



2014 INTEGRATED REPORT

REALIZING VALUE

QAPCO'S FIRST INTEGRATED REPORT

Welcome to our first integrated report, a presentation of our company's position and progress by way of financial, social and environmental performance. In recognition of the impactful role that sustainability plays in our business management, we have combined our sustainability report and annual report into one, integrated report, allowing us to capture the connections between our financial and non-financial performance to present a holistic picture of our organization. The aim of our integrated report is to provide a greater context for performance, underlining value creation over time. We believe integrated reporting improves transparency, generates reporting efficiencies, favors stakeholder inclusiveness and reflects our new sustainable strategy. If you would like to access our financial balance sheets, they can be found on page 75. This report is based on the Global Reporting Initiative (GRI) G4 Guidance 'in accordance' option core, for further information and GRI G4 Content Index, please see Appendix F.

This report is a learning experience for us. As we explore new approaches, we welcome your feedback in order to improve our reporting in the future.

Contact us at:
sustainability@qapco.com.qa

CAUTIONARY STATEMENT

For the purposes of this report, Qatar Petrochemical Company (QAPCO) Q.S.C. and its subsidiary company Qatofin Company Limited, will be discussed together. Where relevant and available, separate performance figures will be provided, for both QAPCO and Qatofin separately. The boundaries of this report are discussed in further detail on page 92 of Appendix F.

This report contains certain "forward-looking statements" that express the way in which QAPCO intends to conduct its activities. Many of these statements are based on the plans and assessments of our executive management team, which are meant to add value to the report by giving our stakeholders a better overview of our collective impact. Words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify forward-looking statements. Although we have made every efforts to ensure the report is as accurate and truthful as possible, such statements are based on assumptions made using currently available information that is subject to a range of uncertainties that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond QAPCO's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies. The forward-looking statements contained in the following pages are therefore not promises or guarantees of future conduct or policy, and therefore QAPCO assumes no obligation to publicly update any statements made in this sustainability report and does not guarantee the appropriateness accuracy, usefulness or any other matter whatsoever regarding this information.



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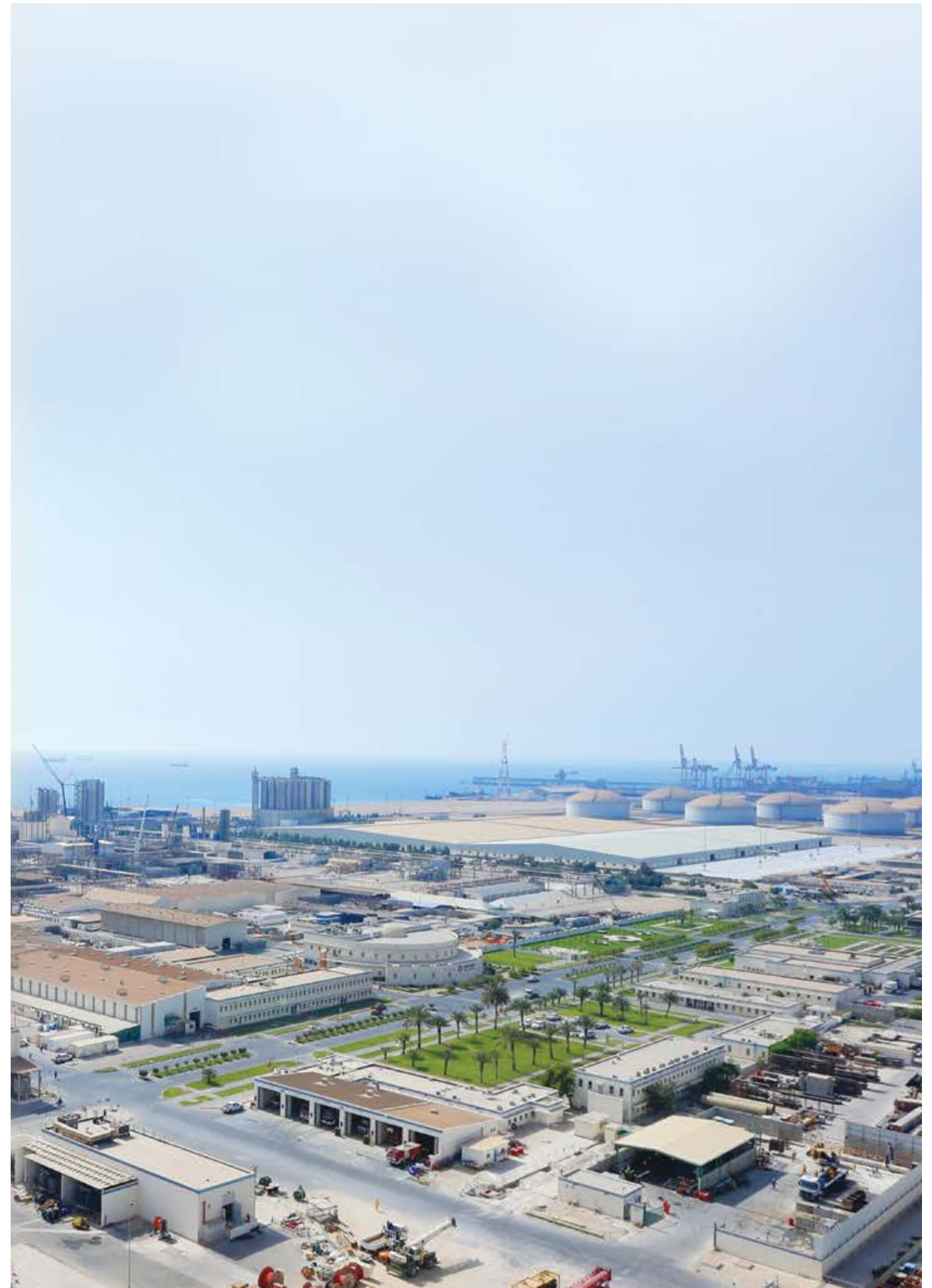


His Highness
Sheikh Tamim Bin Hamad Al Thani
Emir of the State of Qatar



His Highness
Sheikh Hamad Bin Khalifa Al Thani
The Father Emir

REALIZING
VALUE
SINCE 1974



40 YEARS STRENGTH SUCCESS VALUES GROWTH



1974

- 9th November: Qatar Petrochemical Company is incorporated

1978

- Number of employees: 20
- Staff sent to France for training
- The construction of the LDPE 1 unit is in full swing

1981

- 23rd February: The LDPE 1 plant is formally inaugurated
- May: The jetty area becomes operational
- QAPCO exports its first shipment of ethylene to Spain
- Commercial production starts
- Production capacity stands at 280 MTPA of ethylene and 140 MTPA of LDPE

1996

- Production capacity is raised to 540 MTPA of ethylene and 360 MTPA of LDPE

1997

- 8th January: Qatar Vinyl Company (QVC) is established

1980

- The number of employees increases to 700
- March: The utilities plant starts
- To start-up the ethylene plant for the very first time, QAPCO receives a shipment of ethylene from CDF Chimie from France
- 3rd September: The first polyethylene pellets are produced

1994

- QAPCO signs a major sales contract with FINOLEX, one of India's leading industrial companies
- March: Signing Ceremony for capacity Expansion with Technip, for EP, LDPE and Utilities
- June: Financing Agreement for Expansion, Ceremony with QNB, GIB and Doha Bank
- November: QAPCO celebrates its 20th Anniversary

1992

- June: MOU Signing for EP1 expansion, with ABB and Technip

1998

- 19th September: QPPC is established
- 4th November: QAPCO is awarded the ISO 9002:1994 by Bureau Veritas Quality International for its Quality Management System

2000

- Successful decennial GSD completion

2003

- 3rd August: Industries Qatar is created, and begins trading on Doha Securities

2004

- March: EP2 expansion signing ceremony, with Shaw and JGC Middle East
- December: EP2 stone laying ceremony with HH Sheikh Tamim
- AC installed in maintenance workshop
- 16th September: Launch of Mr. Poly, the corporate mascot

2001

- Successful spare parts management program is finalized, with computerized maintenance management system, reviewing 54,481 items in maintenance warehouse

2002

- April: Focus on Asia as QAPCO inaugurates its offices in Beijing, Hong Kong and Shanghai
- 8th February: QAPCO becomes one of the first companies within the QP group to be ISO 9001 certified and also obtains ISO 14001 certification later on in May
- The number of shipments rises to 154 for the year

2005

- 1 million QR donation to Shafallah Center for Children with Special Needs
- Qatofin is established

2006

- 22nd May: His Highness Sheikh Tamim Bin Hamad Al-Thani, then the Heir Apparent, laid the foundation stone for Qatofin, one of the most important petrochemical ventures in Qatar
- 16th- 17th December: QAPCO participates in the first Gulf Petrochemicals and Chemicals Association Forum (GPCA) in Dubai
- April: Launch of new logo and slogan



2010

- 31st March: RLOC start-up
- 22nd November: In support to Qatar 2022 national bid, QAPCO and Qatofin set a new Guinness World Record with the World's Largest T-Shirt

2012

- 16th August: Launch of new LDPE 3 plant and increasing QAPCO's LDPE production to 700 MTPA
- 2nd September: QAPCO receives HSE Award for Critical Function Analysis
- November: Polyethylene production reaches 1 million ton

2013

- 14th February: QAPCO Club Launch
- 1st May: QAPCO organizes its First R&D forum
- 20th May: QAPCO receive Qatarization Award for 4th year in a row
- 3rd June: Launch of 1st public Sustainability Report, aligned with GRI A
- December: QAPCO obtains its 4th ISO certification with
- 26th May: QAPCO wins 'Most Admired Company in the GCC' Award for Human Resources Excellence
- 16th June: Agreement with Qatar University to establish a polymer chair
- November: Transfer to the new Central Control Room
- The number of shipments increases to 432 for the year

2014

- 12th February: Sets new Guinness World Record for largest number of passes
- 20th February: Drives regional Waste Free Environment campaign in Qatar
- 3rd of May: Responsible Care Certification
- 27th May: MOU with Materia
- 17th of June: Award for Excellence in Environmental Management from SDIR

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REALIZING VALUE

As our company's first combined annual and sustainability report, we focused on integrating our financial and non-financial performance as a way to realize the full value of our contribution to Qatar and all of our stakeholders.

HOW WE REALIZE VALUE

HISTORIC VALUE

Through our 40 years of success, QAPCO has built a strong reputation as a pioneer in Qatar's petrochemical sector. By leveraging our trusted reputation and experience, QAPCO is able to realize the value of history as the backbone to our strong future.

STAKEHOLDER VALUE

Engaging with our stakeholders is the core of our ability to move forward and realize our mission through collaboration and innovation. Listening and learning from our stakeholders strengthens our business and improves our ability to succeed over the long term.

LONG TERM VALUE

Through the realization of our corporate strategy, and optimization of our operations through plant upgrades and enhanced management, QAPCO is realizing the long term value that we bring as a reliable producer of valuable petrochemicals.

CONTEXTUAL VALUE

As a catalyst for education, research and downstream industrial development, QAPCO is realizing the value of its opportunity to make meaningful contributions to Qatar's burgeoning petrochemical sector while supporting social and economic development.

QAPCO 2014 PERFORMANCE HIGHLIGHTS

QR
4.4
BILLION
REVENUES

QR
2.59
BILLION
ANNUAL PROFIT

1.17
MILLION
TONNES POLYETHYLENE
PRODUCTION (QAPCO + QATOFIN)

17.5
MILLION
COMMULATIVE EXPOSURE HOURS
WITHOUT EMPLOYEE LOST TIME INCIDENT

117
COMMUNITY INITIATIVES
AND PROGRAMMES

81%
GOODS AND SERVICES
SOURCED LOCALLY

1,305
EMPLOYEES

30%
QATARIZATION

57%
REDUCTION IN FLARING
INTENSITY (2011-2014)

30%
REDUCTION IN NO_x
INTENSITY (2011-2014)

19%
REDUCTION IN GHG
INTENSITY (2011-2014)

34%
REDUCTION IN TOTAL ENERGY
INTENSITY (2011-2014)



ENG. HAMAD RASHID AL MOHANNADI

Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN

We celebrate our 40th anniversary by looking forward and appreciating the company's rich history of success. Creating value has been one of the founding principles of QAPCO. In 1974, our visionary pioneers further unlocked Qatar's hydrocarbon resources potential. By creating new opportunities from the unrealized value from ethane, QAPCO paved the way to a robust and highly profitable petrochemical industry in the GCC.

Driven by its sustainable growth ambitions, QAPCO has become a catalyst for value creation in the petrochemicals sector, through the company's direct economic and social contributions. Through the years, strategic investments and downstream integration, which created operational efficiencies and synergies, positioned QAPCO as a champion in its industry and strengthened its competitiveness on global markets. Today, creating, maximizing, sustaining and realizing value from the energy and capital deployed over time is how we measure our progress and our success.

In alignment with the objectives of the Qatar National Vision 2030, and under the visionary leadership of His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar, the wise guidance of His Excellency Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry, the unwavering commitment of our Shareholders, Industries Qatar and Total Petrochemicals France, the strategic oversight of our QAPCO Board of Directors and executive management team, the dedication of our employees, and the support of our partners, QAPCO continues to invest in opportunities for the long term growth and success of its operations.

Optimizing the impact of our resources and of our operations for our stakeholders requires drive and vision, combined with the rigor that results from focusing on value creation metrics. As such, we are delighted to share with you our new corporate vision and mission, reflecting the evolving maturity and focus of the company and in alignment with our innovative corporate strategy, which was also launched in 2014. Now more than ever, sustainability is at the center of our mission as we prioritize our long term competitiveness and invest for our future. The safe and successful completion of our planned general shutdown and major plant upgrades defined the year as we lay the foundations for a promising future.

For the fifth consecutive year, QAPCO is proud to participate in the Qatar Energy and Industry Sector Sustainability (QEISS) programme. Join us in our sustainability journey as we present our performance and plans to realize the full value of the company as a driver for social and economic development in Qatar in our first integrated sustainability and annual report.

**DR. MOHAMMED YOUSEF AL MULLA**

Vice Chairman & Chief Executive Officer

MESSAGE FROM THE VICE-CHAIRMAN & CEO

On the 9th of November 2014, we celebrated our 40th anniversary by paying tribute to the brilliant minds who contributed to the rise of a global petrochemical leader. QAPCO's success begins with our ability to realize the value of our operations and our contributions to economic and social development. We draw on our historical value through our knowledge, our experience, and our reputation as a trusted partner and a proven producer.

Working from these successes, QAPCO is focused on realizing our opportunity to be a catalyst for value creation through resource optimization and sustainable growth. For four decades, QAPCO has been developing expertise in the field of petrochemicals through a commitment to learning and education that continues today. As a pioneer in the sector, QAPCO is shaping the next generation of petrochemical experts through our extensive training and leadership programs for employees and also through scholarships, educational partnerships and awareness programs. In particular, we are eager to share our passion for engineering and the limitless potential of polymer science to create opportunities in the field of research, education, and manufacturing that directly contribute to Qatar's vision for sustainable development.

We will remember 2014 as a year of implementation for QAPCO. 2014 marked the culmination of many years of preparation; we successfully and safely completed our planned general shutdown allowing major plant upgrades encompassing 3,000 projects and more than 2.5 million work hours. The upgrades completed during 2014 will make our plants more efficient and more reliable than ever before and paving the way to a new era of operational excellence.

We are proud to report a strong financial performance for 2014 with QAPCO revenues totalling 4.4 billion QR and profits reaching 2.59 billion QR. From a non-financial perspective, 2014 was also a year of growth and progress. Our investments in environmental impact projects resulted in significant improvements in energy, emissions and flaring intensities. During the year, QAPCO continued to support national talent and

registered a Qatarization rate of 30%. In alignment with the Qatar National Vision 2030, supporting national employment objectives makes our company stronger. Moreover, we believe doing business with local companies and SMEs drives value creation and we raised our local procurement ratio to 81%. As a responsible corporate citizen, QAPCO engaged in 117 community outreach programs focusing in particular on employee and family welfare, sports and youth education. Furthermore, we raised to 4 the number of Chairs we support in leading local universities, as strengthening industry-academia collaboration reinforces our competitive and innovative edge.

In 2014, QAPCO began the implementation of a new corporate strategy based around our redefined mission of "prosperity through innovation". Now more than ever, QAPCO is focused on innovating opportunities for success through optimization of our operations, investment in our long-term strength and continued engagement with our stakeholders.

As we realize new opportunities through integrated, sustainability-minded management approach, we are creating value for Qatar through operational efficiency, sound economic performance and social development programs. For the first time, QAPCO is publishing a combined annual and sustainability report. Through this process, we hope that our stakeholders will benefit from the value of integrated thinking and consideration of the impact that non-financial performance has on the long term success of our business. I am proud to welcome you to our first integrated report, and look forward to your engagement with us as we continue towards our vision of prosperity through innovation.



