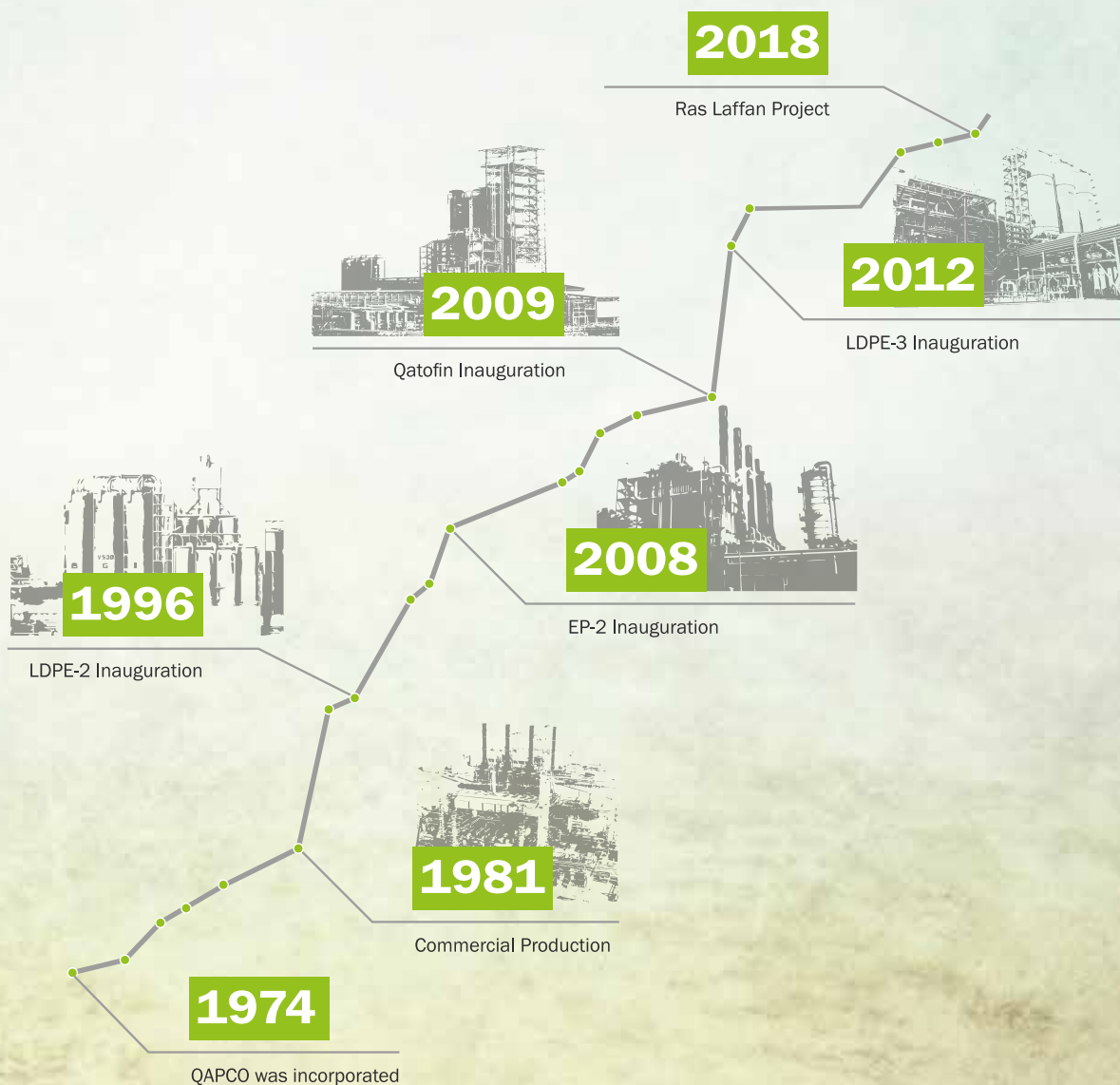


40 Years of Sustainable Growth



QAPCO
شركة قطر البتروكيماويات
QATAR PETROCHEMICAL COMPANY



Sustainability Report | 2012

Cautionary Statement

This document contains forward-looking statements that reflect the management's current views with respect to future events. Such statements are subject to risks and uncertainties 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 and the actions of government regulators. As a result, QAPCO does not guarantee the appropriateness, accuracy, usefulness or any other matter whatsoever regarding this information.



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- 17 trees
- 3.3 cubic yards of landfill space
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(Source: US Environmental Protection Agency)



About This Report

This report presents QAPCO's economic, social, and environmental performance for the 2012 calendar year, showcasing our efforts in alignment with international standards for transparency and reporting and with the Qatar Energy & Industry Sustainable Development Industry Reporting (SDIR) Program.

Where available, the report also provides comparable data for our 2010 and 2011 performance. Please refer to our annual financial reports, available on our website, for more detailed financial and statistical information. This sustainability report was prepared utilizing the Global Reporting Initiative (GRI) 3.1 guidelines, earning a GRI application level of A.

Give Us Your Feedback:

We encourage you to contact us regarding the information and topics discussed in this report. We welcome your feedback via email: sustainability@qapco.com.qa

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Message from the Chairman



I take great pride in the accomplishments and successes of QAPCO during our 40 years of operations. As a company, we are moving forward through growth and evolution of our operations and management practices in alignment with national and international best practices. Recognized as a leader within our industry, QAPCO continues to break records for safety, sales and performance.

Our success is made possible through the wise guidance of His Highness Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar, the evident leadership of His Excellency Dr. Moham-

med Bin Saleh Al-Sada, Minister of Energy and Industry and Chairman and Managing Director of Qatar Petroleum, our dedicated Board of Directors, and the commitment of our executive management and employees.

As a leader in the petrochemicals sector, QAPCO is committed to contributing to national development aspirations as outlined in the Qatar National Vision 2030 and Qatar's National Development Strategy. We continue to support the economic, social, environmental, and human development of Qatar through our role as a business and community partner.

I take great pride in the accomplishments and successes of QAPCO during our 40 years of operations. As a company, we are moving forward through growth and evolution of our operations and management practices in alignment with national and international best practices.

”

For the third consecutive year, QAPCO will participate in Qatar Energy and Industry's Sustainable Development Industry Reporting (SDIR) Programme, which aggregates the collective performance of Qatar's energy and industry sector companies in order to understand our sector's collective economic, social and environmental impact.

This year, we are publishing our first Global Reporting Initiative (GRI) checked sustainability report in direct alignment with the focus areas of the SDIR and QNV 2030.

I welcome you to our sustainability report. This report represents our continuing efforts to integrate sustainability into our management and operations. It is my aspiration that sustainability management and reporting will serve as a catalyst for us to achieve our ambitions.

Eng. Hamad Rashid Al-Mohannadi

Chairman of the Board of Directors

Message from the Vice Chairman and CEO



Building upon almost 40 years of excellence within the petrochemicals industry, QAPCO continues to make significant contributions to Qatar's national development ambitions.

In our 2012 sustainability report, we highlight those contributions made to Qatar's sustainable development, as outlined in the Qatar National Vision 2030 and the National Development Strategy. Through measurement and reporting of our economic,

social, and environmental performance, we are working to understand and ultimately improve our efforts to create a sustainable Qatar.

