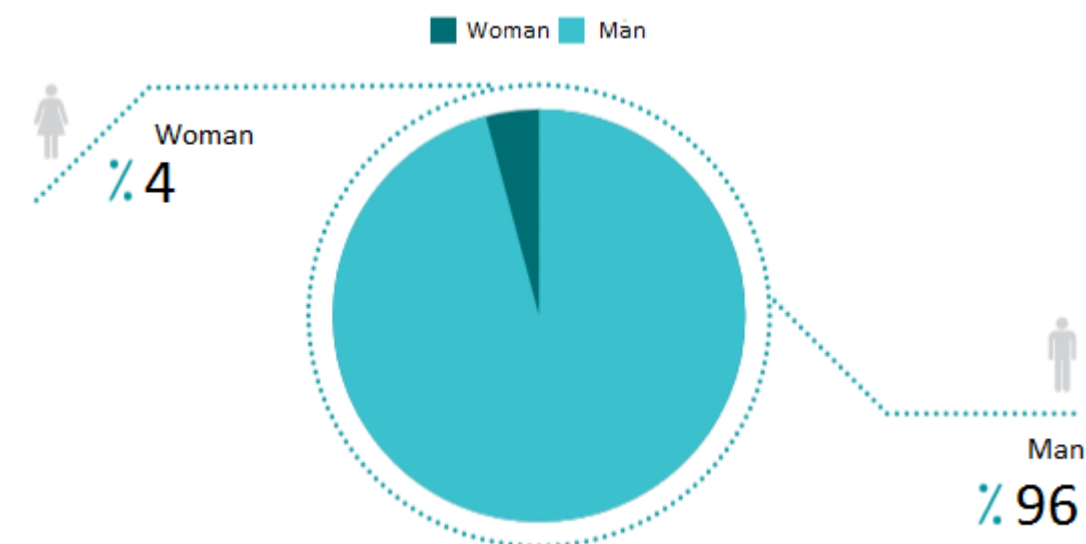
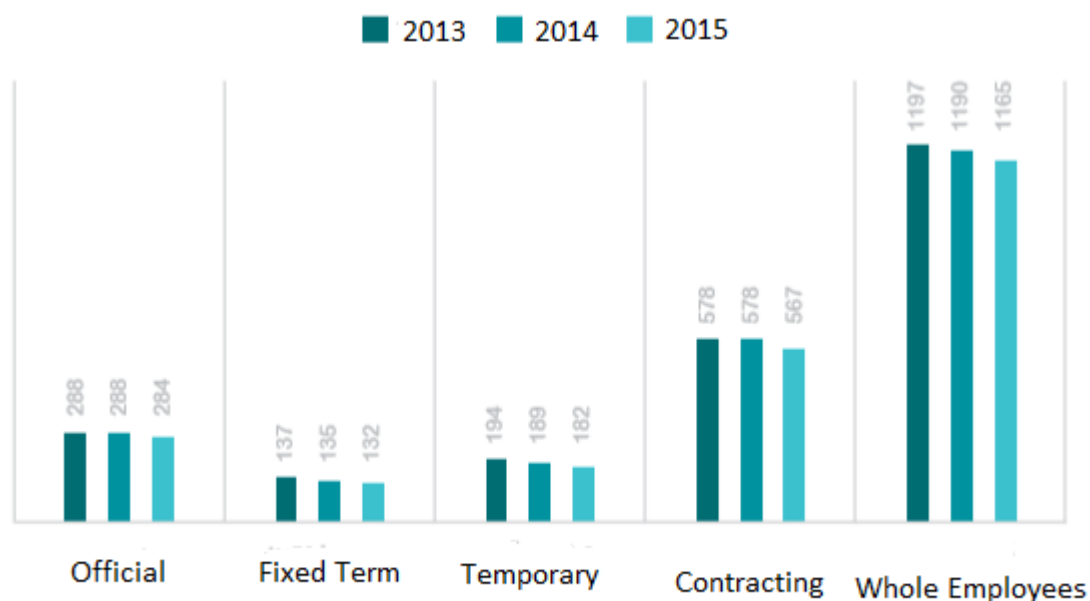
### **Characteristics of human resources**

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Fajr Petrochemical Company attracts human resources according to the laws and requirements announced by Persian Gulf Petrochemical Industries. At present, four groups of man forces are working in Fajr Petrochemical Company such as: official, fixed term contract, specified term contract and contracting personnel. The official and fixed term contract employees are differentiated from each other according to the employment rules and regulations; this means that the first group had already been considered as a subsidiary of Iranian Oil Ministry and the second group is under the legislations of labor and social security. Both groups are conjointly receiving some extraordinary salaries, and are following the rules in the Oil Ministry, as well. The temporary term contract employees are working with Fajr Petrochemical Company under the legislations of labor and social security and some regional circulations. From the other hand, some activities in the company are done through contractors with regard to nature of performances in Fajr Petrochemical Company. In this respect, the company is auditing the quality of the employed man powers by the contractors and is supervising the interaction between the contractor and contracting forces and the way they are observing the rules and regulations and also the working conditions.

The total number of employees who were working in the company in 2015 was 1,165 people, 1,117 people of which were male and 48 people were female.