ABOUT QAPCO

ABOUT QAPCO
DRIVING VALUE CREATION SINCE 1974
VISION, MISSION AND VALUES
THE POLYMER VALUE CHAIN
CORPORATE GOVERNANCE
BOARD OF DIRECTORS
BUSINESS MANAGEMENT AND OVERSIGHT





ABOUT QAPCO

Celebrating 40 years since its establishment, Qatar Petrochemical Company (QAPCO) Q.S.C. is a producer of low density polyethylene (LDPE) in the State of Qatar. In addition to its core business, QAPCO also has invested directly and indirectly in 4 associated ventures that contribute to Qatar's downstream petrochemicals sector. QAPCO is a recognized leader in polymer innovation and production, having pioneered the use of ethane as a petrochemical feedstock in the region and constantly developing a skilled and talented workforce to support the company's long term growth.

DRIVING VALUE CREATION SINCE 1974

History has a significant value. As we celebrate our 40th anniversary, QAPCO is focused now more than ever on leveraging our proven track record for success to enhance our business and our contribution to social and economic development in Qatar.

QAPCO's reputation is rooted in trust and innovation as a pioneer in polymer science in Qatar and a catalyst for the development of Qatar's petrochemical sector. Realizing our potential is the chemistry of our success. We are proud to celebrate forty years of strength and look forward to our continued success as we put our new corporate strategy into practice and realize the value gained from successful completion of our most complex plant upgrade since operations began.

VISION, MISSION AND VALUES

Corporate culture and strategy are driven by our commitment to our mission, vision and values. In 2014, QAPCO revised these elements to reflect the evolving maturity and focus of the company and align with a new corporate strategy which was also launched during the year.

QAPCO's new vision and mission are rooted in the company's commitment to delivering value to stakeholders through comprehensive and innovative management approaches. These new strategic elements leverage the strength of our experience and the energy of our ambitions to catalyze success through a focused and multi-dimensional management approach. As a guide for every employee and a framework for decision making, QAPCO's vision, mission and values are central to our continued success.

QAPCO Vision

Prosperity through innovation

QAPCO envisages dynamic and sustainable growth targeting the prosperity and well-being of our employees, society and to contribute to Qatar's ever-growing economy.

QAPCO Mission

Excellence through sustainable growth driven by innovation, talent and responsible care

QAPCO is determined to achieve its Vision through sustainable growth driven by innovation in processes, products, research and development achievable only through a developed talented workforce while safeguarding health, safety, and the environment.

QAPCO VALUES



People

The heart and soul of the organization is built on the dedication of our people and their commitment to exceed the expectations of our community and customers. We seek to retain talent, and foster a collaborative and supportive environment.



Safety

We persistently ensure the safety of our employees, contractors, assets and communities; taking a pro-active approach to safety, we relentlessly seek ways to improve our safety performance.



Integrity

Acting ethically and honorably wins loyalty. Our behavior is matching our words and we take accountability and responsibility for our actions.



Innovation

Innovative processes, creative ideas, research and development that bring together various novel ideas in a way that shall have an impact on society.



Stewardship

Building a strong and durable company for future generations, meeting our commitments to stakeholders, fostering freedom to act, and helping improve communities and the environment.



“Since its inception in the early seventies, the petrochemical industry in Qatar has capitalized on Qatar’s hydrocarbon resources by further optimizing feedstock utilization, by processing and adding value to associated products derived from oil and gas, hence contributing to the diversification of the national economy.”

DR. AL MULLA, QAPCO VICE CHAIRMAN & CEO

Our Products

QAPCO makes polyethylene, a primary component of many of the objects that you interact with every day. By virtue of their qualities and applications, as reflected in our slogan, our products are “in just about everything”. Polyethylene is a basic plastic that is derived from oil and natural gas and used in millions of applications from food packaging to airplane components.

QAPCO is recognized for the quality and reliability of its production. With annual production of 1.17 million tonnes of polyethylene in 2014, QAPCO makes a strong contribution to the burgeoning chemical industry in the GCC, which achieved 4.5% growth in 2014, reaching 21.1 million tonnes of total production.

Did you know ?
QAPCO was the first company in the GCC to use ethane as a feedstock to produce ethylene, which is the basic building block of modern chemistry and central to the production of polyethylene. Ethane is a by-product resulting of oil and gas extraction and was for many years discarded as a waste gas.

By capturing, and channeling ethane as a petrochemical feedstock, QAPCO positioned itself as a company that could lengthen the value chain of Qatar’s vast natural oil and gas resources.

THE POLYMER VALUE CHAIN

QAPCO is part of Qatar’s robust energy and industry sector, which represents more than 60% of national GDP and employs more than 30,000 individuals. As a pioneer in Qatar’s downstream petrochemicals sector, QAPCO has been adding value to Qatar for 40 years by producing high value, export based products that are sold to international markets. Since July 2013, our products have been marketed and sold exclusively through Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.J.S.C. under the Lotrène brand.

QAPCO produces low density polyethylene and, linear low density polyethylene through our subsidiary company, Qatofin. These two primary polymers are used around the world for a wide variety of applications such as films, bags, packaging and cables.

QAPCO’s commitment to safety and quality is unmatched as we continue to produce the polymers that shape the world around us and enable smarter, lighter and more efficient products to help us every day. We are proud to be part of an industry that empowers the world around us and supports a modern and sustainable lifestyle.



CORPORATE GOVERNANCE

Corporate governance at QAPCO is driven by the principles of transparency, accountability, fairness, and responsibility. The Board of Directors is the highest governing body and is responsible for guiding the strategic direction of the company and its associated ventures. There are a number of Board committees that provide comprehensive management and oversight of specific operational areas.

Strategic management and governance is performed by 12 formal corporate executive committees:

CORPORATE EXECUTIVE COMMITTEES		
QAPCO Operating Committee	Qatarization Committee	Conflict of Interest Committee
HSE Executive Committee	Disciplinary Committee	QAPCO Risk Management Committee
Vendor Management Committee	End of Service Committee	Promotions Assessment Committee
Qatofin Operating Committee	IT Steering Committee	Customer Credit Approval Committee

MATERIAL ISSUES:
GOVERNANCE AND
MANAGEMENT

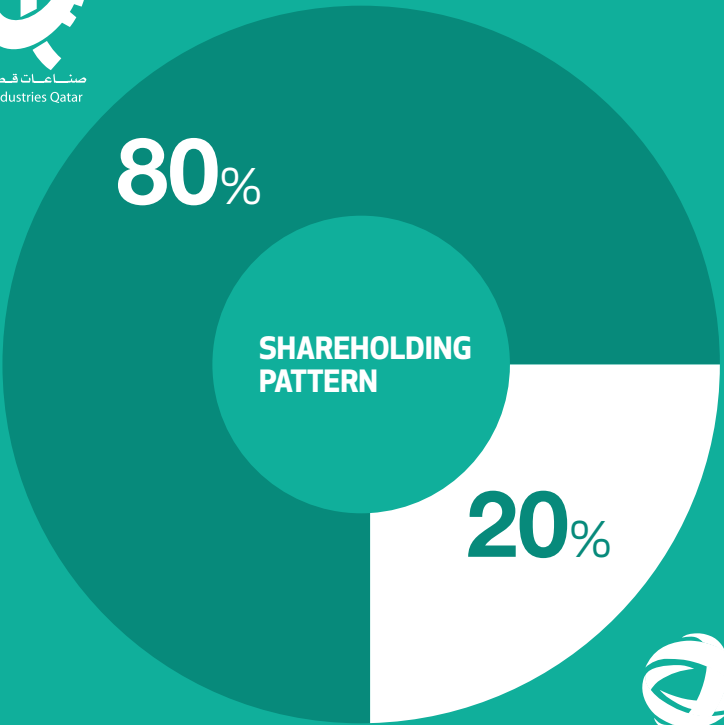
- > Compliance with Regulations
- > Anti-Corruption
- > Risk Management

SHAREHOLDING PATTERN

QAPCO is jointly owned by Industries Qatar (80%) and Total Petrochemicals France (20%). Our shareholders are drivers of progress, promoting knowledge transfer and capacity building through investment in QAPCO's continued growth and sound performance.

COMPANY PROFILE

- Established in 1974
- Producer of low density polyethylene in Qatar



CERTIFIED MANAGEMENT SYSTEMS

ISO 14001	Environmental Management System
ISMS 27001	Information Security Management System
ISO 9001	Quality Management System
OHSAS 18001	Occupational Health and Safety Management System
RC 14001	Responsible Care

BOARD OF DIRECTORS

With experience from industry, energy, and associated fields, the Board is responsible for the strategic oversight of the company's operations and strategy.

**DR. PHILIPPE
VINDEVOGHEL**

**MR. AHMED
MOHAMMED
AHMED DARWISH**

**MR. MUBARAK
AWAIDA M. AL-HAJRI**

**MR. AHMAD ALI
ABDULLA
AL-MAWLAWI**

**ENG. HAMAD RASHID
AL MOHANNADI**
Chairman

**DR. MOHAMMED
YUSEF AL MULLA**
Vice Chairman & Chief
Executive Officer

**MR. SULTAN
KHALIFA
AL-BINALI**

**MR. MOHAMED
KHALID AL-GHANEM**

**MR. JEAN-JACQUES
MOSCONI ***

Mr. Jean-Jacques Mosconi replaced Mrs. Bernadette Spinooy on 1 September 2014 as a representative from Total France. Mr. Jean Viallefont serves as the permanent alternate Board Director





Responsible Care® takes leading petrochemical companies above and beyond their prior accomplishments by enhancing their performance through a focus on community awareness and emergency response, security, distribution, employee health and safety, environmental protection, process safety, and product stewardship.

BUSINESS MANAGEMENT AND OVERSIGHT

Quality and alignment to international best practices are essential to QAPCO. We have invested considerably in our corporate management systems to ensure that we meet our strategic performance objectives and are accountable to our performance. In 2014, QAPCO added Responsible Care 14001 to our management system accreditations as a testament to our commitment to sound management of our environmental, social and economic performance.

New Corporate Strategy

In 2014, QAPCO launched a new corporate strategy to reflect the evolution of the company's operations and management objectives. Value creation is the foundation of our strategy as we aim to align short and long term actions towards our vision for prosperity through innovation. Optimization of our operations and engagement on our impacts are key parts of realizing QAPCO's full potential as a leader in Qatar's petrochemical sector.

The implementation of this strategy is directed by 11 corporate objectives and comprehensive performance management based on the Balanced Scorecard model. The scope of strategic management includes economic, social and environmental performance.

OUR STRATEGY OUTLINES 5 STRATEGIC FOCUS AREAS

1 FINANCIAL
PERFORMANCE

CUSTOMER
GROWTH AND
SATISFACTION

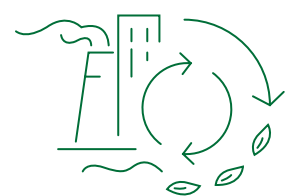
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3 SUSTAINABILITY OF
OPERATIONS THROUGH
HSE AND ENGAGEMENT

OPERATIONAL
PRODUCTIVITY
AND EFFICIENCY

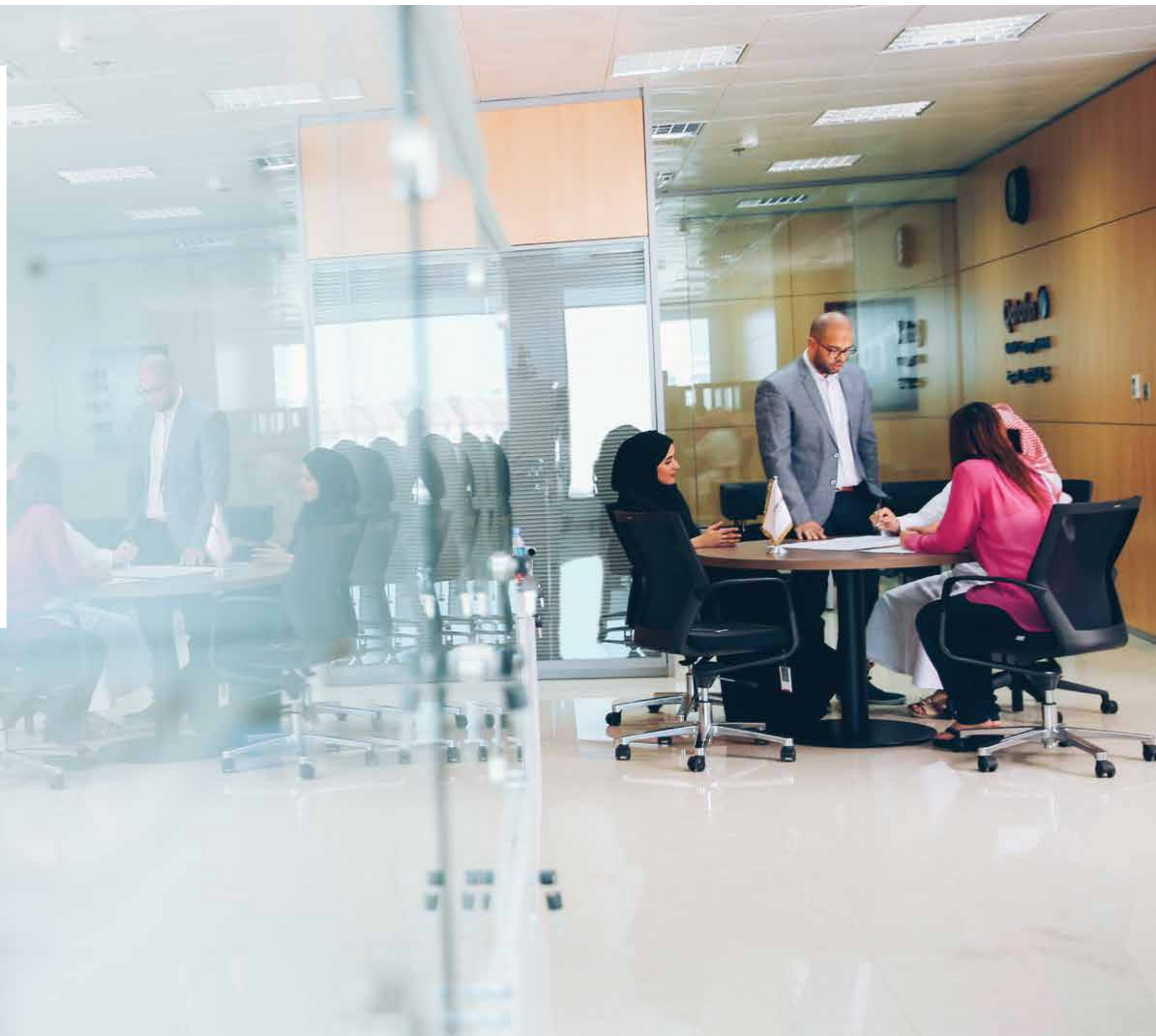
4

5 INNOVATION
THROUGH RESEARCH
AND KNOWLEDGE SHARING



QAPCO AND SUSTAIN ABILITY

QAPCO AND SUSTAINABILITY
QATAR SECTOR SUSTAINABILITY INITIATIVE
REPORTING OUR PROGRESS
SUSTAINABILITY DATA MATURITY ASSESSMENT
OUR MATERIALITY ASSESSMENT
INVESTING IN OUR PLANT





QAPCO AND SUSTAINABILITY

Engagement and innovation are the key elements of successful sustainability management. Measuring and understanding the impact that our operations has on our stakeholders is an ongoing and deliberate objective of our sustainability management programme. As a company, we are moving forwards with our vision of creating “prosperity through innovation” and that objective drives us to dive

deeper into the operational and engagement opportunities that we have as a company to improve not only our own performance but also our impact on others.

For QAPCO, sustainability is a catalyst for success as it connects our short and long term actions with the needs and expectations of our stakeholders. Stakeholder engagement is thus a critical part of our success in improving our long term strength and continuing to innovate towards sustainability. Stakeholders are our starting point – through daily engagement, direct communication and formalized interactions, we are working to understand the expectations and priorities that our key stakeholders have on our business.



HE Dr. Al Sada, Minister of Energy and Industry, presented the award for Excellence in Environmental Management to QAPCO Vice Chairman and CEO, Dr. Al Mulla during an awards ceremony in September 2014.

QATAR SECTOR SUSTAINABILITY INITIATIVE

As part of our commitment to national sustainable development, QAPCO participates in the Qatar Energy and Industry Sector Sustainability programme, an initiative led by His Excellency Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry. As part of this program, QAPCO received the sector award for Excellence in Environmental Management for its 2013 report.