QAPCO achieved numerous significant accomplishments in 2012, including reaching 13.4 million employee exposure hours with zero lost-time incidents and winning Qatar Petroleum's prestigious Qatarization award for the third consecutive year.

Building upon almost 40 years of excellence within the petrochemicals industry, QAPCO continues to make significant contributions to Qatar's national development ambitions.

”

With the 2012 inauguration of our LDPE 3 plant, we are continuing to increase our capacity to deliver high quality olefin and polyolefin polymers to our customers using the most efficient production methods available.

Welcome to QAPCO's sustainability report, developed as part of our commitment to embedding sustainability within our management and opera-

tions. Here we present the economic, social, and environmental performance of our operations. Join us as we move forward with the implementation of sustainability management and reporting in direct alignment with the State of Qatar's sustainable development objectives.

Dr. Mohammed Yousef Al-Mulla
Vice Chairman & Chief Executive Officer

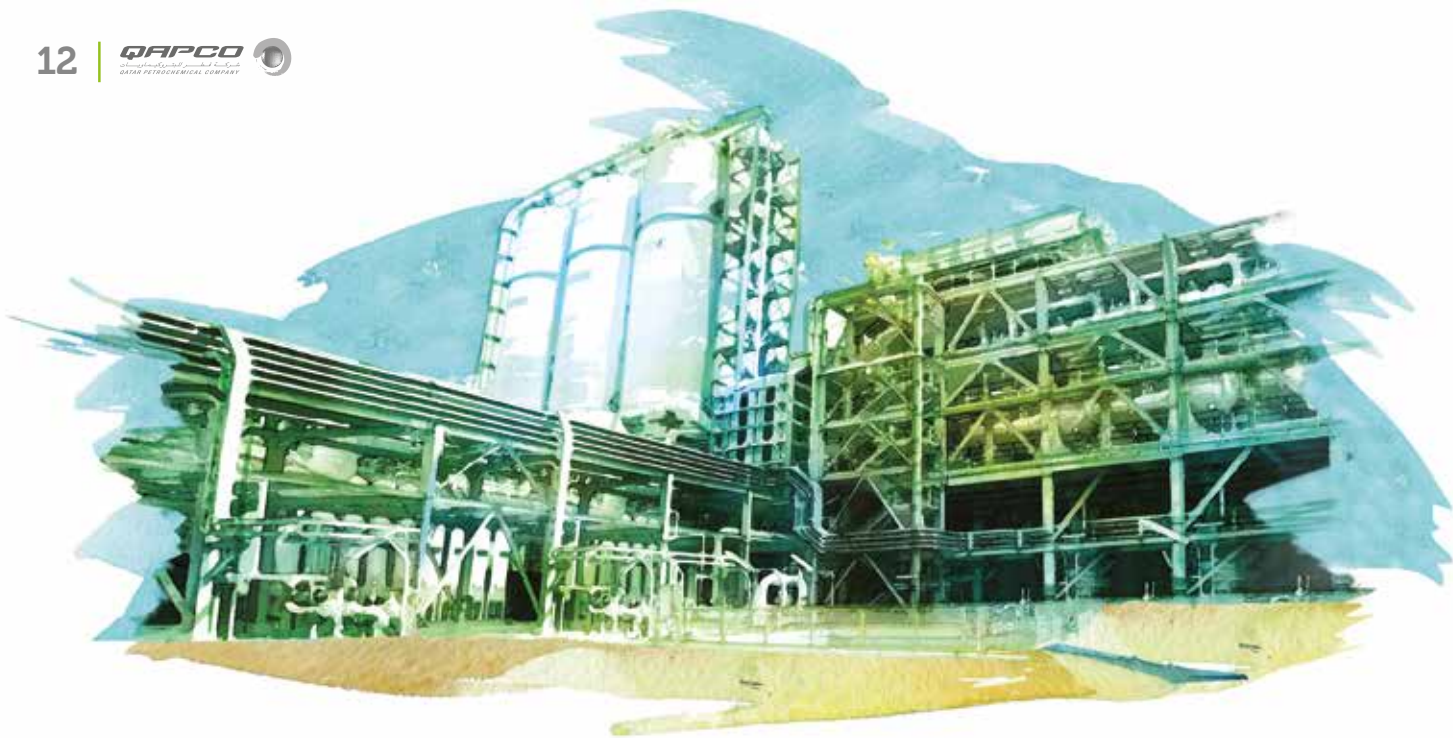
01/ ABOUT QAPCO





Company Overview

Established in 1974, Qatar Petrochemical Company (QAPCO) is one of the Middle East's largest producers of low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE). QAPCO produces a wide range of LDPE grades for numerous applications, such as packaging films, agricultural films, injection molding, and other products that are widely used all over the world. During its nearly 40 years of operation, QAPCO has implemented a focused growth strategy incorporating the efficient usage of associated and non-associated gases from the energy sector to support the growth and development ambitions of the State of Qatar.



Vision

To become one of the leading and most reliable sources of producing and supplying ethylene and polyethylene in the regional market.

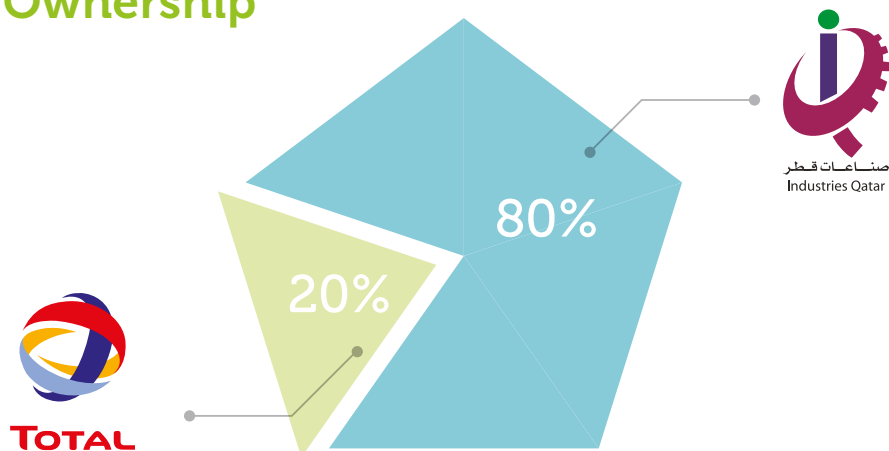
Mission

We are a quality focused organization supplying ethylene and polyethylene to the plastics industry, while remaining committed to our customers, employees, owners, and the community.

Values

- Integrity & Ethics
- Relationship/Trust
- Teamwork/Collaboration
- Achievement of Goals
- Creativity/Innovation
- Freedom to Act
- Recognition of Achievements
- Learning & Growth

QAPCO Ownership



QAPCO is jointly owned by Industries Qatar (IQ) with 80% share and Total Petrochemicals of France (TPF) with 20% share.

Management & Governance Structure

Good governance and strong leadership are critical pillars of QAPCO's success. Under the direction of Chairman Eng. Hamad Rashid Al-Mohannadi, Vice Chairman and CEO Dr. Mohammed Yousef Al Mulla, and the Board of Directors, QAPCO continues to grow and develop its operations to meet evolving demands and opportunities within the petrochemicals industry.

QAPCO's Board of Directors is responsible for strategy, decision-making, and evaluation of company performance. In 2012, the Board of Directors consisted of 9 members, all of whom were non-independent non-executive directors, with the exception of the Vice Chairman, Dr. Mohammed Yousef Al-Mulla.