## The number and the composition of the contracting personnel in Fajr Company



## Training and empowering the employees

Fajr Petrochemical Company enjoys some leaders who maintain special approach to employees and consider them as organizational capitals, so their

efforts to empower and train the employees have let them to keep a special stance in the company. These leaders applied an approach to identify, analyze, program for, develop the employees' merits and skills in order to support the strategic goals of "empowering the employees and developing their creativity" and also to meet the needs of the key beneficiaries and increase the satisfaction of employees, as well. Fajr Company has put on its agenda a systematic implementation of training process in accordance with the tips of ISO 10015 Standard in order to develop the merits and qualifications of its employees. In this regard, it is implementing four phases such as: needs assessment for training courses, educational and training programing, holding intended training courses and finally the efficiency evaluation of the trainings.

So it is determining training needs for all employees such as official and fixed term contract personnel annually at all organizational levels and according to the vitality of the business. The training needs are also determined at three levels: determining the annual training needs of employees through programing by the employees themselves, determining their specific training needs, determining extraordinary training needs. The Department of Education and Training in Fajr Company is programming and executing the determined training courses after determining the training needs. They are assessing the efficiency of the held training courses in two ways. The first way, called "in-service evaluation (warm)" (or while on duty) is being done by the Department of Education or Training, and then the second way called a three months "after the duty (course)" or "cold" is done by the Unit of Man Power Programing. The department classifies and evaluates the training courses in three groups of skills, knowledge and attitude in order to determine a more accurate rate of efficiency in line with the improvements in organizational learning. Some necessary decisions are made to agree with, refuse or renew the courses based

on the results of the said evaluations. After the end of each training programs (courses), the results related to the said course will be saved and archived in a private file of the learners as his/her back ground.

They had already used to do training programming merely for those employees who were official or fixed contract personnel. However, this company has taken necessary measures to train temporary contract and contracting forces, with regard to the development process of the company and the importance of training to achieve the organizational goals. In this regard, the main necessary training courses for these kinds of forces are held in the Especial Economic Zone, but the company had made the necessary coordination and taken some measures to facilitate holding the courses everywhere in case of necessity and urgency of holding such training courses for the temporary contract forces outside of the zone. Fajr Petrochemical Company is holding some of these courses in the Especial Economic Zone for the contracting forces with its own expenses. But in relation to holding the courses out of the zone, we must make necessary financial coordination with the contractor and for the accommodation of the trainers, too. It must be noted that the contractors are obliged to introduce their skillful and specialized forces to let them be formally employed, so the contractors should take the responsibility of training these kinds of forces before starting to work in case of not being professional competent.

Fajr Company had held some training programs to promote the employees skills, knowledge and attitudes as follows:

- Specialized seminars related to the employees' responsibilities

- The courses related to quality standards, organizational excellence, strategy, security, health and environment, English Language, money exchange and ICDL courses
- Holding some psychological courses such as "Improvement of communication skills", "Understanding the individual's characteristics", "Management of emotions" and "Reinforcing empathy"



In 2015, the average training capita for the official and fixed term contract personnel was for 4 people per course and based on the 60 hours of training per person. The figure for the temporary term contract employees had been for one person per course and 25 hours of training per person. But in 2016, the courses had been reprogrammed for two training courses based on the 50 hours of training per person for all official, fixed contract and temporary term personnel. This program encompasses all job categories and both sexes.



#### 4 person course

Equal to 60 hours of training capita for official and fixed term contract personnel

#### 1 person course

Equal to 25 hours of training capita for contract personnel



temporary term

Fajr Petrochemical Company has defined its group activity approach in order to empower employee at all organizational levels through establishing different internal committees. This very approach has been planned and implemented to create a culture of group participation, use the capabilities of the employees, make them to feel affiliated to their job and organization, attract employee's contribution to the activities for the improvement and constant optimizing of effectiveness and efficiency of the process in the organization. For example, the committee of recommendation system is particularly emphasizing on team working. So, doing group activities in the framework of quality and excellence work group became more tangible and highlighted with regard to the emergence of some new issues such as setting up a system of integrated quality management and organizational excellence in recent years; as a result, different committees have been systematically set up with specific objectives, the members and heads of which are elected through an approval by the senior manager of the organization, as well.

Name of the Committee	Specialty domain	Time schedule to hold meeting
Personnel Committee	Personnel affairs	Per case
Disciplinary	Personnel affairs	Per case

Remuneration	Personnel affairs	Per case
Recommendations System	Reviewing the recommendations	Weekly
(Job) Training	Reviewing the status of the trainee	Per case
Excellence Team	Monitoring the process of organizational excellence	Per case
Protection and Occupational Health	Reviewing the issues related to security, immunity and occupational health	Per case
Clients Honoring Program	Clients satisfaction	Monthly
Streaming the Strategy	Strategy	Monthly
Human Resource diagnose	Human Resources	Monthly




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## Evaluation and management of performance