REPORTING OUR PROGRESS

In our first integrated report, combining our sustainability and annual review, we enhanced our reporting by focusing on the issues that have the most significant impact on our business and stakeholders, as identified in our materiality assessment on page 30. In addition, we review our performance on a longer horizon (4-5 years) to gain a constructive understanding of our performance because 2014 marked a planned disruption to our operations during the Planned General Shutdown which limits the validity of single year performance analysis. In order to accurately portray the scope of QAPCO's operations and impact, this report presents the performance of QAPCO and its subsidiary company, Qatofin Company Limited. Further information about the scope of performance figures is included in Annex D on page 84.





Photo: Michel Labelle / TOTAL

SUSTAINABILITY DATA MATURITY ASSESSMENT

As part of QAPCO's commitment to quality performance reporting, an internal audit was conducted on 20 key sustainability performance indicators to validate that the reported data is transparent, credible, reliable, and accurate. Maturity of information – based primarily on collection and calculation methodologies – improved to 81% from 78% in 2013 audit, while data integrity achieved a score of 82%. A high level of accuracy and correctness was observed and reported figures were found appropriate and accurate. Full audit outcomes can be found in Appendix E on page 90.

THE VALUE OF ENGAGEMENT

Stakeholders are a catalyst for the success and growth of QAPCO. Since 1974, QAPCO has developed strong relationships with its stakeholders and gained value from understanding their perspectives and priorities. Engaging with our stakeholders is a part of daily business as we work to build partnerships and fulfil the expectations of our corporate mission, vision, and values. [GRI G4-25]

Our success is not achieved alone, it is a representation of a collective effort. Balancing the needs, priorities and expectations of stakeholders is an essential part of better business. Listening and learning from our stakeholders is not just a part of our sustainability program, but part of our core business. Effective dialogue, experience sharing, engaging in joint actions and collective activities with our stakeholders also contribute positively to the implementation of best practices and allows us to achieve sustainable results.

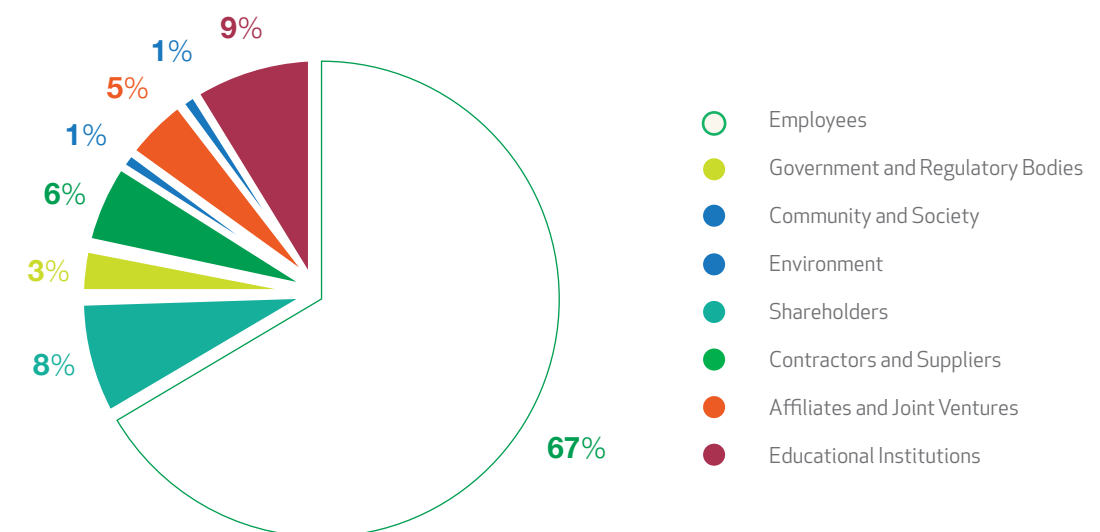


Help us understand what is important to you

For our 2014 report, we asked our stakeholders to give us their insights into our sustainability management. QAPCO conducted an online stakeholder engagement survey to gain the perspective of individuals from its key stakeholder

groups. A total of 88 participants completed the survey and provided us with valuable information about the issues that are the most impactful to them. The results of this survey help us to better understand the most material areas to focus our efforts.

Stakeholder Survey Participants



QAPCO SUSTAINABILITY FRAMEWORK

QAPCO's sustainability strategy guides our reporting and sustainability management programs. Our strategy focuses on five strategic focus areas where QAPCO creates value for its stakeholders.

Growing Stronger



Safety
of personnel
and assets



Investing
in Infrastructure



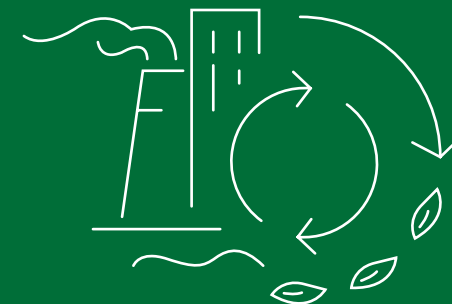
Workforce
that is engaged
and committed



Compliance
& Environmental
Management



Contributing
to Qatari Society



Materiality is a process that adds focus to our sustainability management program by prioritizing the many issues that are relevant to our company, its stakeholders and our long term success.

These are QAPCO's most material sustainability issues:

STAKEHOLDERS MOST MATERIAL TOPICS	STAKEHOLDER'S LEAST MATERIAL TOPICS
Safety training and safety culture	Water management
Economic performance	Product labelling and safe usage
Product quality and optimization	Job creation
Compliance with regulations	Product packaging
Contractor safety performance	Local procurement

OUR MATERIALITY ASSESSMENT

Materiality is a process that adds focus to our sustainability management program by prioritizing the many issues that are relevant to our company, its stakeholders and our long term success. As part of our strategic sustainability management, QAPCO developed our first sustainability materiality assessment for our 2013 sustainability report. This assessment was the foundation of our current materiality matrix, presented below.

For our assessment, we mapped the 25 economic, social and environmental issues that have the most significant impact on our business and stakeholders. Scoring and prioritization was informed by a number of internal workshops with focal points for QAPCO’s sustainability management and strategy. Assessment of stakeholder impacts and priorities is a direct outcome of our stakeholder engagement survey, which was conducted in March, 2015 with the participation of 88 representatives from QAPCO’s key stakeholder groups.

In this, our second materiality assessment, the importance of economic performance is outweighed only by safety and the welfare of our workforce. Social and environmental performance remains important to QAPCO, while not as high of a priority as safety and operational performance. Stakeholder

→ 25 PRIORITIES
RANKED BY 88
KEY STAKEHOLDERS

prioritization is generally higher than QAPCO’s assessment scores, which is primarily attributed to survey bias in which participants in surveys generally provide higher scores than those who engage in a debate.

Materiality is a learning process for us, illuminating the priorities and expectations that our stakeholders have on us and the ways in which our engagement with our stakeholders impacts our business.

[GRI G4-19]



- Highly Material
- Medium Material
- Least Material

RANKING	MATERIAL ISSUE
1	Safety training and safety culture
2	Economic performance
3	Contractor safety
4	Occupational health and prevention
5	Product quality and optimization
6	Reliability and preventive maintenance
7	Workforce wellbeing
8	Compliance with regulations

RANKING	MATERIAL ISSUE
9	Safety event investigation and resolution
10	Process inspection and monitoring
11	Contamination and spill prevention
12	Employees learning and development
13	Anti-corruption
14	Environmental management system and environmental expenditures
15	Waste management
16	Corporate Social Responsibility (CSR)
17	Employee engagement and retention
18	Labor and contractor rights
19	Energy Management
20	Qatarization

RANKING	MATERIAL ISSUE
21	Water management
22	Job creation
23	Risk Management
24	Flaring and Emissions
25	Local procurement



INVESTING IN OUR LONG TERM VALUE

“QAPCO is a dynamic organization seeking to capture all possible opportunities to invest in the company’s long term value foundation through continued enhancements of our plant facilities. Following the successful completion of our general turnaround in 2014, QAPCO continues to realize further significant gains in operational efficiency and reliability and ensures that our operations are optimized and upgraded on a continuous basis.”

SALEH MOHAMED AL HALKI, CHIEF PROJECT & ENGINEERING OFFICER

INVESTING IN OUR PLANT COMPLETION OF A SAFE AND SUCCESSFUL PLANNED GENERAL SHUTDOWN

As part of normal plant operations and maintenance cycle, plant upgrades are an opportunity for QAPCO to enhance the plant's normal operating state through implementation of upgrading and maintenance projects that improve the productivity and reliability of plant assets. In this way, QAPCO is realizing long term value and optimizing the plant's operations for reliability and efficiency.



A planned General Shutdown (GSD) has vital and crucial significance for QAPCO in that it insures that the plants are fit to produce in safe and efficient manner for next 5 or 6 years. During a GSD each and every manufacturing asset including machines and equipment are dismantled, inspected and overhauled. 2014 was the most challenging GSD in the history of QAPCO, both in terms of sheer volume of activities and complexities. In total, 3,000 activities were scheduled and executed for

the GSD. Beyond the technical and logistical challenges of the GSD, it also represented a complex managerial challenge which required the coordination and collaboration of all of QAPCO's departments. QAPCO significantly invested into the plant upgrade process, with approximately half of the total expenses allocated for regular maintenance of plant assets and approximately an equal amount spent as capital expenditures for further strengthening the safety, reliability and capability of the plant.

At the peak of shutdown, there were 7,788 people at site including QAPCO employees and over 7,000 workers from 50 different contracting companies, three times the number of on-site workers during normal operations. The successful completion of the plant upgrade will allow QAPCO to realize further value from its operating assets and generate tangible efficiency, reliability, and regulatory compliance improvements.

TOGETHER, WE DID IT!

Making our plants more efficient and reliable

Paving the way for a new era of operational excellence and a promising future

Extremely high level of complexity in terms of scale and volume

Priority given to health, safety and environment

RESULT OF

4 YEARS

OF RIGOROUS PLANNING & PREPARATION

3,000 ACTIVITIES

WERE SCHEDULED AND EXECUTED

ONE MASTER PLAN

204 SAFETY INDUCTION

SESSIONS FOR OVER 10,000 CONTRACTOR

7,788 PEOPLE

ON SITE AT PEAK TIMES

7,000 WORKERS

FROM 50 DIFFERENT CONTRACTING COMPANIES

2 MILLION

EXPOSURE HOURS



HEALTH AND SAFETY

PERSONNEL SAFETY
PROCESS SAFETY
CONTRACTOR SAFETY MANAGEMENT
OCCUPATIONAL HEALTH



Overlooking the QAPCO integrated petrochemical complex from the Qatofin tower in Mesaieed Industrial City (Photo: Michel Labelle/TOTAL)



Photo: Michel Labelle / TOTAL

HEALTH AND SAFETY

QAPCO's risk based safety management approach puts safety at the forefront of every decision. While operating in a high risk industry that includes heavy industrial machinery and high-pressure/high temperature situations, QAPCO has maintained a strong safety performance record including 17.5 million employee exposure hours without lost time incident.

Achieving this level of safety performance begins from developing a safety culture that reinforces the idea that every person is responsible for the safety of themselves and others. This culture is supplemented by a rigorous Health Safety and Environment (HSE)

management system for monitoring, evaluating and reporting performance. QAPCO maintains ISO 9001, OHSAS 18001, and Responsible Care 14001 compliant management systems in alignment with international best practice.

SAFETY PERFORMANCE

2014 represented a unique challenge for QAPCO with the activities associated with the general shutdown (GSD) in early 2014. HSE management was a critical part of the success of the GSD. 900 employees and more than 7,000 contractors participated in this unique project totaling over 2 million exposure hours. QAPCO delivered 204 GSD-specific HSE induction sessions to address the HSE expectations during the major turnaround. 10,255 employees and contractors received this training which addressed QAPCO standards for health and safety as well as the expectations for individuals during emergency procedures.

From a performance perspective, 2014 witnessed an increase in personnel and contractor safety incidents, primarily as a result of increased exposure hours during the GSD. Process safety remains a priority as QAPCO moves forward with structured near miss and safety hazard reporting programs as well as the execution of planned maintenance before and after the GSD. QAPCO did continue its strong record for safety performance including more than 17.5 million employee exposure hours without lost time incident.

OCCUPATIONAL HEALTH

Occupational health is a consistent priority as part of QAPCO's HSE management plan. In 2014, QAPCO continued its heat stress and hydration campaigns to minimize overexposure risks and increase awareness of employees and contractors as to the challenges of heat stroke and associated risks. In addition, QAPCO continued to provide standard medical services and routine medical check-ups. No cases of occupational illness or heat stress were reported in 2014.

Employee sick leave rate remained low, at 1.2% of workdays in 2014.

→ THROUGH ITS SUMMER HEAT STRESS CAMPAIGN, QAPCO COMMUNICATES IN 3 LANGUAGES TO ITS EMPLOYEES AND CONTRACTORS



On the 1st of May 2014, together with Qatar Foundation for Protection and Social Rehabilitation, QAPCO honored 1,000 workers in its Club in Mesaieed. Dr. Al Mulla appreciated the invaluable contribution of workers, QAPCO's partners in success, to the development of the company.

CONTRACTOR HEALTH AND SAFETY

QAPCO understands the value that contractors bring to our operations through specific technical skills, accredited professional services and operational/maintenance functions. The health and safety of contractors is our primary responsibility. As such, QAPCO implements a strategic contract management approach which focuses on clearly communicating the expectations, outcomes and risks of activities during work periods. Active oversight, comprehensive induction training, and contractor evaluations augment existing management systems to minimize risks and optimize the success of contractors while on site.

In 2014, lost time injury frequency rate for contractors improved to 0.44 / million exposure hours, while recordable case frequency rate receded to 3.74 / million exposure hours. Contractor exposure hours more than doubled in 2014, primarily due to GSD activities, with exposure hours surpassing 4.5 million.



MATERIAL ISSUES:
**HEALTH AND
SAFETY**

- Safety training and safety
- Contractor safety
- Occupational health and prevention
- Workforce wellbeing
- Safety event investigation and resolution
- Process inspection and monitoring

QAPCO's risk based safety management approach puts safety at the forefront of every decision.

6.79 Million

Exposure Hours in 2014 (Employees and contractors)

17.5 Million

Consecutive hours without employee LTI



Personnel safety is the single most important part of our operational success. QAPCO celebrates continuous advances in safety performance, including 17.5 million consecutive hours without employee lost time injury.

Lost Time Injury Frequency Rate





MAXIMIZING OUR ECONOMIC IMPACT

MAXIMIZING OUR ECONOMIC IMPACT
FINANCIAL PERFORMANCE
PRODUCTION
PROCUREMENT AND CONTRACTS
LOCAL PROCUREMENT
DOWNSTREAM INDUSTRIAL DEVELOPMENT
VENTURE PROFILES



The evolution of West Bay epitomizes the tremendous growth and thriving business climate in the State of Qatar.



MAXIMIZING OUR ECONOMIC IMPACT

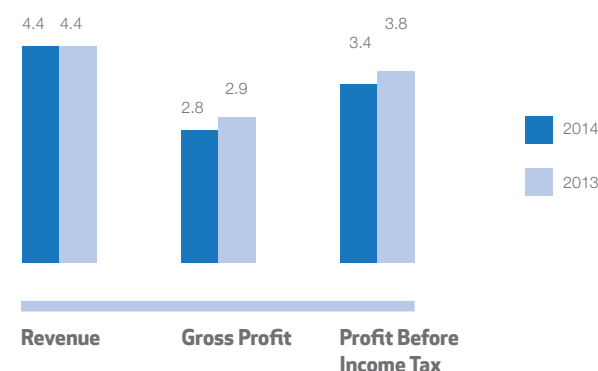
FINANCIAL PERFORMANCE

QAPCO closed the year 2014 with strong operating and financial results. QAPCO stand-alone net profit before tax reached QR 2.26 billion, with total sales amounting to QR 4.4 billion, resulting in a net profit margin of 51%. Product sale volume and profit is lower compared to the previous year due to lower quantity of products available for sales on account of the GSD. QAPCO consolidated net profit before tax with its share in Qatofin, QVC and QPPC reached QR 3.4 billion mark.

Revenue and Profit

Polymer (LDPE) is QAPCO's main commercial product which represents 85% (2013: 87%) of the total revenue. Higher-than-average polymer prices in 2014 compared to 2013 resulted in closely maintained QAPCO's current year results for revenue generation.