For further details regarding QAPCO's governance and corporate management structure, please refer to the GRI index on page 67 and appendix B on page 64 for our corporate structure and governance chart.

Board of Directors - 2012

Eng. Hamad Rashid Al-Mohannadi
Chairman

Dr. Mohammed Yousef Al-Mulla
Vice Chairman & Chief Executive Officer

Mr. Mubarak Awaida M. Al-Hajri
(successor of Mr. Mohammed Jassim Al-Baker, who retired in December 2012)

Mr. Sultan Khalifa Al-Binali

Mr. Ahmed Mohd Ahmed Darwish

Mr. Ahmad Ali Abdulla Al-Mawlawi

Mr. Mohamed Khalid Al-Ghanem

Mr. Bryan Canfield

Mrs. Bernadette Spinoy

QAPCO Corporate Executive Committees – 2012

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

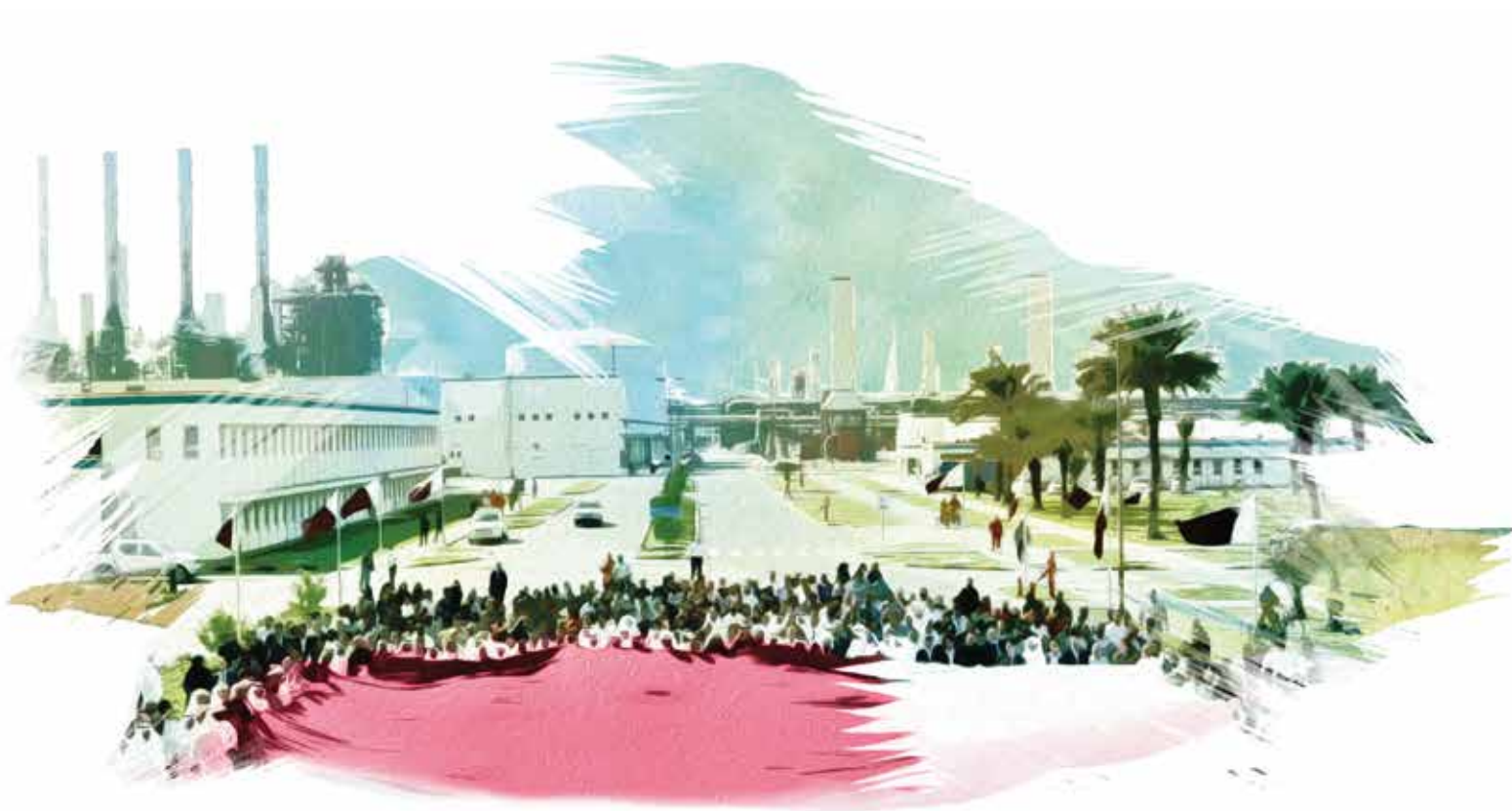
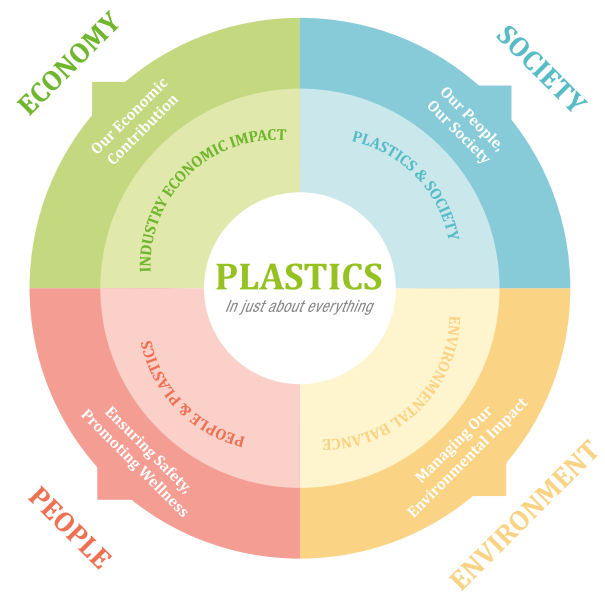
Oversight and strategic management of QAPCO's operations is performed by 12 formal corporate executive committees. These committees serve as focal points for QAPCO's most significant operations and management aspects including operations management, risk management, Health, Safety and Environment (HSE), and human resources management.

While not considered as executive committees, but defined as Corporate Committees, the tendering and audit committees are fully part of the managerial and company structure. The tendering and audit committees manage crucial corporate policies and support the management and strategic direction of the company.

Sustainability at QAPCO

QAPCO prioritizes the adoption of sustainability management and reporting as the next step in business excellence. Sustainability management provides a context within which QAPCO can understand, organize, and assess our economic, environmental, and social performance. Annual sustainability reporting is tangible evidence of our commitment to accountability, transparency, and performance management.

QAPCO has developed a sustainability framework to organize and illustrate how sustainability is incorporated and aligned within our company. This framework uses a layered approach, embedding the four pillars of the Qatar National Vision 2030 within our reporting of QAPCO's economic, social, and environmental impact.



Our Stakeholders

Understanding the interests, priorities, and perspectives of our stakeholders is essential to QAPCO's success.

The stakeholder map below presents the key groups that influence our sustainability strategy, decision-making, and overall operations strategy.

Please refer to appendix C on page 66 for further details on the priority issues, expectations, and engagement methods of QAPCO's stakeholders.