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Fajr Petrochemical Company has defined and developed some specific “performance levels” for the merits and qualifications of each one of its employees in order to reach the company’s strategic goals, based on the analyses done on the business and according to the framework of an activity assessment directive approved by Oil Industry. It is executing the plan annually

at different levels by Unit of Programming and Statistics for the sake of the employees. So, the employees are getting categorized and classified based on the consequences of the plan (approach). They will also be promoted, rewarded and punished accordingly, just to let them not only to be aware of the consequences of the plan based on the identification of their capabilities (weakness and strengths), but also to gain the necessary incentives to promote their performance at these levels. Along with the assessment of the performance by fixed contract and temporary contract employees, Fajr Petrochemical Company has prepared some special forms for an annually assessment of their performances to see and make sure if their performances match with their job-related skill requirements or not, and also with the strategic goals of the organization. It also makes use of the ending consequences of the performance levels to program for the training requirements of the employees and for the renewal or extension of their contracts. As far as the company is undergoing a transformation process of changing from being a state company to a private one, it is performing its unique competency model and pursuing and attempting to change its approach from performance assessment to performance management. Performance management emphasizes on not only the assessment and measurement of the performances, but also on the promotion and improvement of the performances. In other words, the company is to act as a business consultant and an instructor to improve the employees' performances. Hence, the very performance management has been redefined at four stages. At the first stage, it defines and categorizes the jobs and determines an index for the evaluation of the performance for each occupational group. At the second stage, it chooses an evaluation method for each group, including direct evaluation method, comprehensive method and the method of registering the sensitive

events. At the third stage, it determines a method to score the performances. The scoring is done base on the nominal scale, ranking and forced distribution methods and according to existing conditions. At fourth stage, it measures the performances and provides an after evaluation improvement mechanisms. The latter is normally done in two months period and the results of which will be confidentially announced to the individuals who will receive the necessary guidelines and directives to improve those part of their performances which are related to attitudes and responsibilities.

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#### Categorization of organizational jobs

Chiefs of the administrations	Chiefs of the staff units
Heads of the staff units	Experts of the staff units
Employees of the staff units	Chiefs of technical units
Heads of the technical units	Experts of the technical units
Technical employees	Consultants

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#### Workforce satisfaction

The senior managers of Fajr Petrochemical Company have developed and deployed an approach in 2009 for the assessment of employees' satisfaction in order to enjoy their view points for the improvement of strategies, policies and programs. This approach has been deployed in 2009 after passing some stages such as preparing a questionnaire, doing some validity and final tests by relevant consultants and with cooperation with managers, experts and through holding sessions to gain the employees' view point. Based on the above approach, the employees' view point about their satisfaction and motivations are monitored annually; efforts are done to control the level and rate of

employees' satisfaction through developing an improvement program, and finally the necessary bases for the revision of employees' programs are prepared according to their own view points. For example, managers have modified the mechanism to adjust the academic degrees and qualifications of employees which have always been a source of their dissatisfaction through developing a human resource committee in 2014. They also revised the mechanism in 2015 and have added a stage of making specialized interview with the applicant to the previous stages of adjusting the academic qualification. One of the main fields which Fajr Company has managed to adjust for the boosting the employees' satisfaction is the solving the issue of modifying the service and benefits compensation to the temporary term contract and contracting employees. The company's management has held numerous meeting with the human resource managers of the Persian Gulf subsidiary companies after reviewing the results of the 2014 opinion poll about temporary term contact and contracting employees in order to meet the organizational major goals and improve the employees' satisfaction.

After holding several discussion meetings about reforming the payment system in the contracting companies and doing some coordination in the system for the temporary term contract employees, and also after reviewing the legal mechanisms provided in the framework of current rules and regulations by trustee consultants, the company has done some measures on the following items:

- Developing and modifying the structure of wage system for the employees in the contracting companies (including their rating (rankings) and developing a pay table)

- Paying for extra shifts to those shifting contracting employees at about 35 percent of their daily wages
- Paying 30 percent of the daily wages under the name of “other benefits” to contracting employees
- Developing and modifying the structure of wage system for those employees who are transformed from contracting to temporary term contract (including their rating (rankings) and developing a pay table)
- Modifying the regulations for the welfare incentive or motivational benefits for the temporary term contract employees

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### **Managing the relationship among employees**

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Fajr Petrochemical Company has established a systematic organizational communication system and made use of an information dissemination approaches to set up an effective organizational communication along with its organizational strategies in order to be able to cover the vertical and horizontal communication needs in the organization. The needs and providing a suitable mechanism to meet them are of the issues which should be reviewed and systematically identified with the contribution of the employees themselves, holding question and answer meetings, analyzing the questionnaire for the employees' satisfaction, and through automation and telephone contacts. Fajr Company has categorized the employees' information needs and requirements in three axes of personal, occupational and organizational and has defined some appropriate communication channels to meet the needs based on some parameters such as type of message, type of addressee, the right time to meet them, etc. It has also approved its organizational approaches and attitudes to communicate with employees based on the organizational values, emphasizing

on transparency values of the reports and the key beneficiaries' satisfaction, as well.