Revenue and Profit - Bn QR



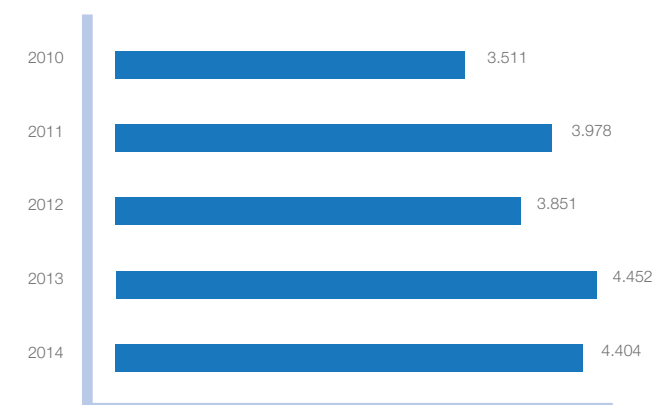
Revenue Growth

Revenue growth is a combination of volume and prices. Expansion of production capacity, alongside increased utilization and efficiency of the plants has contributed to successive revenue growth over the last 5 years.

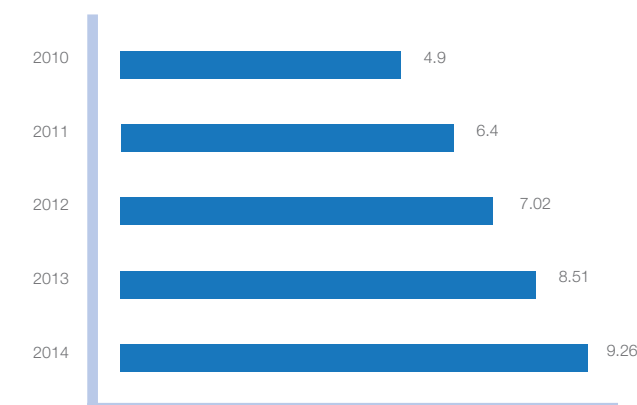
Shareholder's Equity Growth

Shareholder equity growth shows the increase in the net assets. The increase in net assets from 2010 to 2014 is QR 4.4 Billion (89.8%), which is a remarkable growth trend. Investments in production facilities and the resulting increased revenue are the main drivers for the steady growth.

FOB Revenue Growth - Bn QR



Shareholder's Equity Growth - Bn QR



"For four decades, QAPCO has delivered sound financial performance to its shareholders through strong revenue generation and profit creation. At the same time, the value that QAPCO generates goes beyond its direct financial performance and includes the indirect economic impacts that the company has as leader in Qatar's petrochemical sector."

HASSAN SAQR AL MUFTAH, CHIEF FINANCIAL OFFICER



PROCUREMENT AND CONTRACTS

QAPCO's procurement policies center on transparent, fair, cost effective and reliable supply of goods and services to fulfil the operational needs of the company. All contracts are managed through the procurement committee of the Board of Directors and expected to comply with the QAPCO contract terms which include specific clauses related to corruption, monopoly, competitive behavior, bribery and fraud. Internal audit functions and a whistleblower hotline augment our risk management controls for procurement and contracting.

In recognition of the inherent risks associated with manpower contracts and the importance of respect for human rights, QAPCO has developed and implemented specific standards and guidelines for manpower contracts that include requirements for: safety, accommodation, meals, time off, passport and visa access, hygiene and wages and remuneration. These contracts abide by or exceed the requirements of Qatari labor law in order to ensure that all of the contracted staff who work with QAPCO are able to perform their jobs competently, safely and without physical or mental impediments.

PRODUCTION

QAPCO's production capacity has increased dramatically since its operations began 40 years ago. QAPCO is a regional hub for polyethylene production and as such makes a strong economic contribution to Qatar. While total polyethylene production decreased by 9% in 2014 due to the plant upgrade, and resulting decrease in production days in 2014, QAPCO has made investments during the shutdown that will increase the efficiency and reliability of our production facilities for the long term.

5 YEAR PRODUCTION TRENDS

77% increase in total polyethylene production

5Million+ Tonnes polyethylene produced

3.9Million+ Tonnes ethylene produced

PRODUCTION (TONNES)	2011	2012	2013	2014
LDPE	426,440	525,965	723,283	666,420
LLDPE	485,434	527,396	559,166	502,436
Total Polyethylene	911,874	1,053,361	1,282,449	1,168,856
Ethylene¹	793,071	794,736	787,234	691,452
Sulphur (sold as by-product)	52,519	52,594	47,613	35,566



REDUCING SUPPLY CHAIN RISKS

Managing the availability and required stock for all critical items is an essential part of operational reliability and production. In 2014, a comprehensive process was undertaken to identify and approve new suppliers for two strategic chemicals used as raw material in polyolefin plants operation. QAPCO formed a Chemical Task Force to expand the supplier base to propose alternative products. Two new alternative chemicals from new suppliers were identified and approved.

LOCAL PROCUREMENT

QAPCO's infused 1.4 billion QR² into the Qatari economy through its direct purchase of goods and services from Qatari companies. While some of the specific mechanical and industrial parts must be purchased from foreign manufacturers, QAPCO is committed to engaging with local producers and sellers in order to generate further value for Qatar.

Qatari companies are given preference in procurement contracts as a symbol of QAPCO's commitment towards supporting local economic development as we recognize the value it creates for us, them, and the State of Qatar. In 2014, local procurement reached 81% of total purchases, a record high benefitting from the significant expenditure on manpower and contractors to perform tasks during the general shutdown period.

¹ Since 2010, additional ethylene is supplied to Qatofin by RLOC, a strategic venture.

² QAPCO local procurement performance includes the value of all procurement transactions with entities with operations in Qatar, including energy feedstock.

MATERIAL ISSUES: ECONOMIC IMPACT

—> Economic Performance

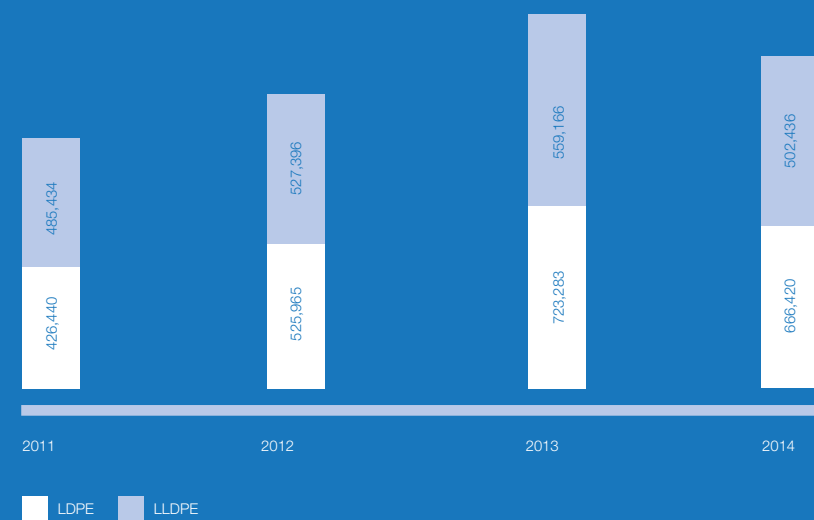
—> Job Creation

—> Local Procurement

QAPCO registered another year of steady gains and growth in 2014, marked by the successful completion of the planned general turnaround and plant upgrades and maintenance projects during the first half of the year.

QAPCO's production capacity has increased dramatically since its operations began 40 years ago.

POLYETHYLENE PRODUCTION



1.4

Billion

QR Infused into the Qatari Economy

81

%

Local Procurement

51

%

Net Profit Margin



DOWNSTREAM INDUSTRIAL DEVELOPMENT

Developing Qatar's downstream petrochemical market is a key component of the State's sustainable development goals. Through our joint ventures and associated companies, QAPCO directly supports the development of the petrochemicals industry in Qatar. Through our industry ventures, QAPCO is creating value by diversifying the downstream petrochemicals sector and stimulating new growth opportunities for revenue creation and employment in Qatar. Through its investments in downstream sector, QAPCO is creating strong links in the petrochemical value chain that help Qatar to realize the full potential of this industry.

Petrochemical based product development is a significant opportunity for QAPCO and Qatar to benefit from local demand for petrochemical products and create value-added revenue streams. Through our investment in Qatar Vinyl Company and Qatar Plastics Products Company, QAPCO serves as a catalyst for development and diversification of Qatar's petrochemical sector portfolio and supports the launch of new, made-in-Qatar petrochemical products into local markets.

QAPCO HAS OWNERSHIP IN THE FOLLOWING COMPANIES:

Qatofin Company Limited (Qatofin)	QAPCO (63%)	Total Petrochemicals France (36%)	Qatar Petroleum (1%)
Qatar Plastics Products Co. W.L.L. (QPPC)	QAPCO (33.3%)	Stefano Ferretti (33.3%)	Qatar Industrial Manufacturing Company (QIMC) (33.3%)
Qatar Vinyl Company LTD Q.S.C. (QVC)	QAPCO (31.9%)	Qatar Petroleum (12.9%)	Mesaieed Petrochemical Company (55.2%)
Ras Laffan Olefins Company Ltd. (RLOC)	Qatofin (45.69%)	Qatar Chemical Company (Q-Chem) (53.31%)	Qatar Petroleum (1%)

VENTURE PROFILES



Qatofin was established in 2005 and is a joint venture between QAPCO (63%), Total Petrochemicals France (36%) and Qatar Petroleum (1%). Qatofin, located in Mesaieed Industrial City, produces linear low-density polyethylene (LLDPE), mainly for export, and has a design capacity of 450,000 MTPA.

QAPCO is the operator of the Qatofin LLDPE plant. LLDPE is usually used for plastic bags and sheets, plastic wrap, stretch wrap, artificial grass, covers, lids, pipes, buckets and containers, covering of cables, and flexible tubing amongst other applications.



Qatar Vinyl Company (QVC) was established in 1997 as a limited Qatari shareholding company. The company's shareholders are Mesaieed Petrochemical Holding Company (55.2%), Qatar Petrochemical Company (31.9%) and Qatar Petroleum (12.9%). HH Sheikh Hamad Bin Khalifa Al Thani, the Father Emir, inaugurated QVC in 2001.

The QVC plant comprises four major units - a chlorine unit producing approximately 370,000 mtpa of caustic soda for export and local sales, an ethylene di-chloride (EDC) unit producing approximately 180,000 mtpa of EDC for export, a vinyl chloride monomer (VCM) unit producing approximately 355,000 mtpa of VCM, and a power unit with capacity of 130 mw.

The primary feedstock for the QVC plant is ethylene, which is primarily supplied by the adjoining QAPCO plant, while the remaining requirement is imported as required. QVC's other major feedstock, salt, is imported, primarily from India.



The ethylene feedstock required for the LLDPE unit in Mesaieed is supplied from an ethylene cracker of 1.3 MTPA in Ras Laffan Industrial City through a 133 km pipeline. This cracker is owned by Ras Laffan Olefins Company (RLOC), which is a joint venture between Qatofin (45.7%), Q-Chem-II (53.3%) and Qatar Petroleum (1%). The RLOC cracker was established in 2005, at the same time as Qatofin, and is managed and operated by Q-Chem II.



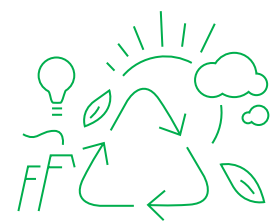
Qatar Plastic Products Company (QPPC) was established in 1998 and commercial production commenced in 2000. Around 95% of production is sold to the domestic market while the remainder is marketed in other Gulf countries and Europe. QPPC produces plastic film for industrial packaging such as fill form and seal and heavy duty trash bags using the blow extrusion process. The company is equally shared between Qatar Petrochemical Company (QAPCO), Qatar Industrial Manufacturing Company (QIMC) and Stefano Ferretti (Italian partner).

QPPC produced 12,500 metric tons of plastic film in 2014.

QPPC's products meet the bagging requirements of QAPCO, Qatofin and Q-Chem to a great extent.

In line with the shareholders' vision for economic diversification along with the government's strong support for the development of small and medium enterprises (SMEs), QPPC expanded its operations through Qatar Wooden Products Co (QWPC).

QWPC consists of a fully automatic wooden pallet production line along with heat treatment facility, able to produce 1.6 million wooden pallets a year. QWPC production will serve the wooden pallet requirements of QAPCO, Q-CHEM, Qatofin.



ENVIRON MENTAL **MANAGE MENT**

ENVIRONMENTAL MANAGEMENT
INVESTMENT IN ENVIRONMENTAL UPGRADES
GSD: INVESTING IN EFFICIENCY AND RELIABILITY
ENVIRONMENTAL PERFORMANCE
ENVIRONMENTAL AWARENESS





ENVIRONMENTAL MANAGEMENT

Sound management and oversight of our environmental impact is fundamental to our ability to operate responsibly. The most material environmental issues for QAPCO center on GHG, stack and flaring emissions, water, waste, and energy efficiency. Beyond the financial impacts of consumption of valuable resources like energy and

water, QAPCO understands and takes responsibility for the impacts that the plant's operations have on the atmosphere, surrounding ecosystem and environment.

Through investment in high efficiency machinery and the commitment of our management and staff towards sound environmental management, QAPCO has achieved significant progress in optimizing its operations to reduce environmental impact. Strong coordination and communication with the Qatar Ministry of Environment and the Qatar Petroleum HSE Regulations and Enforcement Directorate are critical to ensuring that we are able to implement successful environmental management plans.



STRATEGIC INVESTMENTS IN ENVIRONMENTAL UPGRADES

From 2013 – 2017 QAPCO will invest significantly into environmental projects targeted at emissions and water. Detailed information about the NOx emissions

investments made in 2014 are featured later on. As well, a breakdown of environmental expenditures is presented for 2013 and 2014.



"Sound operational management and investment in the long term strength of our production facilities is part of our value optimization strategy. Successful completion of the planned general shutdown in 2014 was a significant milestone for our operations. QAPCO will realize significant value from the efficiency and reliability gains resulting from the GSD."

YOUSUF ABDULLA AL REBEEH, CHIEF OPERATIONS OFFICER

“Thanks to the GSD, we have improved our plant’s reliability; we will realize additional efficiency gains, reduce losses, improve our asset integrity and further optimize our environmental impact. Our facilities are now more sustainable than ever before and paving the way for a new era of growth and operational excellence.”

DR. MOHAMMED YOUSSEF AL MULLA, VICE CHAIRMAN & CEO OF QAPCO EXPLAINED THAT THE OUTCOMES OF THE GSD STRONGLY ALIGN WITH QAPCO’S SUSTAINABILITY AMBITIONS

GSD: INVESTING IN EFFICIENCY AND RELIABILITY

A number of implementation projects were completed in 2014 as part of the general shutdown which will create long-term value for QAPCO through improved efficiency and reliability.

OPERATIONAL EFFICIENCY GAINS FROM GENERAL SHUT DOWN³

5%	Increased Ethylene production
3%	Increased Ethylene yield strengthening operational efficiency
6.2%	Improved Energy intensity

IN FOCUS: NO_x EMISSIONS

NO_x emissions originate from the combustion of fuels in our plant’s gas turbines and furnaces. A series of significant upgrades were completed during the GSD in 2014 to improve NO_x emissions and also improve the ethylene conversion and reliability of our turbines. Ten old furnaces were replaced with six new furnaces, resulting in a 9.5% reduction in NO_x emissions and 4% increase in ethylene conversion rate. Over the next five years, a number of corresponding investments will be made in the plant’s turbines and scrubbers to further improve emissions and efficiency. In 2017, QAPCO will complete a second gas turbine replacement and retrofitting project to further reduce NO_x emissions by 75%.

NO_x and other emissions such as sulphur dioxide (SO₂) have harmful effects on the environment and are subject to environmental regulations. QAPCO’s investment in these emissions reductions projects mitigates future

risks associated with enhanced regulation and contributes to the operational reliability and efficiency of the plant, creating cost savings and enabling operational objectives for production.

Here are some interesting facts about the turbine replacement project:

- Two gas turbines that were replaced during this project were installed in 1980- almost 35 years ago
- NO_x emissions will reduce by 75.5% as a result of the three new gas turbines and upgrades to two existing turbines
- Annual electricity generation capacity will reach 127 MHW, an increase of 30% compared to prior capacity
- More than 1 million QR in maintenance costs will be saved annually

³ These figures provide only a first glimpse into the efficiencies achieved by the works of the plant upgrade. Performance analysis presented is from comparison of operational performance from August 2013 – December 2013 against performance from August 2014 and December 2014.



ENVIRONMENTAL PERFORMANCE

In order to understand our environmental performance, our analysis focuses on our long term (4-5 year) trends. The general shutdown that took

place in mid 2014 is a significant event that impacts our 2014 performance and creates abnormal results that do not reflect the progress that QAPCO has made towards improving our environmental impact through operational efficiency.