Our Alignment with National Development Objectives

Qatar has prioritized its national objectives in line with the economic, social, and environmental objectives laid out in the Qatar National Vision 2030 (QNV 2030) and the National Development Strategy (NDS). QAPCO's sustainability report captures our tangible contributions to the ambitions of the QNV 2030 and the NDS.



Economic
Development

Our Economic Impact

QAPCO's direct and indirect economic contributions and impact within the context of Qatar's national economic objectives.



Human
Development

Our People, Our Society

Understanding & measuring QAPCO's contribution to education, employment, and Qatarization.



Environmental
Development

Managing Our Environmental Impact

QAPCO's environmental impact within the context of Qatar's national development objectives.



Social
Development

Ensuring Safety, Promoting Wellness

Our safety performance and contribution to our community through volunteering, donations, and sponsorship.



Our Alignment with Qatar Petroleum Industry Reporting Initiatives

Through our commitment to annual sustainability reporting, we are contributing to increased transparency and public awareness within the petrochemicals sector and Qatar's energy and industry sector as a whole.

QAPCO is an active participant in the Qatar Ministry of Energy and Industry's Sustainable Development Industry Reporting (SDIR) Program, which culminates in an annual report of the aggregated performance of all energy and industry companies operating in Qatar.

As evidence of our contributions to and alignment with Qatar's sustainable development, the table below outlines our performance on key matrices and contextualizes our performance within Qatar's petrochemicals sub-sector as well as Qatar's overall energy and industry sector.

Report Section



Economic Impact



Human Impact



Environmental Impact



Social Impact

QAPCO's Contribution to the Petrochemicals Subsector and to Qatar's Energy and Industry Sector

SDIR Indicator	QAPCO (2012)	Petrochemicals Subsector (2011)	Qatar Energy & Industry Sector (2011)
Revenue (QR)	4,158,237,188	N/A	327,690,000,000
Local Spending (%)	75%	N/A	51%*
Workforce Size (permanent & confirmed)	1,176	4,272	32,108
Qatarization (%)	28%	18%*	24%*
Female Participation (%)	2.68%	13%*	11.27%*
GHG Emissions (Tonnes - CO2 equivalent)	1,629,857	7,570,039	84,942,268
Energy Consumption (GJ)	22,996,464	145,354,510	1,370,432,594
Water Consumption (Million m3)	2.38	9.4	5,885
Waste (Tonnes)	240	26,502	376,978
Social Investment (QR)	8,260,340	N/A	351,833,920
Employee Lost- Time Injury Rate (per 1 M m-h)	0	N/A	0.48*

* These figures represent averages calculated on the basis of industry or sector-level reporting.



02/ PLASTICS : In Just About Everything



Understanding Plastics

It is hard to overstate how important and useful plastic is to modern life. Plastic is found in numerous objects used by people every day, in all segments of society. As a chemical compound produced from hydrocarbons, plastic can be engineered to suit many needs based on desired durability, temperature exposure, strength, and pliability. Many plastics are based on the ethylene monomer (C_2H_4), which is produced by the heat separation of ethane molecules; ethane gas, a by-product of natural gas refining, is frequently used for this purpose in the industrial production of ethylene and its associated plastic products.

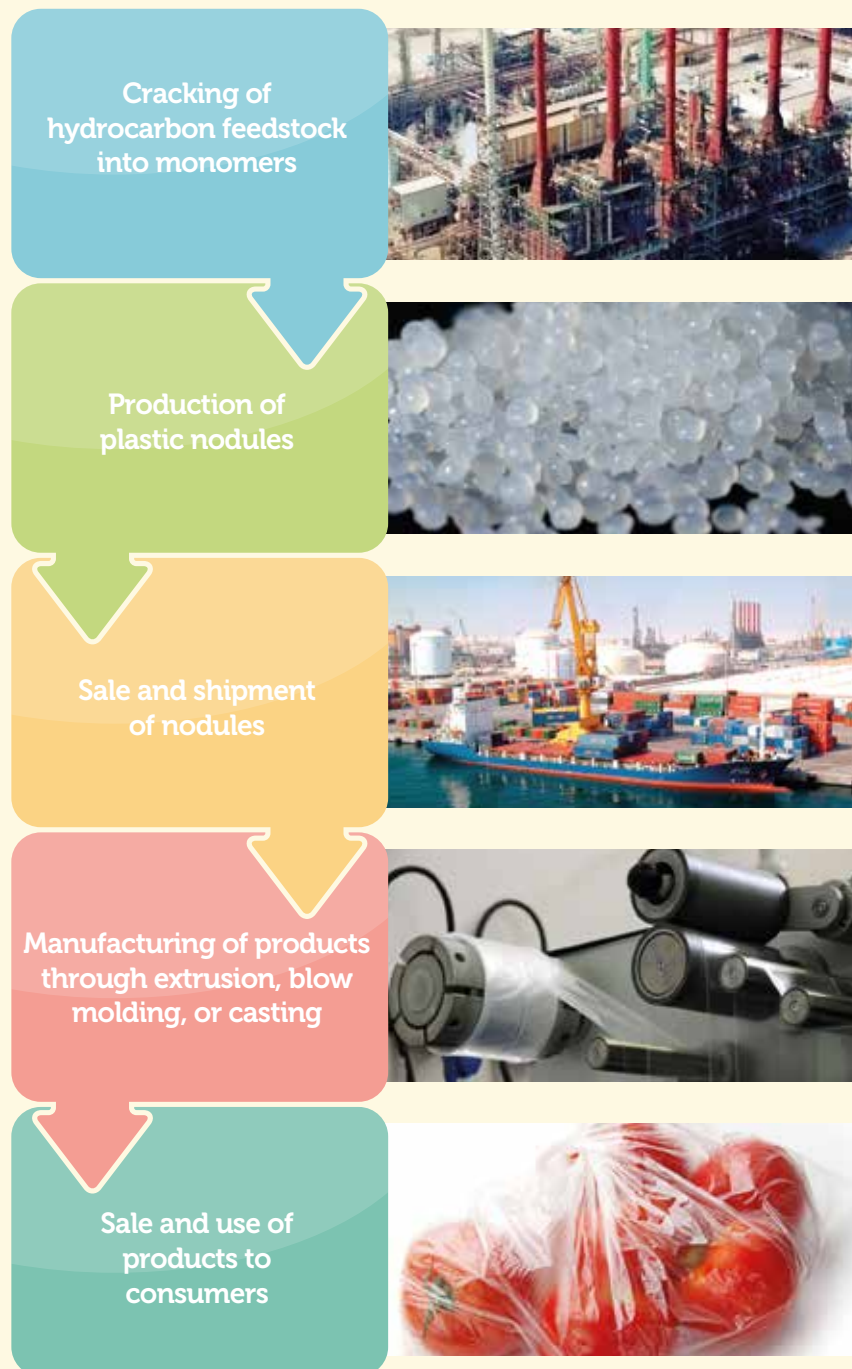
Industry Leadership

As a producer of low-density polyethylene (LDPE) and, through its joint venture with Qatofin, linear low-density polyethylene (LLDPE), QAPCO strives to be a leader within its industry. One important aspect

of such leadership involves ongoing efforts to understand, and educate the public about, all aspects of plastic production, including plastic usage, disposal, and challenges to production.