Way of communication	The objectives to communicate
Holding seminar sessions of managers and employees	Holding yearly, quarterly and occasional seminar sessions at different levels of the company's section or over the whole organization, and holding face to face meetings between senior managers and employees
Holding daily sessions of managers and heads of the organization	Developing an organizational communication, doing necessary coordination, exchanging views, and doing cooperation to settle the organizational issues
Holding regular weekly meeting between managers and employees	Making connection between managers and employees
Doing correspondents with the help of an especial software in the framework of administration automation	Quick and effective delivering of the correspondents among different parts of the organization based on some predefined regulations
Electronic dissemination of information through the portal of the organization	In order to accelerate the information dissemination, increase access to information, full elimination of papers from the system of information dissemination, urgent dissemination of internal news through letting all employees to visit the portal
Doing personal consultations by the resident psychologist in the company	In order to further develop the organizational communications and doing deeper delves into the field of the communications

Publishing internal periodical called "Bamdad"	Distribution of the periodical in order to perform excellence culture building and to provide employees and their families with some vital organizational news and information, and teach them some subjects such as excellence and strategy
Forwarding short messages	Rapid dissemination of information especially in the emergency situations to all employees
Holding organizational and family congregations and ceremonies	Holding ceremonies for different religious, national and organizational occasions within the company and its cultural houses, sport centers and mosques in order to develop communications, exchange information and create a more friendly atmosphere in the company

### **"Bamdad" periodical**

Fajr Petrochemical Company is publishing its internal journal called "Bamdad" in 1000 copies, in order to develop communications, increase empathy, pay more attention to the employees' families, develop the culture of individual, family and organizational excellence, and distribute them among the employees and their families. The journal is also getting published quarterly with regard to its culture building approach.



As far as the main mission for the periodical is culture building, the contents of which are followed with some appropriate cultural messages to affect employees and their families. In fact, it is using some attractive elements such as employees' family photos, interviews with them, publication of their own notes and articles, holding some competitions and other media attractive means.

We are using both organizational and family subjects in the magazine to cover all interests of its addressees. The remarkable and catching aspect of the magazine is "competition". The winners are selected from among employees and their family members in a just and equal manner. This unchanging criterion has attracted the addressees or readers to further

support it. We stuck the opportunity and ask our readers in every edition to send us their constructive suggestions (as free discussion) to the managers of the company.

The feedbacks are reported to the management and the view points are exchanged between the manager and the readers. We have also evaluated the effectiveness of the contents of the magazine in a separate opinion poll. The results well proves that “bamdad” magazine has played an effective role to develop the culture of family and organizational excellence.

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## **Safety and occupational health**

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One the most important problem for the managers in Fajr Petrochemical Company has always been to see how to make sure of a safe and healthy working environment. Therefore, the managers have determined some legal requirements for the immunity and occupational health condition in the company as a strategic goal for the company, and tried to monitor them constantly. The company has also set up OHSAS18001 standard and an integrated HSE management system to lay a base for the programs and some constant and committed measures in this field. These two systems are set up, improved and preserved annually and through doing internal audits and external reliable audits under some controls and surveillances. We can find and witness the integrated materialization of the approach in the comprehensive management system policy of Fajr Petrochemical Company's:

- Undertaking to constantly improve the company in all areas such as: quality, immunity, occupational health, environment and energy efficiency based on the evaluation of the comprehensive management of the activities
- Identifying and adjusting the activities with their legal requirements and other commitments related to the activities, services and products in the

areas such as: quality, immunity, occupational health, environment and energy



This approach has been implemented by Fajr subsidiary units of immunity, health and environment affairs and with the cooperation and help of all managers, heads of the sections and the employees, as well. They are bringing forward one by one the typical persons in immunity, health environment from all units annually in order to support going on with the approach, and finally reward and appreciate these typical persons with plaque of appreciation and awards every year in September 27 as the day for immunity and fire-fighting.



We can mention the following programs and measures which are done in the field of immunity and occupational health:

- Doing periodical examinations on the personnel (all official, fixed term contract, temporary term contract and contracting employees) every year;
- Identifying and evaluating the occupational health risks in the complex based on the FMEA technique;
- Detecting 50 cases of high risk immunity conditions through conducting opinion polls from among the site operational personnel, and following the case to remove them;
- Doing audits and industrial health inspections in all industrial and non-industrial sites in Fajr Petrochemical Company on a daily base (for supervision and inspection for well implementation of the legal requirements), monthly and yearly (to audit all legal requirements);
- Measuring the elements which are harmful to environment (such as: chemical, physical, biological, ergonomic and psychological elements) annually in order to adjust them with the legal requirements and reforming measures to prevent occupational disease;
- Supervising over the health care and nutrition issues related to some relevant procedures from importing raw materials to restaurants for the employees up to cooking and distributing them in the restaurants and operational sites;
- Overseeing health conditions of pure and drinking water (in the water treatment machines) through measuring the rate of the chlorine available in the pure water and doing microbial sampling from the exhausting waters in the water treatment machines;

- Performing special operation to fight insects and rodents in order to prevent non-occupational (contagious) diseases and occurrence of any technical accidents;
- Buying 10 sets of operational fire-fighting uniforms to equip the reaction team in emergency situations;
- Installing first-aid boxes at all units of the complex and inspecting the trend, and doing monthly charge for the first aid items;
- Holding monthly committee meetings for the technical preservation and occupational health in order to raise the relevant issues, determining reformative and preemptive measures, and finally supervising the process and pursuing the implementation of the necessary measures;
- Holding specialized training courses in the fields related to immunity and industrial health;
- Installing some signs and symptoms with the theme of occupational health messages and warning alarms for any potential dangers all over the complex;
- Culture building and disseminating public information through making films, immunity related training animations; preparing three titles of booklets for training immunity and introducing golden laws for immunity; preparing a series as “immunity requirements in the petrochemical projects and designing” in 20 copies, and distributing them among the relevant units;
- Improving and expanding a system of contribution for employees to detect dangers, and preparing a report of the semi accident cases titling with “What other risks?” and “Your work reward”.