ENVIRONMENTAL EXPENDITURES (QR MILLIONS)	2013	2014
Water Treatment and Effluents	19.5	4.2
Water Conservation	2.3	0.21
NO _x (Furnace Replacement)	248.5	110.2
SO ₂ Emissions Reduction	1.2	0.4
Emissions Reduction, General	--	0.5
Total Environmental Expenditures	271.6	115.5

MATERIAL ISSUES:
**ENVIRONMENTAL
MANAGEMENT**

- > Compliance with regulations
- > Reliability and preventative maintenance
- > Contamination and spill protection
- > Environmental management system and environmental expenditures
- > Energy management
- > Waste management
- > Water management
- > Flaring and Emissions

33%

reduction in water consumption during employee water saving campaign

115.5M

QR invested in environmental impact projects in 2014



ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL MANAGEMENT	1 year trend (2013-2014)	4 year trend (2011-2014)
Energy Use Intensity	-15%	-34%
Natural Gas Intensity	-7%	-35%
Emissions Intensity	1%	-19%
Flaring Intensity	119%	-57%
Freshwater Intensity	13%	-4%
SOx Intensity	-43%	-56%
NOx Intensity	-21%	-30%



Energy

QAPCO utilizes natural gas feedstock from upstream partners in Qatar for production and operational activities. Direct energy is primarily used for power generation at QAPCO's onsite utilities plant as well as in the ethylene crackers. Additional direct energy is used for vehicles and machinery, representing less than 1% of total energy consumption. Natural gas intensity improved by 7% from 2013 to 2014, catalyzing a 15% reduction in energy intensity. From a longer view, energy intensity and natural gas intensity have improved significantly from 2011-2014, with reductions of 34% and 35% respectively. Continued optimization of plant operations will result in further energy efficiency gains as the plant operations stabilize following the plant upgrade in the first half of 2014.

Emissions, climate change and flaring

Climate change and emissions remain a global challenge which mandates action and comprehensive management. Over the past four years, QAPCO has significantly improved its emissions and flaring performance, achieving 19% and 57% reductions respectively. Comprehensive emissions management and reporting is an essential part of the company's successes on these fronts. QAPCO is also implementing a flare gas recovery project which further enhances flare gas recovery for re-use within the plant.

Waste and water performance

Management of our materials, water and effluents is an important component of our environmental management plan. In examining our performance in these areas over the last 4-5 years, it is clear that QAPCO has made significant progress towards minimizing its environmental impact. For example, we have eliminated a third of the fresh water that is used in our operations and our waste recycling ratio reached 65% in 2013.

In order to understand our performance and progress, it is also important to recognize the impact that our planned general shutdown had on our materials, waste management and water usage trends. 2014 performance in these areas is thus not representative of our progress in that much of the waste and materials such as machinery, packaging, and replaced parts were generated from the general shut down and should be considered one time impacts for QAPCO.

YEAR OF WATER ENVIRONMENTAL AWARENESS CAMPAIGN 2014

In 2014, the focus of our environmental awareness campaigns were on building understanding of the importance of water conservation. As part of this programme, QAPCO launched a number of initiatives targeted at improving water conservation for employees and their families, both at work and at home.

33%

REDUCTION IN WATER
CONSUMPTION
THANKS TO THE
CAMPAIGN

**Wake Before It's Too Late
SAVE WATER
SAVE THE PLANET**

QAPCO Environment Section is pleased to invite you to participate in

**QAPCO's First
Water Conservation
Competition**

The aim of the contest is to track our water usage, in order to use water effectively and reduce our water consumption at home.

Let's compete to reduce water usage at home

- The competition will span over the months of April, May and June 2014.
- Water consumption needs to be documented to be valid.
- Supporting Documents can include:
 - Picture of Water Meter
 - on 01 April 2014
 - on 30 April 2014
 - on 31 May 2014
 - on 30 June 2014
 - OR
 - Water Bill
 - Month of April 2014
 - Month of May 2014
 - Month of June 2014

Basis for evaluation:
% water consumption decrease between April and June, per capita.

Prizes will be offered to the households that reduced the most their water consumption.

To participate, submit the attached form along with supporting documents by internal mail to : PR Department Secretary.
Last Date : 31st of July 2014.

Following the World Water Day and acknowledging that water is a precious but scarce resource, we invite you to join your efforts to drive sustainability forward and reduce our impact on the environment. Water Conservation is also the theme that has been chosen for the 2014 edition of QIP Environment Fair.

Tips to reduce water consumption

- Turn off the tap when brushing your teeth
- Privileging Showers instead of baths
- Reducing car washing at home
- Adjusting washing machine settings
- Spreading the message to your family

Some examples of these initiatives include:

- Water conservation competition for employees to measure the water saved at home – resulting in an average of 33% reduction in water consumption by the participants
- Children book with water related games
- Water quiz competition
- Environment fair – water stand highlighting the cycle of water in the plant

These actions are supplemented by some facility based projects to improve the water efficiency of QAPCO's operations through upgrading of the wastewater treatment plant and greywater irrigation system. Overall, QAPCO has reduced freshwater use intensity by 1/3 over the past 5 years, saving more than 300,000 cubic meters of water.

To flush a toilet we use

7.5 to 26.5
litres of water each time

To brush your teeth you use

7.5
litres of water

For an automatic dishwasher

35 to 45
litres of water is used

It takes **450** litres of water to produce one egg

It takes **25,700** litres of water to grow a day's food for a family of four

It takes **7,000** litres of water to refine one barrel of crude oil

It takes **148,000** litres of water to manufacture a new car



OUR CONTRI BUTION TO QATARI SOCIETY

OUR CONTRIBUTION TO QATAR
SUPPORTING STEM EDUCATION IN QATAR
RESEARCH AND DEVELOPMENT
MATERIALS FOR THE FUTURE OF QATAR
COMMUNITY ENGAGEMENT
SPORTS AND HEALTH
DELNI - GUIDING YOUTH RESPONSIBILITY
EFAF - SUPPORTING QATARI FAMILY





OUR CONTRIBUTION TO QATAR

QAPCO's investment in research and development (R&D) as well as our corporate social responsibility (CSR) programs deliver on our commitment to contributing to social, economic and environmental development in Qatar. Elevating the technical and personal knowledge of polymers and polymer science

is a catalyst for new business and generates value by making direct, strategic programs that support all four pillars of the Qatar National Vision 2030. QAPCO invests strategically in the business of solutions through its research and development programs and also through targeted social responsibility initiatives. We leverage our expertise in polymer science and our history as a Qatari company to support programs and projects that deliver direct and indirect value to Qatar through support of QNV 2030 and advancement of the petrochemical sector in Qatar.



In 2014 QAPCO supported 4 prestigious academic chairs in Qatari Universities and Colleges

SUPPORTING STEM EDUCATION IN QATAR

Science, technology, engineering and mathematics (STEM) play a vital role in Qatar as the Oil & Gas industry still represents the backbone of the economy. QAPCO is actively supporting Qatar's next generation of skilled students through STEM learning and academic grants.

QAPCO signed an agreement with Qatar University to establish a Professorial Chair in Mathematics to be housed at the College of Education (CED) of Qatar University to enhance learning and teaching of mathematics in Qatar for primary and preparatory schools.

"One of the main challenges facing education in Qatar is the level of achievement in mathematics. This Chair will give much-needed support to Qatar's education sector"

PROF. SHEIKHA ABDULLA AL-MISNAD,
PRESIDENT OF QATAR UNIVERSITY



Together with Nobel Prize laureate Dr Grubbs and Materia, QAPCO studies the development of the next generation of materials. Innovation is one of the key drivers of the petrochemical industry.

RESEARCH AND DEVELOPMENT

Innovation creates value for QAPCO and our stakeholders by putting us at the forefront of our industry and improving the way we understand, manufacture, and use our products. Polymer science is a new field that continues to evolve as the chemical and physical properties of polymers like LDPE and LLDPE are engineered to achieve never before seen results.

As a primary producer, QAPCO's main focus is to support the polymer technology field through high quality, reliable and competitively priced products. QAPCO is a catalyst for research and educational programs in polymer science and product based applications of polyethylene products. Through our 16 strategic partnerships with Qatari schools and universities, we are supporting the development of a new field of research and expertise in polymer science in polymer science and STEM initiatives that creates a strong economic and academic contribution to Qatar. Polymer science research is a strategic priority for QAPCO because it creates new applications for polyethylene products and stimulates the development of high-technology, skilled jobs from the laboratory to the classroom.

Since 2013, QAPCO has supported an endowed chair position at Texas A&M Qatar for Nobel Prize winning chemist Dr Robert Grubbs. As the QAPCO Chair of Polymer Science and Engineering, Dr Grubbs and his team, in collaboration with QAPCO R&D, explore research into new product applications based on polyethylene, and investigate the potential of using petrochemical plants hydrocarbon streams to make novel specialty polymers. Dr Grubbs described the research environment in Qatar by saying, "R&D is growing very rapidly in Qatar because of the recognition of the value of research and the willingness to take things forward. The three major components to successful R&D are the idea and the direction, then the instrumentation to do it, and finally talented people in the laboratories to make the research happen. I believe Qatar has successfully managed to combine all three of those."

"Together, through collaboration and synergy, we can advance material science knowledge transfer and education and encourage sustainable, made-in-Qatar ground-breaking discoveries."

DR. AL MULLA, VICE CHAIRMAN & CEO OF QAPCO—KEYNOTE SPEECH AT THE QATAR MATERIAL SCIENCE AND ENGINEERING SYMPOSIUM, 2014



"This collaboration is part of QAPCO's responsibility to contribute to the realization of the objectives of Qatar National Vision 2030 and knowledge – based economy through research and innovation and a successful partnership with the University."

DR. MABROUK OUEDERNI, HEAD OF R&D – QAPCO

"CAMs partnership with QAPCO in these projects is a demonstration of Qatar University's commitment towards achieving the objectives of the Qatar National Vision 2030 in building a knowledge – based economy and, especially, in preserving the environment for Qatar's future generations."

DR. MARIAM AL MADEED, DIRECTOR – CENTER FOR ADVANCED MATERIALS – QATAR UNIVERSITY

MATERIALS FOR THE FUTURE OF QATAR

QAPCO fully participates in the National Priorities Research Program (NPRP) with local and international Universities. As part of the NPRP program, QAPCO benefits from 8 active projects being funded by QNRF, plus additional promising proposals are currently under review.

In 2014, QAPCO sponsored the Material Science Symposium in collaboration with TAMUQ and Qatar University to address material research challenges in Qatar at the 5th Annual Symposium on Material Sciences and Engineering. The event drew over 120 participants including experts from Qatari academic institutions, research centers, industrial companies, and government organizations.

→ **50+ STUDENTS AND RESEARCHERS IMPACTED BY QAPCO RELATED R&D ACTIVITIES**

POLYMER RESEARCH AND DEVELOPMENT

QAPCO's support for research activities at QU and TAMUQ through direct projects and research center sponsorship involves the following:

- 6 students and 6 researchers directly involved in QAPCO research at QU
- 4 students and 4 researchers directly involved in QAPCO research at TAMUQ
- 50+ students and researchers impacted by QAPCO related R&D activities





Q&A WITH DR. IGOR KRUPA – QAPCO POLYMER CHAIR AT QATAR UNIVERSITY

Prof Krupa, who specializes in polymer science, works in conjunction with QAPCO R&D group to enhance basic and applied research in the field of industrial polymers, especially polyolefins, which are of particular interest to QAPCO and which play a major role in developing the petrochemical industry in the state of Qatar.

Tell us about your relationship with QAPCO during this research period: QAPCO's sponsorship of the Polymer Chair at the Center for Advanced Materials enables me to establish broad research activities focused on various aspects of material science, engineering and nanotechnology. A number of academic papers, patent application and research projects have also resulted.

How do you benefit from QAPCO's research sponsorship? QAPCO fully supports my research through guidance received from the QAPCO R&D team and provision of the company's products, facilities and expertise. In the future, QAPCO will also offer a sponsorship scheme for masters students and/or postdoctoral researchers which will be dedicated to polymer science research.

Describe some of the achievements and plans for this partnership: Among our major achievements, I would like to highlight first our success in developing plastic heat absorbers for energy management based on QAPCO polyethylene and plant by-products as well as the development of new applications from date palm waste as an additive for composite materials. We have published 22 peer-reviewed papers in international journals, which is evidence of the successes of our research projects.

COMMUNITY ENGAGEMENT
As an active responsible corporate citizen, QAPCO conducts a number of events and sponsorship programs to give back to the community in which we operate. In 2014, approximately one third of CSR spending was related to promoting STEM disciplines among the Qatari youth. We are investing more than ever in projects that support three key areas: employee and family welfare, education, and sports, because this is where our resources can have the biggest impact, and make a difference in the lives of many. Contributing to Qatari society is part of our license to operate. We concentrate on initiatives that are aimed to generate greater benefits to society. QAPCO's leadership in CSR stems from its activities and learning based approach which is increasingly focused on developing programs that meet the specific needs of the community and context such as the Waste Free Environment Day (WFE) during which we encouraged the responsible use and proper disposal of plastic.



1,200 volunteers participated in the Waste Free Environment Day 2014 at Wakra Beach, a regional initiative of the Gulf Petrochemicals and Chemicals Association, for which QAPCO was the Qatar lead organizer. 1,000 kg of waste was collected by volunteers from QAPCO and its stakeholders including schools and sector peers.

Some of the initiatives QAPCO supported in 2014 include:

ENGAGEMENT AREA	ACTIVITIES AND PROGRAMS
COMMUNITY INVESTMENT	Supporting Education for current and future generations, Education Above All, Cultural Creativity Center workshops, Dhreema Students Ceremony, Omar Bin Khattab Graduation ceremony
	QAPCO Apprenticeship Program
	QAPCO's Internship Program - a pathway to a successful career in the industry
CREATING ENVIRONMENTAL AWARENESS	Waste free environment QP Environmental Fair Water conservation Programs
PROMOTING SPORTS AND HEALTH	National Sports day celebration Hamad Medical Corporation's blood donation program Cancer and diabetes awareness program General health awareness day Ehsan – Qatar Foundation program for elderly people Mental Health Association
EMPOWERING WOMEN	QAPCO sponsors the 5th Qatar international businesswomen forum Women in Leadership Training Workshops International women's day

We leverage our expertise in polymer science and our history as a Qatari company to support programs and projects that deliver direct and indirect value to Qatar through support of QNV 2030 and advancement of the petrochemical sector in Qatar.

2014: HIGHLIGHTS: CONTRIBUTION TO QATAR

16

Strategic partnerships
with schools and universities

117

Community outreach programs

4

Prestigious academic chairs in
Qatari Universities and Colleges

96

Internship students



QAPCO's investment in research and development (R&D) as well as our corporate social responsibility (CSR) programs deliver on our commitment to contributing to social, economic and environmental development in Qatar

MATERIAL ISSUES: QATAR CONTRIBUTION

—> Product quality and optimization

—> Corporate Social Responsibility



“In alignment with the principles of the Qatar National Vision 2030, we believe sports will support a sustainable future for generations to come by shaping a fitter nation and a healthier tomorrow. We hope the QAPCO Club and its activities will inspire all of us to adopt healthier lifestyles, not just on Sports Day, but all year round. Let’s all make the most of the Club.”

DR. MOHAMMED YOUSEF AL MULLA, VICE CHAIRMAN & CEO OF QAPCO

SPORTS AND HEALTH

At the community level, sport helps build social and family cohesion by bringing people together in a friendly and active way. At the individual level, participation in sports raises people’s confidence and skills and improves physical health and mental well-being. These benefits contribute towards broader outcomes such as improving general health and life expectancy, or increasing employee engagement or productivity at work for instance.

The QAPCO Club is one of the largest corporate sports clubs in Qatar. The club, located in Mesaieed, close to QAPCO’s production complex, offers a

wide array of activities and boasts a football field, a bowling arena, Olympic-sized pools, modern fitness centers, tennis and squash courts, snooker and ping pong tables and an impressive indoor multi-purpose hall.

→ 4000 EMPLOYEES AND MEMBERS OF THEIR FAMILIES PARTICIPATED IN OUR SPORTS DAY FESTIVITIES



During National Sports Day 2014, employees and families gathered at the QAPCO Club to earn a Guinness World Record for continuous football passes. This event was symbolic of the company’s emphasis on teamwork and working together to achieve goals for the success of the company. 596 participants of QAPCO’s and Qatofin’s employees and their families, aged from 10 to 60, and from all levels including QAPCO’s VC & CEO (Dr. Mohammed Yousef Al Mulla) and other senior managers, made 596 consecutive football passes. 4,000 participants were at the QAPCO Club on that day and witnessed the new record in the making.