LDPE Production: From Raw Materials to Consumer Product

Production of consumer goods from plastic generally follows a five-step process



Research and Development for the Future of Plastics

Understanding the potential uses of plastic is an increasingly important challenge as world resource demands continue to grow and global raw material availability decreases. Research and development into plastic's future applications continues to be exciting and fruitful, illuminating new and innovative uses for plastic within our daily lives.

QAPCO Research & Development collaborates with local and international universities in areas that promote research related to plastics. Our R&D team focuses their efforts on two main aspects: developing new plastics and improving production methods and utilization of existing plastics, primarily LDPE and LLDPE.



Research and development into plastic's future applications continues to be exciting and fruitful, illuminating new and innovative uses for plastic within our daily lives.

Some of our most recent projects include:

- Investigation of the usage of recycled polyolefins in value-added composite materials, in coordination with Qatar University Centre for Advanced Materials (QU-CAM).
- Study of energy-saving materials for construction applications based on QAPCO Polyethylene products and by-products from QAPCO LDPE plants, in coordination with QU-CAM.
- Support of Chemical Engineering student project to complete a life-cycle analysis of Polyethylene packaging products, from polymerization to the waste-management phase.
- Sponsoring of a master's thesis in the Environmental Engineering program at QU, investigating the improved treatment of spent caustic stream from QAPCO plants



Plastics and the Environment

The environmental impact of plastic can be understood through three perspectives:

1. Production of plastics
2. Use of plastics
3. Recovery and re-use of plastics

Production of Plastics

The production of plastic pellets, which are the building blocks of consumer products, requires two main inputs: a hydrocarbon energy source and heat.

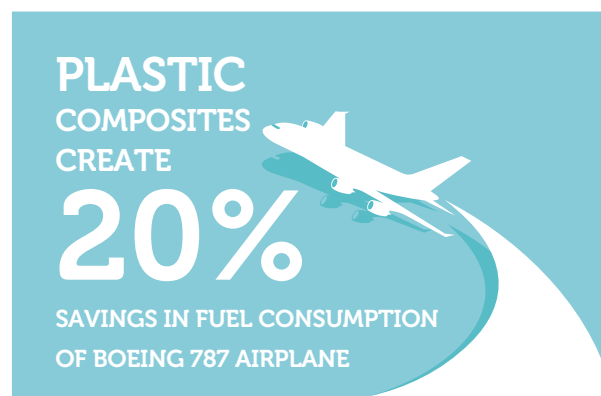
The production of LDPE pellets relies on the cracking of ethane molecules under the presence of high temperatures to create ethylene. Ethylene is then used to produce LDPE and LLDPE pellets, which are then sold to plastic manufacturers. Intense energy is required by plastic production, and efforts to improve production process efficiency continue to create opportunities for resource, energy, and emissions reductions that create strong environmental and economic benefits for both producers and consumers.

Use of Plastics

Plastic has the potential to create significant environmental and efficiency gains in many products and within many sectors. Its design flexibility allows it to be shaped into materials that are lighter, stronger, and more durable than traditional materials such as metals and fibers.

One example of the energy savings created is found in the new Boeing 787 Dreamliner airplane; the vehicle's composition of nearly 50% plastic composites creates a 20% savings in fuel consumption, resulting from its 20% reduction in weight.

As understanding of the chemical and physical capabilities of plastics develops through research and implementation, the potential for innovation within plastics creates a tremendous opportunity for industrial and consumer products to reach new heights of efficiency, durability, and strength.



Recovery and Re-Use of Plastics

The ubiquity of plastics within daily life presents a strong opportunity for reclamation and repurposing to reduce raw material demand and create economic and environmental savings from recycling. The rise of plastic recycling is heavily reliant on consumer education about the process and benefits of recycling, and the infrastructure needed for plastics recycling and reclamation is rapidly developing to meet increasing public demand. In many countries, regulations and legislation supporting or mandating recycling are creating a significant supply of used plastic materials that can be used to create new products



Understanding Plastic Recycling Numbers

Seven distinct labeling categories for plastics have been developed to encourage increased public recycling. These codes provide a uniform system for the identification of different polymer types and help recycling companies to separate different kinds of plastics for reprocessing.

Consumers can identify the plastic types by examining the codes usually found at the base or at the side of plastic food packaging and containers. Of these 7 categories, QAPCO produces number 4, LDPE, as well as LLDPE classified as number 2 or 4 depending on its specific manufactured properties.



Responsible Use of Plastics

Plastic is recognized as a safe and reliable material that can be used for food packaging, medical products, household items, and a variety of other applications. Manufacturers, beginning with pellet producers such as QAPCO, take responsibility for ensuring that their products meet strict international quality standards and are safe for consumer use.

All QAPCO products are certified for safety using comprehensive quality control testing and extensive documentation and information from all of our raw materials suppliers. This ensures that our polyethylene is free from contamination and completely safe for use.

Safe plastic usage begins with following the intended usage guides provided by manufacturers. Plastics are designed by manufacturers to meet specific requirements of heat exposure, strength, and reuse; misuse of plastics creates risks associated with changes in the chemical properties, including migration of chemicals.

Understanding of the risks of chemical migration continues to guide the plastic industry's commitment to developing safe and reliable products. It is also the consumers' responsibility to ensure that plastics are being used properly in order to avoid or mitigate potential health and environmental impact resulting from misuse.



Food-Grade Plastics

Plastics that are used for food packaging and other food-based applications are subject to specific regulations and quality control testing to ensure their safety and quality. QAPCO's food-grade polymers comply with all EU and U.S. FDA standards related to food packaging safety. We work with our customers to provide required documentation related to safety, chemical composition, and food-grade regulation compliance.

QAPCO does not manufacture products containing BPA or dioxin, and our LDPE or LLDPE pellets do not come into contact with these chemicals during production of final products.

03/

Economic Impact: Growth and Diversification





Our Economic Contribution

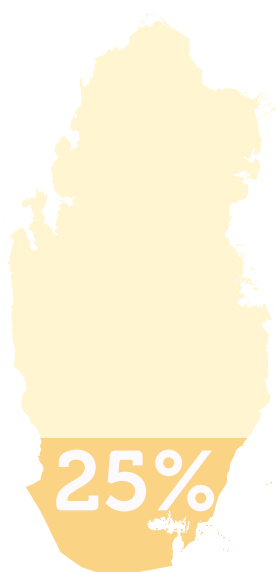
QAPCO continues to play an active role in the growth and development of Qatar's downstream energy sector economy, generating economic returns as well as supporting social development and environmental sustainability through investment in education, our employees, and environmental sustainability initiatives.

National Economic Impact

The petrochemicals sector is one of the fastest growing downstream oil and gas sectors in the Middle East. Through growth and development, downstream sectors are helping to transform Qatar's national resources into a strong economy that supports social and environmental development. In 2011, petrochemicals accounted for 69% of all non-oil export value in Qatar, reaching almost 20 billion QAR in value. Petrochemicals continue to play a critical role in supporting diversification and economic growth in the State of Qatar.