The whole working time  
without any accident

4,070,073



Numbers of fire

Zero

Intensity factor and the  
repetition of human accidents

Zero

## **Respiratory Protection Program project and Fit Test and Fit Test**

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One of the most important and necessary measures done in Fajr Petrochemical Company to protect its man forces and secure them from existing chemical pollutants is to use standard respiratory masks for them. In these masks which are equipped with chemical cartridges and canisters, we have used an active layer of coal which absorbs pollutants, gases and steams. As far as absorbing capacity of the materials (chemical cartridges and canisters) is limited, the person should immediately leave the environment as soon as possible just after the saturation and the cross contamination of the materials. Nowadays, employees are feeling fine with their own method to determine the time for replacing the cartridges with the help of the warning characteristics of the chemical materials and substances e.g. their smell. But reliable specialists and organizations in the field of immunity and health believe that this method is not that much logical to apply, because of the difference in the individuals' smelling threshold, changes in the threshold when he or she gets sick (for example catches cold), different information about the odor detection (smelling) threshold for different chemical substances. Therefore, each company should decide for the life span of its own organic steam cartridge for chemical substances in a predicted condition (i.e. in terms of the temperature and humidity of the workplace and the density of the pollutants), and determine a time table to change the cartridges. Consequently, we should do some related tests in different situations involving a "more than one density test", a "moisture test" and a "temperature test" in order to logically determine the worst situation for the cartridge life. Due to the widespread use of these respiratory masks by petrochemical industries and along with observing the requirements for the respiratory protection programs, it is necessary to determine a life span for the cartridges and test the efficiency of different

cartridges for half face respiratory masks which are mostly used in petrochemical industries to protect employees against the organic pollutants existing in the industry, and to avoid providing all sorts of poor quality masks, as well. We, in Fajr Petrochemical Company, have already determined the life span for the cartridges, a time table for the replacement of cartridges of respiratory masks in every one of the occupational groups stationed at water treatment unit of Fajr Company to see when each one of the employees should change his /her own mask regarding the working environments. We have also reviewed the rate of respiratory mask conformity with the user's face for those employees working in the water treatment units to see if the masks are still fit to their faces or we should change the size and model of the masks according to their face formats.



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### **Work – life balance**

One of the common linking areas between sustainability of the company's performance and the sustainability of the communities around it is their consideration about balanced and just quality of occupational (business) life and family life of the employees. In this regard, Fajr Petrochemical Company has done its utmost to further strengthen the link and profit the key

beneficiaries with the economic and social blessings, through the following different programs and measures:

- \* Changing the system of work turnaround from 16 days to 12 days
- \* Changing the system of over working payment to a manufacturing fee payment according to the instructions by Persian Gulf Company (in order to avoid employees' additional presence at work)
- \* Instigating the employees to use a 12-day continuous leave which bears a 2 percent more base salary and 50 percent purchase of the leave
- \* Reducing a two hours working presence of the pregnant colleagues at work from her 18 months of pregnancy up to the delivery time and give a 9 months pregnancy leave to those officially employed ladies and a 6 months pregnancy leave to other forms of employees
- \* Reducing a 2,5 hours presence at work for those pregnant colleagues after their delivery to let them be able to maintain and suckle the newborns
- \* Letting the colleagues and their families to benefit from sports facilities



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**Security measures, safeguarding and preservation of assets and human capitals**

Fajr Company's security manager has always been trying to attract, select and employ its man forces from among graduated, believing and committed people. He has put on his agenda to train the selected security personnel the necessary subjects such as: security and safeguarding affairs, public relations, good behaving with clients, protecting the speech, reacting against crisis, and etc. from the very beginning of their employment.

Reverence to the client is one of the most important programs in the security department of the company, so this item has gained the first especial priority in its programs. Hence, the department has set up a stall at the entrance of the area 1 and 2 of Fajr Company for the clients' affairs, if they visit, they will enjoy related coordination and necessary instructions for entering the organization from the department's personnel in a respectful manner and with a humble attitude. All the department's efforts, measures and programs have always been based on securing more clients' satisfaction, observing justice and fairness, keeping more disciplines and orders, and observing the priorities.

The personnel of the security department of Fajr Petrochemical Company are of an effective group for protection and safeguarding the company's human capitals, whose working activities are ever changing, and the equipment, as well. They are after some new solutions to further access to an updated security related technology and use new human and financial capitals to improve security mechanism in the complex. The mission for the security personnel is defined to further increase the security factors against possible threats in the field of soft war, ensuring security management of the organization for the installations, human and financial capitals along with the well management of the comprehensive organizational policies, and protecting oil and the security elements outside the complex. We are cock sure the very

duty is possibly done merely through some confident and efficient protecting measures. We feel to be succeeded only when we are able to gain the said maximum security factor and well protect and preserve it. In this respect, there is an effective cooperation between the security department and HSE section in the fields which are related to security and immunity. It is worth mentioning that the security department in Fajr Petrochemical Company is keeping and storing any personnel information and important documents as confidential in its Secretariat's secret code section in order to perform its liability responsibilities and protect people's privacies. The department considers no discriminations among its employees (official, specific term contract and contracting) while reviewing the security issues related to all of them. The only important thing in this situation is beholding the dignity and respect of the loyal and dutiful (duty bond) personnel. So in case of any infringements by the personnel and arising any disputes among them, the department first does its best and utmost to correct the individual violator's behaviors and deeds.