QAPCO Club

The QAPCO Club has become an active social platform for our employees, offering entertaining activities for all the members of the family: a vehicle for satisfaction and engagement. As evidence of the success of our Be Fit, Be Healthy, Be Happy annual campaign among our employees, we are proud to report that in 2014:

- QAPCO organized 11 major sporting competitions for our employees (cricket, badminton, football, bowling) which included participants from teams in Mesaieed and Wakra.
- Our QAPCO teams participated in local and regional competitions, especially in the Cricket, Football and Karate fields. Their performance was outstanding. In cricket, the QAPCO team was crowned champion of CDC Division II.
- The number of QAPCO Club memberships increased significantly alongside 25% augmentation in gym usage. A total of 7,909 children, kids of our employees, participated in the activities offered by the QAPCO Club.



GUIDING YOUTH RESPONSIBILITY DELNI

The Delni Campaign is one of QAPCO's flagship social support programs. It is an initiative of the Ministry of Labor and Social Affairs to strengthen family engagement and encourage parents to become active role models for their children. In 2014, this program engaged with 34,045 primary and secondary school children through 10 workshops and 3 public lectures. Additional programs reached 1,500 members of the community and provided training to 241 teachers, psychologists and social workers.

Delni, meaning "guide me" in Arabic, focuses on:

- Promoting behavioral and moral values derived from Islamic religion and traditions
- Developing social workers and psychologists skills to supervise the targeted groups
- Raising community awareness about behavioral risks for the youth
- Treatment for specific social development cases in coordination with other State authorities

10

WORKSHOPS

241

TEACHERS TRAINED

34,045

CHILDREN REACHED

"As parents, we understand that raising teenagers can be challenging at times and I am glad an initiative such as Delni exists. The benefits of Delni on the community are clear, as we are empowering the youth and offering them the tools and professional guidance to assist them in making asserted choices that can positively impact their lives, and the society in general. At QAPCO, our community engagement activities focus on supporting initiatives that align with Qatar's national objectives. Youth are the building blocks of our nation and we believe it is our role to support them."

DR. MOHAMMED YOUSEF AL MULLA, VICE CHAIRMAN & CEO OF QAPCO

"Delni focuses on students aged from 6 to 17, as they are at a crucial stage of their personal development. They are building their own character and what they learn today may influence them and have a tremendous impact on the rest of their lives. We aim to engage with them to reward and strengthen their positive behaviors, while offering them the proper guidance and tools to avoid negative and harmful practices that may affect their future."

MR. ISSA AL KUWARI, DIRECTOR OF THE 2014 CAMPAIGN

SUPPORTING QATARI FAMILY LIFE EFAF



456

DIRECT BENEFICIARIES

Family is considered an essential institution of the Qatar National Vision 2030 as the country places increasing emphasis on importance of family building and Qatar's next generation. To support family cohesion and large households, QAPCO sponsored Efaf 5 &

6, an initiative from RAF, the Sheikh Thani bin Abdullah Foundation for Humanitarian Services to promote family stability and marriage among the Qatari youth. 456 people participated in Efaf 5 & 6, group wedding ceremonies and marriage counselling courses

to enhance family life and strengthen the bond of married couples through successful communication. QAPCO is proud to support Qatar's social strength through this initiative and congratulates all of the newlyweds.

"We work together with QAPCO on several CSR activities. One of the landmark projects supported by QAPCO is EFAF. In its sixth year, the program resulted in supporting the marriage of 1806 Qataris, including those with special needs who had never been able to get married before."

DR. AYAD AL-QAHTANI, CHAIRMAN AND GENERAL DIRECTOR - RAF



OUR WORK FORCE

QATARIZATION
OUR EMPLOYEES
TRAINING





OUR WORKFORCE

Employees define our success. Through our forty years of operations, we have developed a workforce that epitomizes the social and economic development goals of Qatar as outlined in the Qatar National Vision 2030. QAPCO has been instrumental in developing the petrochemicals sector in Qatar, and in doing so creating highly skilled job opportunities that engage with Qatar's booming energy and industry sector. QAPCO has a proud legacy as an employer of choice. We celebrate the diversity of our workforce and provide meaningful opportunities for Qataris to grow and learn about the exciting field of polymers and industry.



Rewarding Performance

This annual event recognized the outstanding contribution of 220 achievers. Dr. Al Mulla stated, "Our achievers are remarkable. Not only do they hold the highest standards, but they also transmit those values to their colleagues and teams, and they inspire them, bringing us to new heights of excellence and strengthening our performance."

Our aim is to foster a culture that attracts, retains, and develops talented people. Retaining leaders who care, and who inspire their team members, offering continuous learning and development opportunities in a work environment that embraces diversity creates value for the members of the QAPCO family and for the organization. In 2014, more than 25% of our employees have ten years of experience at QAPCO, a clear indicator of our success in retaining employees by providing challenging and rewarding employment opportunities.

THE VALUE OF DIVERSITY

At QAPCO, we are proud to support a staff of many - truly a workforce that thrives on the experiences and cultures of our staff. Diversity is a learning opportunity for our staff as we celebrate their culture and history through a variety of community and social programs such as Garangao and the celebration of Qatari Heritage. Our employees are from 31 countries, with a 30% Qatarization rate.



LEARNING FROM OUR EMPLOYEES

"As we celebrate our 40th anniversary, we recognize more than ever the achievements and dedication of our employees. QAPCO has long understood the value that our employees bring to our company through their hard work and commitment to company values and mission. Listening and learning from our employees is a valuable opportunity for QAPCO to capitalize on the value of engagement to stimulate the innovation and collaboration that is at the heart of our new corporate strategy."

RASHID ABDULLA AL SULAITI, CHIEF ADMINISTRATION OFFICER



FEMALE EMPLOYMENT

In appreciation of the tremendous value that women bring to our organization, QAPCO aims to reach 5% female employment by 2018. This goal, along with our aspiration to remain an employer of choice in Qatar, will challenge us to ensure that we are exceeding the expectations of our employees and supporting their success professionally and socially.

LISTENING TO EMPLOYEES

Learning from and listening to our employees is a valuable channel for QAPCO to grow and enhance the services and relationships with our employees. Through regular communications, company intranet, annual events and celebrations, QAPCO employees are part of a community that extends beyond work-based focuses. These engagements are an important part of our employee engagement, and are supplemented by formal employee feedback and satisfaction evaluations.

In 2014, our employee satisfaction reached 91%, an increase of 6% from the prior year. Our employee satisfaction survey remains a valuable tool for understanding and learning from the successes and challenges that our employees face. QAPCO uses the information gathered during this survey to improve its management and programs to better fit the needs of company employees.



The petrochemical sector is more attractive than ever, 450 applications from young Qataris were received during QAPCO's recruitment campaign, "We want you with us".



CASE STUDY

REWARDING EMPLOYEES THE EMTIYAZ PROGRAM

To further increase employee satisfaction, and to offer additional benefits to its employees, QAPCO launched during the summer 2014 its first employee reward program.

140

OFFERS

50%

DISCOUNT UP TO

Through the program, employees get discounts of up to 50% on goods and services from 140 offers from wide range of merchants, allowing them to save money and raise their standards of living in Qatar. To measure the impact of the program and to determine how to continuously improve it, QAPCO regularly conducts random surveys for users. All of the employees that participated in the survey confirmed that

it is important for companies to offer loyalty program and the vast majority of them was satisfied with EMTIYAZ. Many stated they benefited from valuable discounts. Local companies have also responded very positively to the program and became merchant partners. Through EMTIYAZ, QAPCO is pleased to further support the development of the local economy and of SMEs. Thanks to the success

of EMTIYAZ's first year, the program is considered as a valuable corporate benefit, leveraging employee engagement and satisfaction.

In 2015, QAPCO aims to continue to increase the number of merchants and to double the number of offers for employees. Specifically, more travel options such as airlines and agencies will be added to the EMTIYAZ program.

MATERIAL ISSUES:
WORKFORCE

- > Workforce wellbeing
- > Employee learning and development
- > Employee engagement and retention
- > Labor and contract rights
- > Qatarization
- > Job Creation

Employees define our success. Through our forty years of operations, we have developed a workforce that epitomizes the social and economic development goals of Qatar as outlined in the Qatar National Vision 2030. QAPCO has been instrumental in developing the petrochemicals sector in Qatar, and in doing so creating highly skilled job opportunities that engage with Qatar’s booming energy and industry sector.





QATARIZATION

As part of our long term achievements and expansion of the Qatari petrochemical sector, we have successfully developed the skills and talents of local citizens. This strategy has generated real value to QAPCO as it has focused on developing quality employment opportunities that match the needs of the company and the interests and skills of Qataris. Qatarization is overseen by the Qatarization Corporate Executive Committee which is responsible for the strategic implementation of the company's five year Qatarization strategy.

Our active support for educational programs in the Science, Technology, Engineering and Math (STEM) disciplines through scholarships, sponsorships and research and development initiatives enables us to build a stream of qualified and motivated candidates. In this way, our Qatarization plan draws success through its integration of technical skills, human resources best practice guidelines and QAPCO's recognized leadership in its sector.

2014 was another successful year for QAPCO's nationalization efforts, with Qatarization reaching 30% for QAPCO. Among the many Qatarization events in 2014, QAPCO hosted the first QAPCO Open Day to introduce QAPCO to candidates through tours and interviews with QAPCO employees.

TRAINING AND DEVELOPMENT

Capability building has always been one of our prime success factors. As a pioneer in our industry, forty years ago we envisioned the workforce of the future as we recruited local talent and shaped the first generation of Qatari downstream experts.

In 2014, QAPCO invested more than QAR 5 million in its training programmes, raising the average investment per employee by 38% and increasing the number of training hours by 29%. In comparison to 2013 our average hours of training per employee increased by 77%, largely as a result of specific training courses conducted as part of the General Shut Down (GSD). 153 development programmes were conducted in 2014 to enhance the skills and knowledge of our employees, and in doing so, improve the company's operational capabilities.

The focus of our training programs was on core technical and HSE related skills as well as delivering specific training programmes connected to the GSD. Many technical courses were conducted in-house for the first time such as compliance courses for our management systems ISO, OHSAS and Responsible Care. This created cost savings and encouraged attendance. In addition, QAPCO invested heavily in Leadership and soft skills programs in order to build a more effective and highly motivated team, which enhances company maturity and improves employee morale.

In 2015, QAPCO will continue its focus on HSE and core technical skills while enhancing the leadership opportunities and management skills development of its team.



One of QAPCO's latest recruits, Aisha Al-Amadi, won the Academic Excellence Award 2012-2013 at Qatar University which is the highest academic honor sponsored by His Highness Sheikh Tamim Bin Hamad Al Thani. Aisha brings a wealth of knowledge to QAPCO and will be a valuable addition to the Legal Department

CASE STUDY

QAPCO APPRENTICESHIP PROGRAM GET IN. GO FAR.

The QAPCO Apprenticeship Program is a unique one-year training program that offers Engineering graduates a new route into the Oil & Gas industry and will play a key role in satisfying our job demands. At QAPCO we recognize that the future of our industry depends on the talents we nurture today.

This new initiative is a comprehensive training program that provides the graduates with a rewarding leap into the real world, allowing them to grow and expand their skill-base to move on to the next level in their career. In 2014, 20 students participated in the programme and 95% will continue on

as QAPCO employees after passing a rigorous assessment and evaluation process. Building from the success of its first year and as the apprenticeship concept has been proven so fruitful, QAPCO is considering to proceed with the scheme as a continuous program.



20
STUDENTS
2014

ANNEXES

ANNEX A: FINANCIAL STATEMENTS

[GRI G4-17]

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QR. 81529

INDEPENDENT AUDITOR'S REPORT

To The Shareholders
QATAR PETROCHEMICAL COMPANY (QAPCO) (Q.S.C.)
Doha - Qatar

Report on the Financial Statements

We have audited the accompanying financial statements of Qatar Petrochemical Company (QAPCO) (Q.S.C.) (the "Company"), which comprise the statement of financial position as at December 31, 2014 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and applicable provisions of the Qatar Commercial Companies Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company and physical inventory verification has been duly carried out. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

Doha – Qatar
February 1, 2015

For Deloitte & Touche
Qatar Branch


Muhammad Bahemia
Partner
License No. 103

Statement of
Financial Position

As at 31 December 2014

	2014 QR '000	2013 (Restated) QR '000
ASSETS		
Non-current assets		
Property, plant and equipment	4,509,346	4,172,015
Investment in joint ventures	2,763,525	2,884,175
Investment in an associate	28,918	27,679
Other non-current assets	91,427	34,328
Total Non-Current Assets	7,393,216	7,118,197
Current assets		
Inventories	181,084	224,311
Due from related parties	1,344,825	616,787
Accounts receivable and prepayments	96,484	1,294,587
Bank balances and cash	1,159,360	1,212,279
Total Current Assets	2,781,753	3,347,964
Total Assets	10,174,969	10,466,161
EQUITY AND LIABILITIES		
Equity		
Share capital	436,000	436,000
Legal reserve	87,200	87,200
Cumulative changes in fair values	(35,216)	(54,855)
Retained earnings	8,769,775	8,042,489
Total Equity	9,257,759	8,510,834
Non-current liabilities		
Employees' end of service benefits	97,438	93,296
Other non-current liabilities	-	48,811
Total Non-Current Liabilities	97,438	142,107
Current liabilities		
Due to related parties	414,446	1,172,673
Accounts payable and accruals	244,324	457,412
Income tax payable	161,002	183,135
Total Current Liabilities	819,772	1,813,220
Total Liabilities	917,210	1,955,327
Total Equity and Liabilities	10,174,969	10,466,161

Mr. Hamad Rashid Al-Mohannadi
Chairman of the Board of Directors

Dr. Mohammad Yousef A. Al-Mulla
Vice Chairman of the Board of
Directors and Chief Executive Officer

Mr. Hassen Saqr Al-Muftah
Chief Financial Officer

Statement of
Profit or Loss

For the year ended 31 December 2014

	2014 QR '000	2013 QR '000
Revenue	4,404,019	4,452,512
Cost of goods sold	(1,637,561)	(1,469,570)
Gross Profit	2,766,458	2,982,942
Administration expenses	(339,285)	(306,746)
Selling expenses	(212,414)	(176,747)
Finance charges	(1,104)	(18,880)
(Loss)/gain on foreign exchange	(10,629)	6,511
Finance income	11,971	9,264
Share of profit from joint ventures	1,132,913	1,206,231
Share of profit from an associate	3,239	3,657
Other income	43,382	71,440
Profit before income tax	3,394,531	3,777,672
Income tax expense	(805,012)	(915,673)
Profit for the year	2,589,519	2,861,999

Statement of
Profit or Loss and other Comprehensive Income

For the year ended 31 December 2014

	2014 QR '000	2013 QR '000
Profit of the year	2,589,519	2,861,999
Other comprehensive income: Items that may be reclassified subsequently to statement of profit or loss		
Net movement in fair value of interest rate swap	19,639	29,519
Other comprehensive income for the year	19,639	29,519
Total comprehensive income for the year	2,609,158	2,891,518

Statement of
Changes in Equity

For the year ended 31 December 2014

	Share Capital QR'000	Legal Reserve QR'000	Cumulative changes in fair values QR'000	Retained earnings QR'000	Total QR'000
ASSETS					
Balance at 1 January 2013 (restated)	436,000	87,200	(84,374)	6,581,890	7,020,716
Profit for the year	-	-	-	2,861,999	2,861,999
Other comprehensive income	-	-	29,519	-	29,519
Total comprehensive income for the year	-	-	29,519	2,861,999	2,891,518
Dividend paid	-	-	-	(1,401,400)	(1,401,400)
Balance at 31 December 2013	436,000	87,200	(54,855)	8,042,489	8,510,834
Balance at 1 January 2014	436,000	87,200	(54,855)	8,042,489	8,510,834
Profit for the year	-	-	-	2,589,519	2,589,519
Other comprehensive income	-	-	19,639	-	19,639
Total comprehensive income for the year	-	-	19,639	2,589,519	2,609,158
Dividend paid	-	-	-	(1,862,233)	(1,862,233)
Balance at 31 December 2014	436,000	87,200	(35,216)	8,769,775	9,257,759