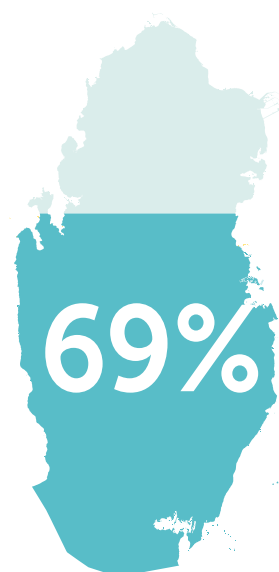
These downstream industries find success in Qatar through the use of excess or derivative products from natural gas and oil refining. As an example, plastic production utilizes a feedstock of fuel gas delivered directly from Qatar Petroleum (QP) as a derivative of QP's refining process. In this way, petrochemicals, primarily plastics and fertilizers, are derivative sectors that have developed to use and commoditize a resource that was previously considered to have negative economic significance and was thus released into the atmosphere through a combustion process known as flaring.

Share of Petrochemicals in Qatar's Manufacturing GDP



In 2011 the petrochemicals sector represented 25% of Qatar's manufacturing GDP

Share of Petrochemicals non-oil export value in Qatar



In 2011 petrochemicals accounted for 69% of all non-oil export value in Qatar

Petrochemicals are a key part of Qatar's national vision to develop an internationally focused economy through growth of industrial and diversified economic sectors.

Currently, the value and utility of gases associated with extraction and refining are widely recognized and have acted as a strong catalyst for the growth and development of the national and international petrochemicals industry.

Within the Gulf Cooperation Council (GCC), petrochemicals continue to play a significant role in non-oil economic activity; in 2011 petrochemicals represented 43% of all non-oil exports in the GCC. Qatar's presence within the GCC is growing, with Qatar representing 14% of total petrochemical production capacity in the GCC in 2011.

As the plastics industry continues to develop and grow, it plays an increasingly important role in Qatar's national economic development plans. In 2011, the petrochemicals sector represented 25.8% of Qatar's manufacturing GDP and 2.6% of Qatar's national GDP. ¹

¹Source: Gulf Petrochemicals & Chemicals Association, 2011.

Our Economic Contribution

QAPCO continues to play an active role in the growth and development of Qatar's downstream energy sector economy, generating economic returns as well as supporting social development and environmental sustainability through investment in education, our employees, and environmental sustainability initiatives.

Products, Plants, and Assets

Located in Mesaieed Industrial City in Qatar, QAPCO's manufacturing facilities consist of a 720 kilo-ton per annum (KTPA) ethylene plant, a 70 KTPA sulfur processing plant, and 2 LDPE plants with a capacity of 400 KTPA from 200 KTPA for each plant.

In 2012, QAPCO's third LDPE plant was inaugurated, adding an extra capacity of 300 KTPA of LDPE; this raises the company's total LDPE capacity to 700 KTPA, making QAPCO one of the largest single site producers of LDPE in the Middle East. QAPCO's LDPE is marketed under the trademark Lotrène®.

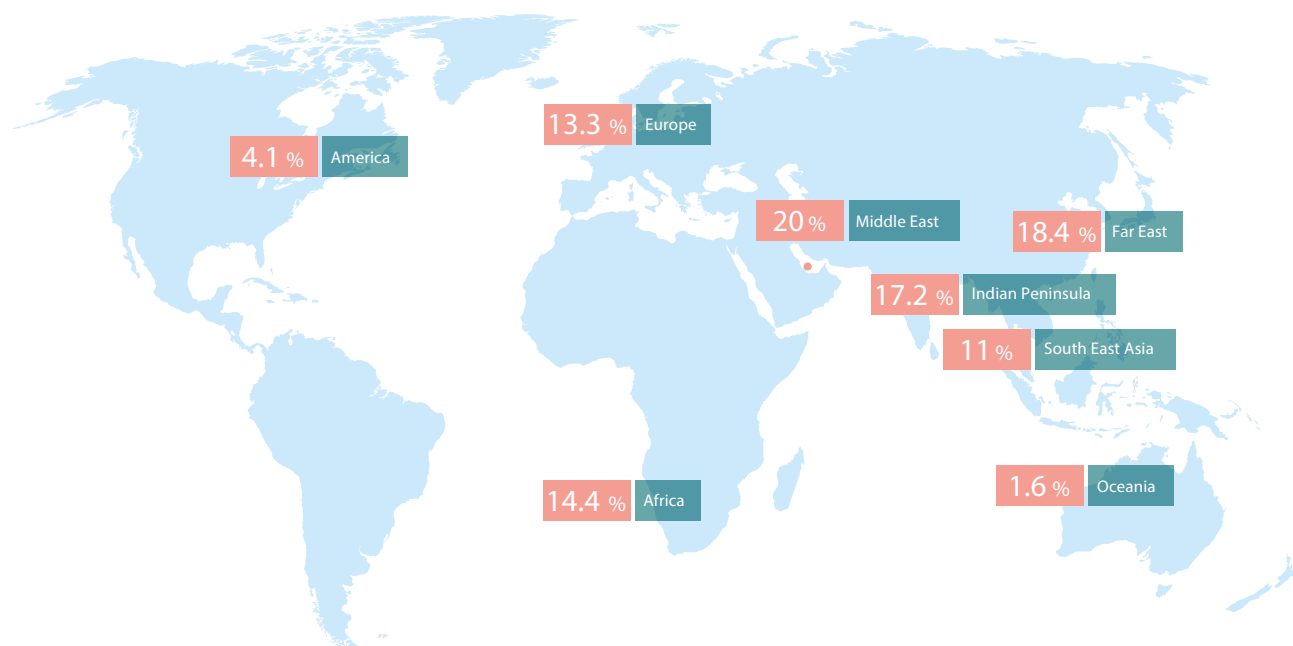
Production (KT)

	2011	2012
LDPE	426	526
LLDPE*	485	527
Ethylene	793	794
Total	1704	1847

* (representing combined production for QAPCO and Qatofin)

In addition, QAPCO maintains self-sufficient utility plants and other offsite and auxiliary facilities, such as those handling the production and supply of raw pyrolysis gasoline for SEEF Ltd. and for the manufacture of linear alkyl benzene. QAPCO also has facilities to process the C+4 stream from Q-Chem, converting it into high-value liquefied petroleum gas (LPG) that is then supplied to QP.

Sales & Marketing

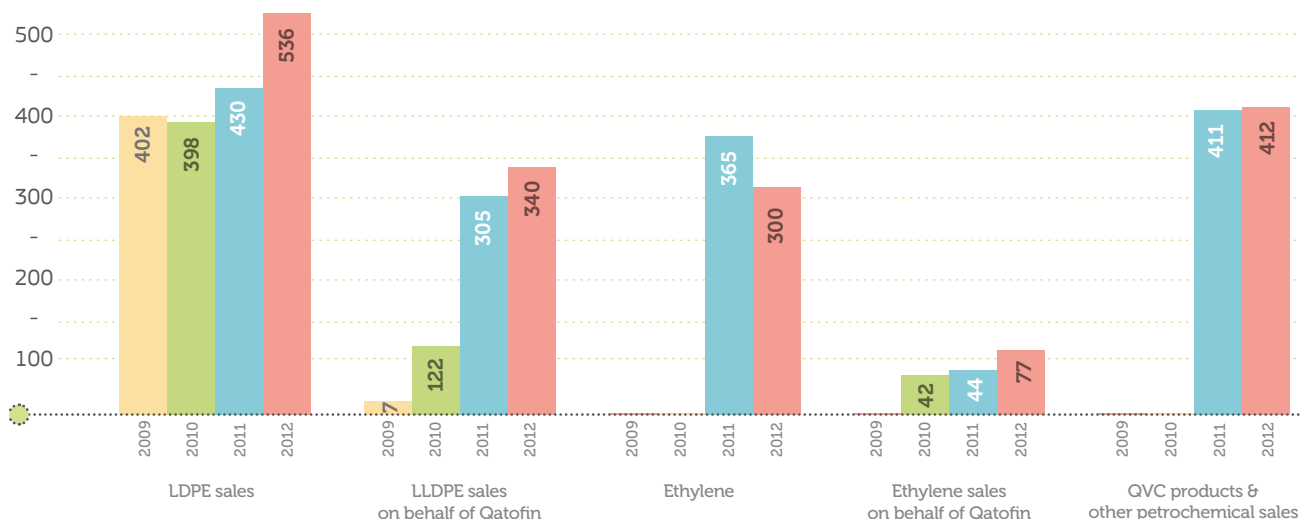


From Qatar to the World - QAPCO 2012 LDPE sales with a Global Reach

In 2012 QAPCO achieved record results, surpassing production and sales forecasts and attaining 536 KT of LDPE sales, an annual increase of 24%. In addition, QAPCO marketed a variety of derivatives and