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### **Cultural and sport affairs**

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Fajr Petrochemical Company has established a cultural house in order to boost the balance between the personnel's work and life, complete the leisure (relaxation) times for the employee's spouse and children, develop communication among their family members with one another and create further empathy among them. The cultural house is a daily transit place for about 100 people of the family members of the personnel. Major activities done in the cultural house for the families consists of developing art-specialized skills in women and children. The most important fields in which the cultural and training programs are implemented are as follows:

- Holding specialized workshops for women and training courses of home skills such as: handicrafts, music, dress making and other artistic activities according to their needs. Participants in these courses and workshops are receiving certificate at the end of the terms.
- Holding educational (teachers') aid training courses to be taught for the families' student children to strengthen them in the specialized lessons.
- Boosting the children's skills in the field of computer, creativity, internet and robotics as the annual programs in the cultural house.
- Teaching Holy Quran, holding language learning courses (at all levels and for all ages), and holding national and religious ceremonies for the families in the cultural house.



Performing holding of more than 85588 hours of training and skills courses in the cultural house for the personnel's families well proves the company's special attention to its social responsibilities.

Fajr Petrochemical Company tributes respects and appreciate the employees' family members in such a related situations and occasions in order to honor the employees, some examples of which are as follows:

- It appreciates and celebrates employed women in the company every year for the occasion of “Women’s Day”. Inviting women to a special ceremony for the very day, presenting some gifts to them, creating a pleasant and joyful environment for them, and holding some cultural-sport competitions for the women are of the especial programs for the day.
- For the “International Labor Day”, the company runs different programs such as: holding cultural-sport festivals, introducing the top laborer form among the contracting companies, donating some gifts and presents, holding some joyful and happy ceremonies, and holding a mass marches.
- Fajr Company tries to let the employees and their families experience and enjoy a pleasant and energizing company with one another in all national and religious festivals and occasions through holding different ceremonies.
- Of other annual programs run in the company are: donating occasional gifts to all employees who are active in Fajr Company and letting them to take home some souvenirs, and letting all their family members to participate in all pleasant ceremonies and programs. For example we donate them some New Year (Norooz) gift nuts, occasional sustenance and provisions and Norooz greeting card.
- Some especial attentions are paid to the employees in their birth days, as well. We celebrate the birth day for each one of them through donating especial gifts as souvenir for the very day.
- We are always honoring the retired employees by greeting them and donating them some special gifts, as an important measure done for them.

- If a dear family member of the employees passes away, we not only send them a condolences message and announce the sad news publically, but also plan the affairs somehow to let all colleagues to express their condolences to the bereaved family through programming to hold some different funeral ceremonies.



Fajr Petrochemical Company has pursued its sport programs in the same way as the ones in 2015 through running different programs to keep the employees and their family members ever healthy and with excellent spirit. Fajr Company's Department for Sport Affairs is in charge of following different sport programs in the company. All employees and their family members can enjoy all the sorts of programs and make use of the related facilities. Worth mentioning that fajr Company, besides its efforts to use the opportunities and facilities provided in the Special Economic Zone under the integrated and unified rules and programs among the petrochemical industrial companies (in order to integrate with other industries) has allocated an annual budget to its sport committee to hold some training and sport classes with the help of some especial coaches to prepare sport facilities for all and partake in sport events and competitions.



Farvardin (April)	<ul style="list-style-type: none"> <li>Holding the first tournament for the commemoration of “Women’s Day”, in which all rated and ranked persons have been appreciated.</li> </ul>
Ordibehesht (May)	<ul style="list-style-type: none"> <li>Holding a commemoration ceremony for the “Labor Day” in five sport fields such as: Rope pulling, running, dart and hiking, in which 278 personnel have been participated.</li> </ul>
Khordad (June)	<ul style="list-style-type: none"> <li>10 sport teams have expressed their readiness to participate in Fajr Petrochemical Company’s competitions at different age groups such as: table tennis (for the children), volleyball (for women), football (for the elder pioneers and boys), swimming (for women), chess (for children), gymnastics (for girls).</li> </ul>
Mordad (August)	<ul style="list-style-type: none"> <li>We have held Ramazan Cup competition with 6 teams of 10 people to fill the leisure times for employees and their families residing in Be’sat township. These teams will compete rotational.</li> <li>Fajr Company’s futsal team, consist of some official and unofficial employees has announced its readiness to take part in Ramazan Cup competition in the port city of Mahshahr. Although the completion is for Khoozestan province, but all athletes will participate in it from the province itself and even the most famous athletes from all over the country. The team</li> </ul>