Statement of
Cash Flows

For the year ended 31 December 2014

	2014 QR'000	2013 QR'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before income tax	3,394,531	3,777,672
Adjustments for:		
Depreciation	221,534	191,573
Provision against capital work in progress	-	5,302
Share of profit of joint ventures	(1,132,913)	(1,206,231)
Share of profit of an associate	(3,239)	(3,657)
Provision for non-moving and slow moving inventories	44,504	39,909
Provision for doubtful debts	(315)	785
Provision for employees' end of service benefits	24,734	23,941
Loss/(profit) on disposal of property, plant & equipment	635	(1,145)
Finance income	(11,971)	(9,264)
	2,537,540	2,818,885
Changes in:		
Inventories	(1,277)	(37,210)
Due from related parties	(728,014)	(192,037)
Accounts recievable and prepayments	1,198,393	(93,084)
Due to related parties	(742,808)	161,773
Accounts payable and accruals	(213,088)	(74,624)
	2,050,706	2,583,703
Employees' end of service benefits paid	(15,458)	(7,318)
Advances paid against end of service benefits	(5,134)	(3,911)
Income tax paid	(183,149)	(147,983)
Net cash from operating activities	1,846,965	2,424,491
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(564,501)	(598,835)
Dividend received from joint ventures	1,273,202	866,626
Dividend received from an associate	2,000	1,000
Net movement in subordinated loan to a joint venture	-	153,385
Movement in other non-current assets & liabilities	(105,910)	28,404
Restricted bank balance	47,879	(61,044)
Proceeds from disposal of property, plant & equipment	5,001	2,277
Finance income received	11,971	9,264
Net cash from investing activities	669,642	401,077
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,862,233)	(1,401,400)
Tax free distribution paid to local shareholder	(659,414)	(596,480)
Net movement from term loan	-	(728,000)
Net cash used in financing activities	(2,521,647)	(2,725,880)
Net (decrease) increase in cash and cash equivalents	(5,040)	99,688
Cash and cash equivalents at 1 January	1,151,235	1,051,547
Cash and cash equivalents at 31 December	1,146,195	1,151,235

ANNEX B:
SUSTAINABILITY
PERFORMANCE
2011-2014

HEALTH AND SAFETY PERFORMANCE

Personnel Safety	2011	2012	2013	2014
Exposure hours (Employees)	1,900,700	1,932,829	2,044,757	2,243,730
Exposure hours (Contractors)	1,444,097	1,829,654	2,072,354	4,543,256
Employee lost time injuries	0	0	0	0
Contractor lost time injuries	1	1	1	2
Employee total reportable injuries	4	4	2	6
Contractor total reportable injuries	3	3	6	17
Employee lost time injury rate (Per 1 Mn m-h)	0	0	0	0
Contractor lost time injury rate (Per 1 Mn m-h)	0.69	0.55	0.48	0.44
Employee total reportable injury rate (Per 1 Mn m-h)	2.1	2.05	0.98	2.67
Contractor total reportable injury rate (Per 1 Mn m-h)	2.71	1.64	2.90	3.74
Fatalities (Employee and Contractor)	0	0	0	0
Occupational Health				
% of sick/ hospitalization days to total working days	--	1	1	1.2
Average total sick leaves / employee/ year (days)	3	2	3	2.5
Restricted work cases (number)	0	1	3	0
Heat stress events (resulting in medical treatment)	0	0	0	0
Employee occupational illness rate (per 1 Mn m-h)	0	0	0	0
Contractor occupational illness rate (per 1 Mn m-h)	--	0	0	0
HSE Training				
Training hours for health and safety (QAPCO employees)	--	5,132	5,367	4,356
HSE Training hours (Contractors) *delivered by QAPCO	--	--	7,320	15,114
Process Safety				
Loss of containment (LOC) incidents	4	4	2	6
Emergency response drills (number)	48	48	49	51
Incident Investigation completion	100%	100%	100%	91%
Process Hazard evaluations (number completed)	9	12	5	16
Safety Critical Equipment Inspection (completion ratio)	77%	98%	91%	100%
Near miss incidents reported (number)	466	240	778	873

ECONOMIC IMPACT

Production (tonnes)	2011	2012	2013	2014
LDPE	426,440	525,965	723,283	666,420
LLDPE	485,434	527,396	559,166	502,436
Total Polyethylene	911,874	1,053,361	1,282,449	1,168,856
Ethylene	793,071	794,736	787,234	691,452
Sulphur (sold as by-product)	52,519	52,594	47,613	35,566
Economic Performance (QR Million)				
Direct Economic Value Generated				
Revenues (standalone)	-	3,851	4,452	4,404
Economic Value Distributed				
EBIDTA	3,956	3,799	4,081	3,686
Employee Wages and Benefits	--	399	448	522
Payments to local shareholder	1,996	1,957	2,194	2,455
Gross taxes	--	157	148	183
National Developee Investment	64	82	92	106
Financial Performance (QR Million)				
Sales (FOB)	3,978	3,851	4,452	4,404
Profit before tax	2,943	3,543	3,778	3,394
Shareholder's equity growth	6,383	7,021	8,511	9,258
Gross profit	2,985	2,745	2,983	2,766
Local Procurement				
QAPCO Local Procurement %	74%	75%	78%	81%
QATOFIN Local Procurement %	82%	84%	84%	90%

ENVIRONMENTAL AND ENERGY PERFORMANCE

Energy	2011	2012	2013	2014
Direct Energy				
Natural gas used (million normal m³)	592	654	588	496
Natural Gas Intensity (nm³/tonne)	649.8	621.1	458.4	424.3
Natural Gas (GJ)	20,784,646	22,962,232	20,632,517	17,581,443
Diesel (GJ)	19,214	22,204	18,484	28,764
Petrol (GJ)	2,972	2,972	1,624	1,608
Total Direct Energy	20,806,832	22,987,408	20,652,625	17,611,815
Indirect Energy				
Electricity purchased (GJ)	247,842	218,192	269,118	236,988
Electricity exported (GJ)	162,958	113,872	96,552	138,773
Total Indirect Energy (GJ)	84,884	104,320	172,566	98,215
Total Energy Consumption				
Total energy consumption (GJ)	20,891,716	23,091,728	20,825,191	17,710,030
Energy intensity (GJ/Tonne)	22.9	21.9	16.2	15.2
Emissions and Flaring				
Direct GHG emissions (tonnes CO2e)	1,561,948	1,577,439	1,744,211	1,599,053
Indirect GHG emissions (tonnes CO2e)	20,340	24,997	41,350	45,393
Total GHG (tonnes CO2e)	1,582,288	1,602,436	1,785,561	1,644,446
GHG Intensity (Tonne CO2/Tonne)	1.7	1.5	1.4	1.4
Flaring (MMSCM)	78.1	93.6	21.6	43.2
Flaring Intensity (SCM/Tonne)	85.7	88.9	16.8	36.9

Water				
Fresh water used, purchased (m³)	519,261	887,199	966,410	1,120,163
Fresh water used, company generated (m³)	1,237,428	1,263,908	1,136,612	1,052,087
Total fresh Water Use (m³)	2,036,805	2,237,872	2,380,793	2,172,250
Water Intensity (m³/tonne)	2.24	2.13	1.86	1.86
Water discharged, to sea (m³)	1,006,926	1,140,166	1,232,421	975,410
Water discharged, other than sea (m³)	131,723	183,477	187,953	5,643
Water recycled or reused (m³)	1,450,100	1,391,915	1,589,082	1,273,623
SOx and NOx				
SOx emitted (tonne)	567	297	617	321
Sox Intensity (tonne SOx/tonne)	0.62	0.28	0.48	0.28
NOx emitted (tonne)	3,370	3,919	4,239	3,033
Nox Intensity (tonne NOx/tonne)	3.70	3.72	3.31	2.59
Spills				
Significant oil spills (> one barrel)	0.00	0	1	0
Volume of spills (million liters)	0	0	3	0
Waste Management				
Total waste sent to landfill (tonne)	202	246	278	652
Total waste recycled (tonne)	122	136	181	210
Total waste disposed (tonne)	324	382	459	862

WORKFORCE

	2010	2011	2012	2013	2014
Full-time employees	1,058	1,141	1,124	1,196	1,168
Developees (temporary position)	38	30	39	45	43
Scholarships (temporary positions)	39	52	58	83	82
Secondment from QAPCO (QVC, QPPC, QATOFIN)	3	3	3	1	1
Total confirmed full time positions ⁴	1,101	1,111	1,176	1,146	1,126
Total work force	1,138	1,226	1,224	1,325	1,294
Qatofin Workforce	17	17	18	15	11
Employment by level (Number of Individuals)					
Senior Management	23	28	32	33	30
Middle Management	346	369	381	439	446
Staff	769	829	811	853	818
Qatarization ⁵					
QAPCO Qatarization	26%	28%	28%	30%	30%
Qatofin Qatarization	29%	35%	35%	33%	36%
# of Qatari nationals	290	323	325	346	348
# of Expatriates	848	903	899	979	946
Investment in sponsorships and scholarships for Qatarization (QR)	8,010,000	8,356,000	6,275,000	8,757,000	11,318,654
Number of Scholarships and students sponsored	35	52	58	78	80
Number of University/educational institutes Partnerships			13	20	16
Female Employment					
Female employees, QAPCO	25	33	35	43	45
Female participation (%)	2.0%	3.0%	3.0%	3.25%	3.5%
Female participation, employee level	2%	2%	3%	3%	3%
Female participation, middle management	25%	25%	24%	24%	24%
Female participation, senior management	0%	0%	0%	0%	0%
Qatofin Female Employment	5	5	6	5	4
Total # of workforce by Age Group					
18-30	164	238	261	296	260
31-40	396	402	394	416	443
41-50	354	351	322	352	346
51-60	224	235	247	261	245
Turnover					
Total number of employees left the organization	51	43	84	89	129
Turnover, senior management	5	5	4	4	5
Turnover, middle management	24	20	36	28	44
Turnover, staff	22	18	44	57	80
Turnover, female	3	5	4	2	6
Turnover, male	48	38	80	87	123
Turnover, age 18-30	8	2	24	36	32
Turnover, age 31-40	18	11	31	29	26
Turnover, age 41-50	10	17	18	8	23
Turnover, age 51-60	15	13	11	16	48

Long-Term Employment					
Employees working at QAPCO for more than 10 years		--	401	346	308
Employees working at QAPCO for more than 20 years			132	197	204
Employee Satisfaction					
Employees satisfaction	72%	75%	76%	85%	91%
Training Company-Wide					
Total number of Trainings and Education	406	344	324	435	430
Total Number of Days	5,014	6,614	4,334	5,185	6,689
Total number of Training for females (hours)	920	944	672	1,664	3,088
Total number of Training for males (hours)	39,192	51,968	34,000	39,816	50,424
Total number of Training for total workforce (hours)	40,112	52,912	34,672	41,480	53,512
Qatofin Training hours	416	440	720	224	272
Total Training hours	40,528	53,352	35,392	41,704	53,832
Total Number of Employees Trained: Female	17	19	20	19	24
Total Number of Employees Trained: Male	775	967	872	1,224	912
Total Number of Employees Trained	792	986	892	1,243	936
Average hours of training per year per female employee	54	50	34	88	128
Average hours of training per year per male employee	51	54	39	33	55
Average hours of training per year per employee	41	50	33	33	57
Total Cost of Training (QR)	3,831,338	5,052,951	3,995,041	4,922,642	5,109,576
Average Cost of Training per Individual (QR)	4,838	5,125	4,479	3,960	5,459
Average hours of training per employee by employee category					
Senior managers	63.3	76.7	60.6	57.4	39.2
Middle management	68.5	60.9	49.8	46.9	75.2
Staff	49.8	42.2	38.2	31.6	46.1
Long Term Learning Programming					
Number of programs		13	19	17	5
Number of employees participating in programs	--	--	41	44	37
Number of employees participating in programs to obtain a Master's degree	--	--	8	4	6

⁴ Confirmed full time positions are employees who have passed their 6 month probationary employment period and are full time QAPCO employees

⁵ Qatarization and female employment figures are calculated using the total confirmed positions within the organization. Restatements have been made to reflect this calculation methodology.

ANNEX C:

STAKEHOLDER PRIORITIES AND ENGAGEMENT

[GRI G4-24, GRI G4-26, GRI G4-27]

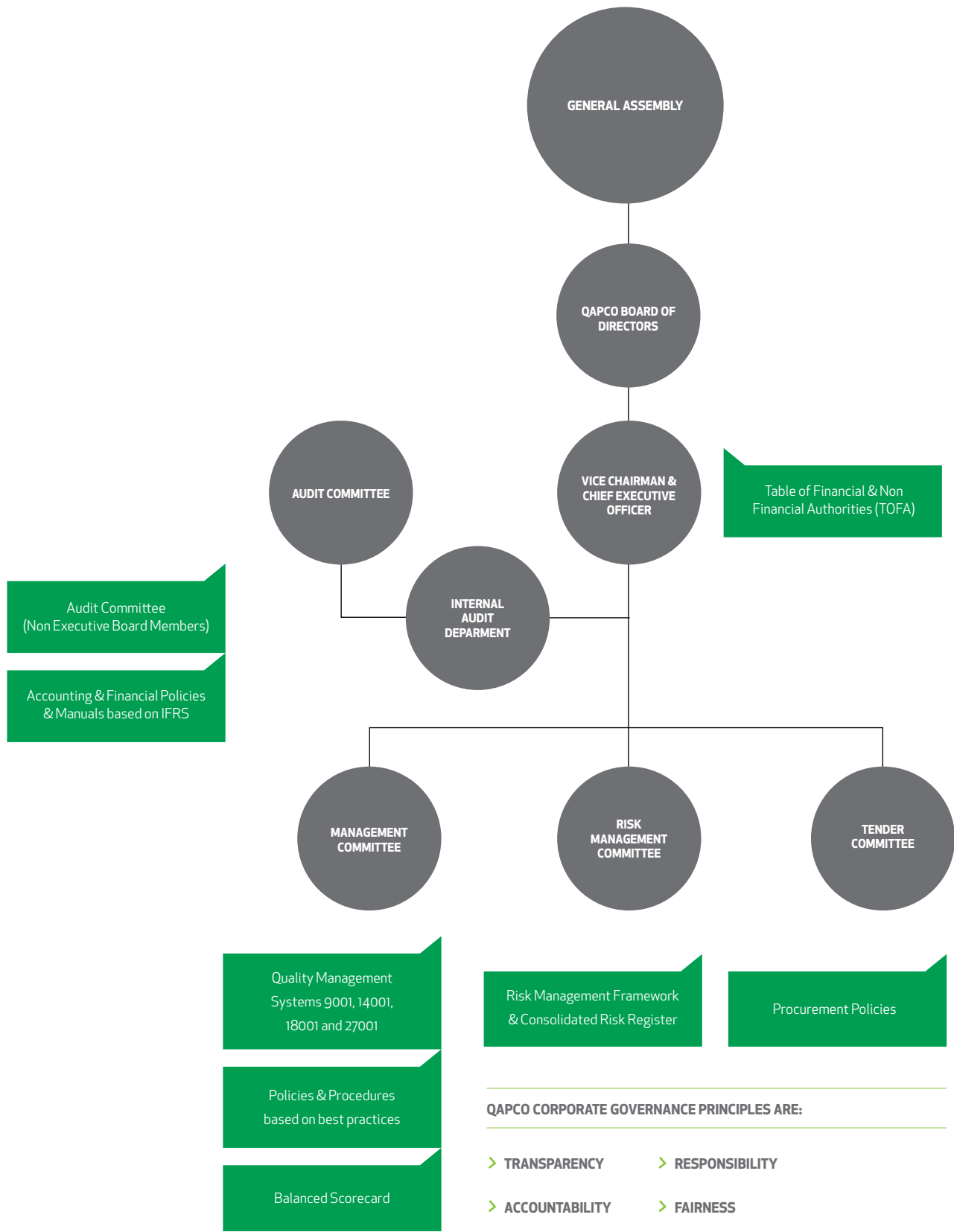
Stakeholder Group	Stakeholder Priority Issues	Our Priorities	What we do to address Stakeholder Priorities
Employees 1305 employees	Remuneration and company benefits	Employer of Choice	Salary benchmarking, annual bonus, special bonus, performance review, employee loyalty program (discount in stores, on services), recognition programs, allowances, employee handbook, grants, loans, education for children
	Working conditions	Safe workplace	HSE programs and audits, Regular safety trainings and drills, Safety campaigns
	Personal Development	Developing Talent	Scholarship programs, external and internal training programs, LEAD program, annual training needs survey
	Health and Well being	Health and Happy workforce	QAPCO Sports Club, Sports team, Health insurance scheme
	Company performance	Capacity Building and Skills Development	monthly reviews and staff updates, monthly departmental KPI review, annual address from VC& CEO and Chiefs, e-bulletin, annual report, notice board, task force meetings
	Cohesion and Integration	Engaged workforce	Activities for families of employees, outreach programs with schools where employee children study
Shareholders Industries Qatar and Total Petrochemical France	Financial Performance (profits, margins, production, ROI)	Transparency	Improving efficiency, increasing production, managing costs, close monitoring of projects, monthly meetings to review performance and advancement of projects
	Corporate Governance	Integrity	Internal and external Audits, Declaration of Conflict non interest, ISO Certifications, Risk Management Committee, Audit Committee, Corporate Code of Conduct, Annual Report, Compliance with Regulations, best practices implementation
	Growth	Strong growth	Facilities expansion plan, focus on R&D, quality recruitment
	Sustainability	Responsible Corporate Citizen	Sustainability Assessment, Responsible Care, full disclosure of information
Government and Regulatory Bodies State Audit Bureau, Ministry of Environment, Ministry of Labor, Ministry of Energy & Industry	Compliance with Regulations	Transparency	Monthly and annual review of performance
	Contributing to National Targets	Translating QNV 2030 into reality	Job creation, nationalization of workforce, capacity building, supporting local SMEs
	Sustainable Development	Responsible corporate citizen	Long term growth, supporting our communities, economic and social development