related products including 340 KT of LLDPE on behalf of Qatofin and 412 KT of other petrochemicals on behalf of various entities including Qatar Vinyl Company(QVC).

Product Sales (KT)

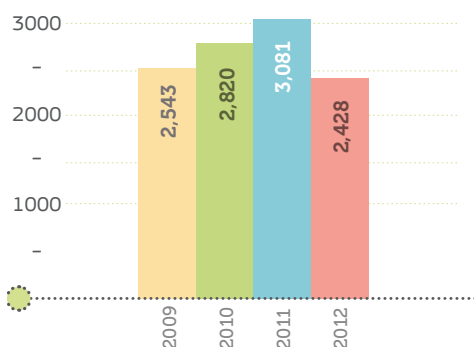


QAPCO Shipments and Logistics

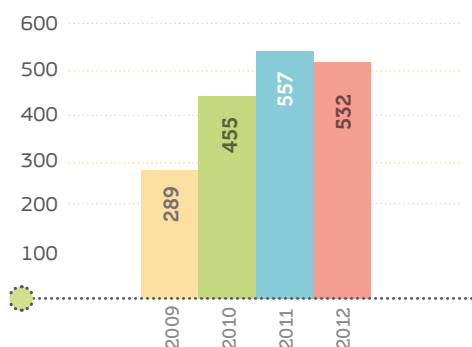
Our logistics department is responsible for the bagging, storage, loading, and shipment of our products to customers around the world. In 2012 QAPCO delivered 183 shipments of LDPE (446,526 MT) and 178 shipments of LLDPE (486,620 MT). QAPCO logistics include the handling of various products of QAPCO, Qatofin, and QVC along with all jetty operations. Shipment operations include the export of ethylene, LDPE, LLDPE, ethylene dichloride (EDC), vinyl chloride monomer (VCM), and sulfur, and also the handling of ethylene and salt imports on behalf of QVC.

QAPCO follows a comprehensive bagging and shipping procedure to minimize spillage and maritime pollution during shipment and transport. As part of this process, loose pellets are collected from production and bagging facilities on a daily basis for resale as a lower quality product. In addition, QAPCO monitors the loading and unloading of shipping containers to ensure that proper procedures limit the risk of bag breakage and spills. No significant spills of shipment cargo occurred in 2012.

Quantity Shipped

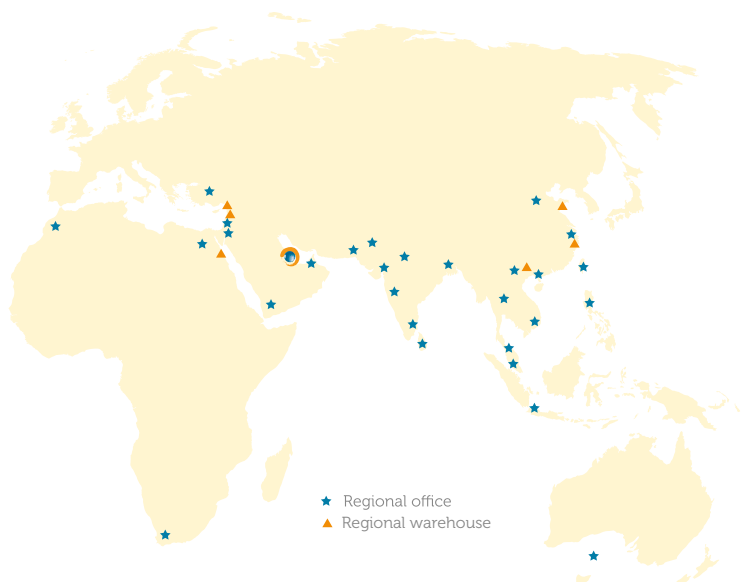


Number of Shipments



QAPCO Marketing Locations

QAPCO operates an extensive marketing network to ensure that our products reach their maximum potential on the global market. With operations in 27 countries, QAPCO continues to expand its marketing network by building local partnerships and developing strong business relationships based on high demand for LDPE and related products.



QAPCO Marketing Locations

	2009	2010	2011	2012
Number of regional offices	25	27	28	28
Number of self-operated offices	25	27	28	28
Number of regional warehouses	3	6	6	6
Number of countries with QAPCO operations, marketing, or sales offices	21	26	27	27

Muntajat : Qatar's Global Petrochemicals Marketing Company

In 2013, QAPCO's marketing operations will transition to Muntajat Company, a recently established state-owned marketing company that holds the exclusive rights to purchase, market, distribute, and sell chemicals and petrochemical products on the global market. QAPCO's products will be sold via Muntajat's globally integrated and centralized petrochemicals marketing network, with the aim of further increasing the global market share of the Lotrene brand.



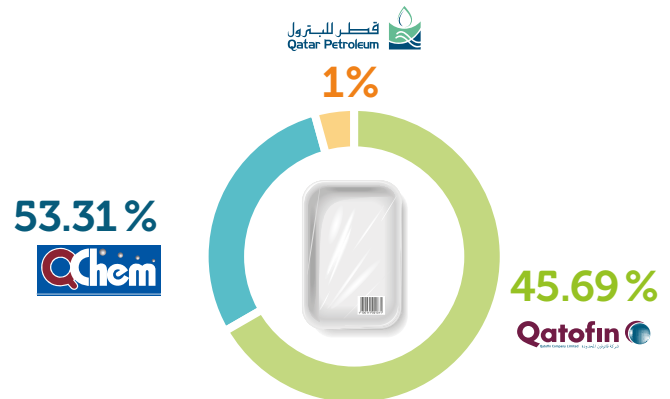
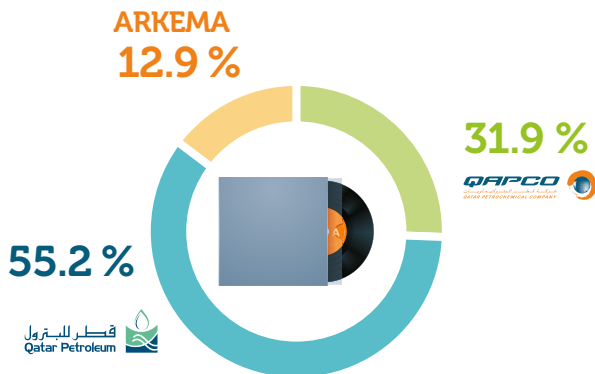
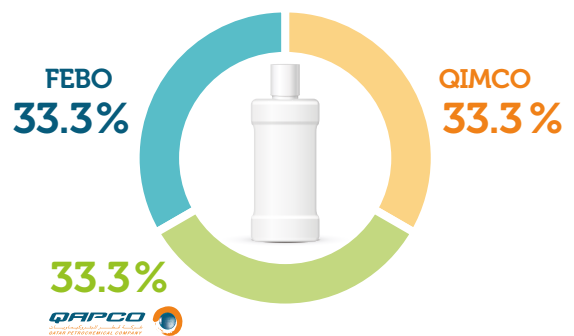
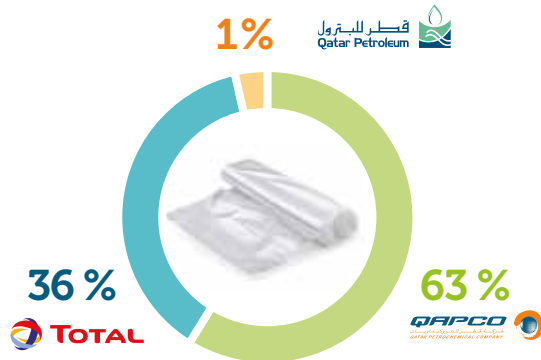
Muntajat