	<p>has participate in such a competition for the first time during the last 10 years and could climb up to 10<sup>th</sup> place from among 60 teams, but it was hindered by a penalty kick to reach to the top 4 teams of the completion. At the meantime it could win the “Sport Ethics Cup” with minimum conflicts and least yellow cards.</p> <ul style="list-style-type: none"> <li>• A Fajr sport team composed of the children and women was sent to the tournament “Industries Competition” and won different titles. The girls’ swimming team won the second place, the girls’ chess team won third place, the girls’ gymnastic team won second place and the boys’ basketball and table tennis teams won second place in this tournament.</li> </ul>
Aban (November)	<ul style="list-style-type: none"> <li>• Fajr pioneers’ basketball and table tennis teams were sent to Bojnoord tournament.</li> </ul>
Dey (January)	<ul style="list-style-type: none"> <li>• A sport festival was held by the security department of Mahshahr regional industrial complexes. Fajr Company’s department of security had an active presence in the festival and finally won the first places in the tournament in 12 sport fields such as: volleyball, running, bicycle riding, futsal (in three consecutive years), and stood at second place in swimming and third place in darts field.</li> <li>• We have held the festival “Fajr in Fajr” (dawn or victory in Fajr Company) for four consecutive years with the participation of 890 people in 24 sport fields for about 45 working days which was a unique one in the region. 533 participants have won different titles and have been appreciated and rewarded with card gifts.</li> </ul>
Bahman (February)	<ul style="list-style-type: none"> <li>• Mahshahr petrochemical industrial complexes holds its own annual competitions called “Mahshahr Cup of Martyred” hosted by Mahshahr Non-industrial Operational Company. Fajr Petrochemical Company expressed its readiness to actively</li> </ul>

	<p>participate in the competition in 11 sport fields and could win the first place in water plow for managers, second place in volleyball and third place in chess. Fajr Company's women team could win third place in four fields of physical readiness, swimming, chess and darts and a some individual places in this competition</p>
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Fajr Petrochemical Company has held two distinctive exemplary events in the field of sport such as:

- Fostering boys' talent in the field of basketball: This field has always been exclusively for adult employees in the past years, but the coach endeavored too much to increase the number of players in the team up to 16 persons, 8 players of which could succeed in reaching Khoozestan province basketball tournament in the category of teenagers and youth after three consecutive years practices. As a claiming team, Fajr Company's team could win the third place in both Mahshahr region and the National Petrochemical Industries' tournaments after the teams of Imam Khomeni Petrochemical Company and Razi Petrochemical Company which have been the custodian in regional basketball clubs.
- As far as the shifting personnel cannot go to Fajr Company's sport places due to their working conditions, so the operation units of the company

have been equipped with fix bicycles and foosball tables for the very shifting personnel.

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### **Voluntary participation of employees**

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Personnel in Fajr Company are not only actively performing their own responsibilities and duties, but also are voluntarily contributing to solving social and environmental challenges. Fajr Clean Energy Work Group and Imam Hassan Mojtaba (PBUH) Charity Society are two main areas of activity in this field.

Fajr Clean Energy Work Group was established in January 2013 to create a scientific and dynamic situation among the employees in order to promote environmental culture, to lay the bases for solving the problems and to improve the environmental activities in Fajr Petrochemical Company and in the Especial Petrochemical Economic Zone. The people who are interested to join the work group can fill the application form which have been forwarded to all personnel, and then submit it to the Secretariat of the work group. 82 people have so far joined the work group.

The work group members can be active in the following fields or other related fields:

- Providing environmental reports about pollutions and giving some recommendations to solve them
- Providing scientific and informative articles about modern environmental mechanisms and technologies for further awareness and culture building
- Collaboration and consultation about removal of environmental problems in application scope

- Holding joint meetings to consult and collect the member's view points and suggestions
- Cooperation and contribution to holding some training courses and seminars about environment
- Launching an internal and external organizational communication line along with the two way information exchange channel to link with community, scientific and academic centers and Non-organizational Organizations (NGOs)

The measures done with contribution of the work group members are as follows:

- Cleansing Zangi estuary for the occasion of Clean Air Week (January 2014)
- Visiting Shadegan wetland for the occasion of World Wetland Day (February 2014)
- Sending 5 members of the work group to the Forum of Green Management (Milad Tower- Tehran, February 2014)
- Holding the competition "The best Green Area at Home?" for the family members of Fajr Company judged by two members of the work group, and donating prizes to the winners of the competition by the work group
- Sending articles on different occasions by the members of the work group
- Distributing garbage bags all over the Mahshahr city during Norooz (New year holidays) time in cooperation with the Municipality and the Environmental Directorate of the city
- Cleansing Zangi estuary for the occasion of Clean Land Week (May 2014)

- Participating in the workshop of “Promulgating the Culture of Tourism in Arvand Petrochemical Company” by the members of the work group (May 2014)
- Holding a course on Air Pollution for the group members
- Holding some seminars on the environmental issues and problems
- Determining a Board of Trustee for the work group

Imam Hassan Mojtaba (PBUH) Charity Society was established with the participation of the employees of Fajr Petrochemical Company in 2006. The main focus of the spontaneous and unplanned charity society is to help teach high school students. They collect cash aids of the employees every month. The society members have detected 60 orphan and needy students with the help of Imam Khomeini Charity Committee of Mahshahr city and put them on their working program to deal with. They review the educational progress of the said students and try to remove their financial problems. They go on with the aids to the students if any one of them score high educational average and or get accepted for universities until they reach their educational goals. Imam Hassan Mojtaba Charity Society also has put in its agenda to give urgent and limited assistances to incapable persons such as disabled persons and unattended women.