[GRI G4-24, GRI G4-26, GRI G4-27]

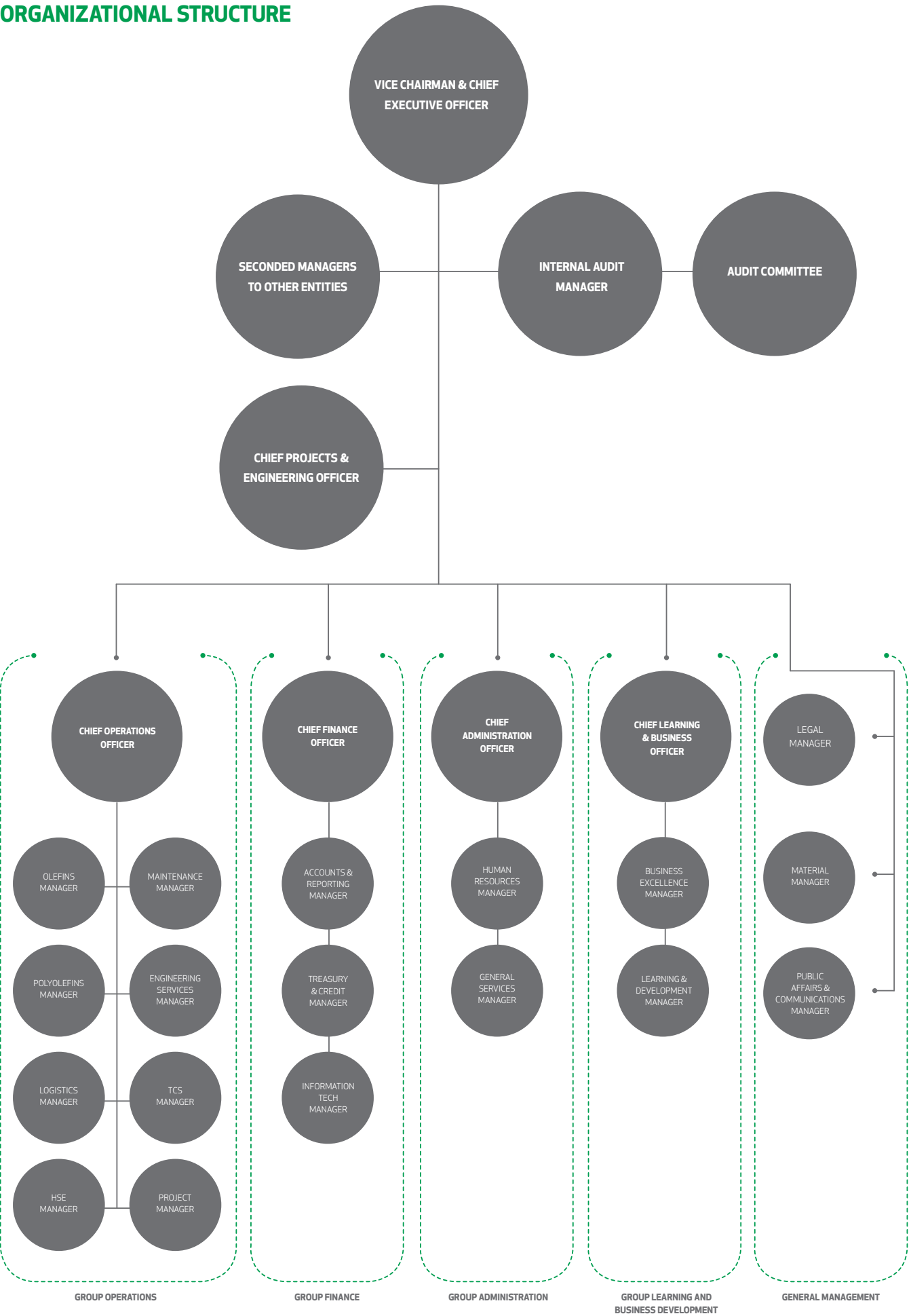
Muntajat and Customers	Quality of products and Services	Quality Control	Audit, ISO Compliance, claim mechanism, customer feedback, surveys
	Reliability, flexibility and on time delivery	Reliability	Customization, integrated logistics, creations of hubs and warehouses close to clients
	Product Safety, Compliance	Product labelling and safe usage	Product Health and Safety Certifications from US FDA, EU, China
	Customer Experience	Customer retention and loyalty	Training of employees to increase customer experience
Contractors and Suppliers	Transparent and fair tender process	Anti-corruption	Tender Committee, Conflict interest declaration, code of conduct, updated supplier data base, public tenders announced
	On-Time payment	Reliable purchasing	Payment terms stipulated in formal agreement
	Safe working conditions	Contractor low injury rate	Specific safety training, on job training
	Welfare and Living conditions	Human rights and wellness	Ensuring compliance with standards through supplier evaluation screening, direct conversations and evaluation of contract compliance with contracted labor
	Long term partnerships	Win-win partnerships	Continued support to local suppliers
Community & Society	Local hiring	Shaping leaders of tomorrow	Internships with most technical schools to offer access to QAPCO to most talented Qataris, number of scholarships for Qataris
	Impact of operations	Responsible corporate citizen	Raising awareness about sustainability
	Community development	Community partner	Volunteering and sponsorship programs, QAPCO CSR Department
Affiliates and Joint Ventures	Excellent management relationship	Strong ROI	
	Transparency	Excellent communication	Public reporting on performance and activities via press releases, website, and integrated annual and sustainability report
Environment	Minimizing impact of operations on environment	Responsible corporate citizen	Modernization of facilities, Environmental audits, research on sustainable chemistry
	Optimum use of natural resources	Effective environmental management	Recycling programs (water, steam), Efficiencies and optimization program
Educational Institutions	Collaboration between industry academia	Long term partnership with benefits for talent recruitment, product development, innovation, solution development	Training agreements, especially for critical skills development, internship programs, support to major events, symposium and conferences of universities and schools, partnerships with 16 schools, 31 programs
	R&D programs	product development	QU and TAMUQ, both fundamental and applied research, novel polymer nano-composite, polymer use in green building and their energy saving applications

ANNEX D:
CORPORATE STRUCTURES


QAPCO CORPORATE
GOVERNANCE STRUCTURE



ORGANIZATIONAL STRUCTURE



ANNEX E:
DATA VERIFICATION AUDIT RESULTS



BUSINESS EXCELLENCE
Sustainability data verification report April 2015.

Objective and Scope:
The objectives of Sustainability data verification is to validate the reported data are transparent, credible, reliable and accurate, and hence to assure the correctness to the stakeholders and interested parties. The scope of this exercise is to verify at the source of data collection, the data accuracy, calculation method employed to arrive at the reported figures and to enhance the confidence of the implemented framework.

Executive Summary:
A high level of accuracy and correctness of the reported data was observed while the methods used to calculate the reported figures were found appropriate and trustworthy.

Data verification at the source:
The sustainability KPI data were reviewed and verified at source in:

- Business Excellence / Finance,
- HSE - Environment / HSE support,
- Operations - Utilities, Olefins and Polyolefins,
- Learning & Development - Corporate Learning / Qatarization and
- Human Resources.


The data integrity was checked considering the following data management principles:

- ✓ Completeness.
- ✓ Consistency,
- ✓ Transparency
- ✓ Trueness
- ✓ Materiality

It was noted that the level of data integrity is very high between Operations, HSE, H& Learning and Development, Qatarization and Business Excellence departments.

Methodology:
20 sustainability indicators / KPIs were selected based on the materiality for Qapco Processes and their importance to the business. These indicators were verified at the source of data generation and validated the methods employed for calculation. The reported figures were compared with corporate dashboard and MOE reporting. In selected cases, the integrated data was traced to the source and found no data distortion.

Result of the data verification
The selected data meets the Data management principles by 81% and an overall maturity of 82%.



S. Balasubramaya
Quality Assurance Analyst

Result of the data verification in order of the Sustainability reporting considering the Data integrity level, Materiality and Maturity rating.

#	KPI	Data Integrity Level 81%	Materiality	Maturity Rating (82%)
1	Revenues	High	25 / High	5/5
2	Safety Training Program	Medium	25 / High	4/5
3	Lost time Injuries – Employees	Medium	25 / High	4/5
4	Lost time Injuries – Contractors	Medium	25 / High	4/5
5	Emergency Response Drill	High	25 / High	4/5
6	Compliance with Regulation	High	25 / High	5/5
7	Direct GHG Emissions	High	25 / High	5/5
8	SOx Emissions	High	25 / High	5/5
9	NOx Emissions	High	25 / High	5/5
10	Work Hours (Employee)	Low	20 / High	3/5
11	Work Hours (Contractors)	Low	20 / High	3/5
12	Qatarisation	Medium	20 / High	3/5
13	Employee Satisfaction	Medium	15 / High	3/5
14	Total hours of training provided to employees	Medium	12 / Medium	3/5
15	Production	High	25 / High	5/5
16	Water discharged to Sea	High	25 / High	5/5
17	Flaring	High	25 / High	5/5
18	Fuel Gas Consumption	High	20 / High	5/5
19	Direct Energy Used	Medium	6 / Low	2/5
20	Scholarship & Education	High	9 / Medium	4/5

ANNEX F:

REPORT PARAMETERS AND GRI G4 CONTENT INDEX

ASPECT BOUNDARIES

QAPCO has presented relevant information available at the time of production of this report. For each of the topics discussed, we present the combined performance of QAPCO and Qatofin unless specifically designated otherwise. For the purposes of this report, we present relevant performance figures for only our majority owned venture, Qatofin, and rely on the majority venture partners to present performance for the remaining companies. The performance of our contractors and associates is presented where relevant and available. In the future, we are committed to expanding the scope of our reporting to further include stakeholders and supply chain. Our relationship with stakeholders continues to evolve and impact the content and reporting boundaries.

[GRI G4-18, GRI G4-20, GRI G4-21]

Materiality Process

The content of our report is defined by our materiality assessment, which is presented on page 30. We used a four step process in determining our materiality assessment: 1) identification of relevant topics 2) prioritization of topics against stakeholder and company influence and impacts 3) validation of prioritization and identification through review and evaluation 4) review of context on annual basis. Our materiality assessment is designed to be in accordance with the GRI G4 guidance for sustainability reporting.

This assessment was conducted internally with the assistance of external consultants and the direct input of our stakeholders. Stakeholder prioritizations were developed through an online survey with 88 participants from our key stakeholder groups. Further information on our stakeholder survey results is available on page 44. Passive feedback channels such as board meetings, public feedback, and press coverage of our operations was used during the verification stage of our materiality assessment to refine material issues rankings and syntax.

Our 2014 materiality assessment represents an evolution and refinement of the materiality assessment presented in our 2013 sustainability report. We will continue to review and refine our materiality assessment as is beneficial and necessary to ensure we are reflecting the impacts and influence of key issues on our company and our stakeholders.



GRI G4 CONTENT INDEX

General Standard Disclosures	Page	External Assurance
GENERAL STANDARD DISCLOSURES		
Strategy and Analysis		
G4-1	10	Not Assured
G4-2	26 - 31	Not Assured
Organizational Profile		
G4-3	4	Not Assured
G4-4	18	Not Assured
G4-5	Doha, Qatar	Not Assured
G4-6	16	Not Assured
G4-7	44	Not Assured
G4-8	18	Not Assured
G4-9	8	Not Assured
G4-10	84 - 85	Not Assured
G4-11	Trade unions are prohibited in Qatar	Not Assured
G4-12	43	Not Assured
G4-13	20 - 31	Not Assured
G4-14	10	Not Assured
G4-15	10 - 12	Not Assured
G4-16	Gulf Petrochemicals Association	Not Assured
Identified Material Aspects and Boundaries		
G4-17	75	Not Assured
G4-18	92	Not Assured
G4-19	30	Not Assured
G4-20	92	Not Assured
G4-21	92	Not Assured
G4-22	Limited restatements of data have been made to improve quality. All restatements are noted clearly where applicable.	Not Assured
G4-23	No significant changes.	Not Assured

General Standard Disclosures	Page	External Assurance
GENERAL STANDARD DISCLOSURES		
Stakeholder Engagement		
G4-24	86-87	Not Assured
G4-25	28	Not Assured
G4-26	86 - 87	Not Assured
G4-27	86 - 87	Not Assured
Report Profile		
G4-28	January 1 – December 31, 2014	Not Assured
G4-29	QAPCO 2013 Sustainability Report was published in June 2014	Not Assured
G4-30	Annual	Not Assured
G4-31	1	--
G4-32	"In accordance" option core	Not Assured
G4-33	This report was not checked by third-party.	Not Assured
Governance		
G4-34	19, 88, 89	Not Assured
Ethics and Integrity		
G4-56	17, 23	Not Assured

DMA Indicator	Page reference	Omissions	External Assurance
SPECIFIC STANDARD DISCLOSURES			
Category: Economic			
Material Aspect: Economic Performance			
G4-DMA	40 - 41	none	Not Assured
G4-EC1	76-79,81	none	Not Assured
Material Aspect: Procurement Practices			
G4-DMA	43	none	Not Assured
G4-EC9	43,81	none	Not Assured
Category: Environmental			
Material Aspect: Energy			
G4-DMA	48-49	none	Not Assured
G4-EN3	82	none	Not Assured
G4-EN5	82	none	Not Assured
Material Aspect: Water			
G4-DMA	52-53	none	Not Assured
G4-EN8	83, purchased water is sourced from Karhamaa, Qatar's national water distribution company.	none	Not Assured
G4-EN10	83, 59% recycled from total freshwater use	none	Not Assured
Material Aspect: Emissions			
G4-DMA	52	none	Not Assured
G4-EN15	82	none	Not Assured
G4-EN16	82	none	Not Assured
G4-EN18	82	none	Not Assured
G4-EN21	83	none	Not Assured
Material Aspect: Effluent and Waste			
G4-DMA	52	none	Not Assured
G4-EN22	83	none	Not Assured
G4-EN23	83	none	Not Assured
G4-EN24	83	none	Not Assured
Material Aspect: Compliance			
G4-DMA	48-49	none	Not Assured
G4-EN29	Zero	none	Not Assured
Material Aspect: Overall			
G4-DMA	49	none	Not Assured
G4-EN31	50-51	none	Not Assured

Indicator	Page	Omissions	External Assurance
Category: Social			
Sub-Category: Labor Practices and Decent Work			
Material Aspect: Employment			
G4-DMA	68-69	none	Not Assured
G4-LA1	84	none	Not Assured
Material Aspect: Occupational Health and Safety			
G4-DMA	36-37	none	Not Assured
G4-LA6	80	none	Not Assured
Material Aspect: Training and Development			
G4-DMA	72	none	Not Assured
G4-LA9	85	none	Not Assured
Material Aspect: Diversity and Equal Opportunity			
G4-DMA	69-71	none	Not Assured
G4-LA12	84-85	none	Not Assured
Material Aspect: Supplier Assessment For Labor Practices			
G4-DMA	68-69	none	Not Assured
G4-LA14	100% in 2014	none	Not Assured
Sub-Category: Human Rights			
Material Aspect: Supplier Assessment For Human Rights			
G4-DMA	68-69, 43	none	Not Assured
G4-HR10	100% in 2014	none	Not Assured
Sub-Category: Society			
Material Aspect: Anti-corruption			
G4-DMA	19	none	Not Assured
G4-SO5	zero incidents in 2014	none	Not Assured
Material Aspect: Compliance			
G4-DMA	19	none	Not Assured
G4-SO8	zero incidents in 2014	none	Not Assured
Sub-Category: Product Responsibility			
Material Aspect: Customer Health and Safety			
G4-DMA	19	none	Not Assured
G4-PR2	zero incidents in 2014	none	Not Assured
Material Aspect: Marketing Communication			
G4-DMA	19	none	Not Assured
G4-PR9	zero incidents in 2014	none	Not Assured

QAPCO
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