## Empowering local communities

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### Participation in local community development

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Fajr Petrochemical Company is located in the vicinity of Mahshahr and Imam Khomeini port cities about 100 kilometers to Ahwaz provincial city. The company's approach to the local communities is as something to keep good neighborly relation with them and to empower them, too. Based on this approach, Fajr Company considers itself as a member of the community and not only does its utmost to share the community's burdens and challenges and solve them, but also to make use of the cooperation with community to make the business more valuable.

The company's approach to the local community and partnership with it is based on the decision making and collective action. One of the most important issues in the strategic council of the manager directors of the petrochemical companies in the Especial Petrochemical Economic Zone is to see how the petrochemical companies can contribute to allocate financial aids to social programs and projects. This council receives the views from the representatives of the community in social affairs (e.g. Governorate, Imam Khomeini Charity Committee, the Social Welfare Bureau and NGOs) to determine and finalize its annual programs for social supports. At the next stage, we determined the share of each petrochemical company to financially support the social programs based on the size of the company. Finally, we see the Non-industrial Operation Company as a trusted and specialized executive arm which takes the responsibility of implementation of the social programs and projects. This mechanism has been planned and executed to create a synergy and aggregate the existing resources and also use them more efficiently to solve the challenges and needs in the society. The process of defining and implementing the social projects has fortunately become systematic more than ever because of the emphasis by the Strategic Council to use the provided financial supports more relatedly and efficiently, to the extent that it uses 80 percent of the provided resources for the implementation of the project and considers the remaining 20 percent as the current budget for the project.



The costs of participation in  
social and charitable  
activities in 2015

28322 million rials

**Fajr Company's social participation is represented in the following categories**

### **Cultural**

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(Bearing the costs for developing cultural calendars and religious schools)

### **Educational**

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(Cooperating with universities and public education programs)



### **Health and therapeutic**

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(Providing equipment and facilities for public health and therapeutic)

### **Constructional**

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(Constructing infrastructures, public recreational, cultural places, mosques and schools)



## Charity and humanitarian

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(Supporting the vulnerable and low income strata)



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## **Managing to communicate with the local community**

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Fajr Petrochemical Company conducts opinion polls from the representatives of the society every year to determine feedbacks for its activities in the society and benefit from the results in the programming for its next measures. It categorizes the representatives in six groups including the governmental and the supporting ones, and conducts its opinion polls every year through these institutions. However, the governmental elements, public institutions and NGOs cannot be considered to bear all dimensions of the social responsibility by themselves and they are a part of the society, not all of it. So, public views plays important role to determine the expectations of the society. Therefore, Fajr Company's Department of Public Relation has defined a relevant project to evaluate the feedbacks of the company's measures in public opinions. The department has also implemented a research project in 2015 for about 5 months called "reviewing the society's satisfaction from Fajr Petrochemical Company's activities" based on a field study of Mahshahr population which is more than 240000 people.

This project has been executed the project based on the service quality (SERVQUAL) model and with the help of a research and survey center from private sector. The rate of satisfaction and the vitality of targeted issues have been measured with the SERVQUAL model which serves as an accurate means to measure the quality of any services. The results of the research has disclosed the dimensions of the services quality asked from the Mahshahr people to see what was their view points about the vitality and effectiveness of the services on their satisfaction. In this kind of questionnaire, we have asked the reader's about their assessment of the vitality rate of each subject from one hand and their satisfaction from the company's activities in the same subject, from the other hand; as a result, so we have evaluated the gap between the importance of the subject and performance of the company as the community's expectation from Fajr Company.

Four important areas which have been evaluated in this research are as follows:

- The social and therapeutic dimension
- The educational and constructional dimension
- Environmental dimension
- Recreational and sport dimension

Based on the findings of this project, we reviewed the above four studied dimensions with an emphasis on the peripheral community of Mahshahr and concluded that

Mahshahr citizens are expecting mostly from the social and therapeutic dimension of Fajr Company's activities. After that they expect from the educational and construction dimension, then the environmental dimension and finally from the recreational and sport dimension of the activities, respectively.

Looking at the results of the ranking of Fajr Petrochemical Company's activities from the citizen's point of view, they were satisfied mostly with the educational and construction dimensions, then social and therapeutic dimension, then the environmental and finally with the recreational and sport dimensions, respectively.

The results of this research which serves as an example of Fajr Company's scientific-practical performance indicator, has been presented to the relevant authorities by the following means in order to let them start their next studies and measures based these findings:

- Reporting to the senior management of the company and its Corporate Social Responsibility Steering Committee
- Presenting a seminar at the meeting of the Board of Directors of the relevant authorities and the heads of the regional departments of public relations
- Reporting to the representatives of the community
- Reporting to media
- Presenting an article to the National Conference of Public Relations in January 2005





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## Fajr Petrochemical Co.

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