Projects and Ventures

QAPCO is currently involved in a number of joint ventures to diversify and expand its industrial presence. QAPCO maintains strong relationships with its ventures through cooperative and resource

sharing agreements, resulting in improved operational efficiency for all participants. QAPCO holds stakes in the following companies:



Qatofin and QAPCO's Cooperative Relationship

QAPCO holds a majority stake in Qatofin, a producer of LLDPE. QAPCO operates Qatofin's LLDPE plant in Mesaieed Industrial City, producing 527 KT of LLDPE in 2012 in coordination with QAPCO's LDPE facilities. Under this agreement, Qatofin retains control of its strategic and leadership decisions, which are made by the Qatofin Board of Directors. QAPCO's responsibilities lie in the operation of Qatofin's LLDPE facility and the marketing and sale of LLDPE through QAPCO's marketing and shipping network.

What Makes QAPCO So Special?

FROM LOCAL TO GLOBAL

If there is really one thing that sets QAPCO apart, it is definitely its global footprint. Over 40 years, QAPCO has developed, thanks to local talent and expertise, high quality products. Quality has always been a number one priority and a competitive edge for QAPCO. QAPCO's product grades are recognized internationally, obviously up to the highest possible standards. Having top quality products, QAPCO was able to expand its global sales and offices all over the world. QAPCO has offices in 28 countries in 2012, which highlights how global we have become. In addition, LDPE sales have a truly international reach. Our products are part of the daily lives of million of people all over the planet. Therefore, we can proudly say that we supply plastics from Qatar to the World.

Our successful journey, where we became a company with a global footprint, rests on the hard work and expertise developed by local talent. The local leadership is the driving force of QAPCO. Unlike many companies, QAPCO has mainly a local shareholding pattern, and is known for developing internal know-how and capabilities that are up to the standards of international best practices. QAPCO's global expansion is a tribute to the skills and abilities of local resources. QAPCO has been build over the past 40 years by all the efforts of its employees, and this is what makes us proud and so special. 40 years is a journey, where we witnessed the numerous developments of the State of Qatar. Being a truly Qatari company with a global footprint, this is how we define ourselves. It is our strength.

Moving Forward: Ras Laffan Mega-petrochemical Complex

In February 2012, QP and QAPCO signed a Heads of Agreement (HOA) for the development of a new mega-petrochemical complex in Ras Laffan Industrial City. Scheduled for completion in 4th quarter 2018, the complex will feature a world-scale mixed-feed steam cracker, with the feedstock of ethane, butane, and naphtha coming from natural gas plants in Ras Laffan.

This venture represents a pioneering initiative: the first time that two Qatari entities have developed a petrochemicals complex on this scale without the ownership or support of multinational partners. The Ras Laffan project is part of Qatar's large-scale expansion of the petrochemicals sector to support diversification and growth of the Qatari economy. The venture will create over 1,500 career opportunities for

Qataris and bring new outlets for expansion of local economic partnerships and community development.

The plant will produce ethylene, high-density polyethylene (HDPE), linear low-density polyethylene (LLDPE), polypropylene, butadiene and py-gasoline.

This is an important milestone in the industrial development of the State of Qatar, and a further integration of the downstream petrochemicals market with the upstream operations carried out in Ras Laffan. Qatar Petroleum and QAPCO will jointly develop the petrochemical complex, with QP holding an 80% equity interest and QAPCO holding a 20% equity interest.

Supporting the Local Economy

QAPCO's procurement policies are designed to allow maximum participation from local suppliers in order to magnify our impact on the Qatari economy. In 2012, 74.83% of all QAPCO purchasing was spent on local suppliers, a clear indication of our commitment to supporting the growth and development of the Qatari economy by working with local suppliers and manufacturers.

QAPCO procurement and vendor selection processes also encourage and support the local suppliers and businesses to take part in the bidding and vendor registration process. Preferential treatment provided by QAPCO to local vendors includes:

- Acceptance of up to 10% variations for local manufacturers, subject to technical acceptance during any tender process.
- Preference for local vendors who have a local business, stock, and manufacturing facilities during the new vendor prequalification process.
- Advertising of open tenders in 3 local newspapers, and publishing of tenders on QAPCO's corporate web site

Financial Performance

QAPCO's strong financial performance is rooted in our commitment to the highest levels of quality, safety, and integrity for our operations. In 2012, our direct economic impact totaled more than 4,158 million QR in stand alone revenue. QAPCO's economic performance continues to exceed forecasts and generate a strong economic contribution to the State of Qatar. Please refer to QAPCO's annual financial reports, available on our website, for detailed financial performance statistics.

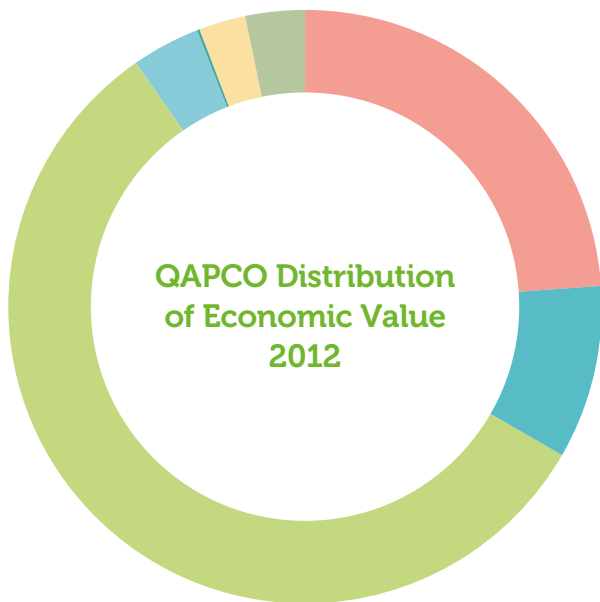
Through our continued growth and development, QAPCO continues to expand its economic impact. Our most tangible contribution to the economy of Qatar is the payment of wages and benefits to our employees, which contributed more than 454 million QR to the national economy in 2012. As an additional element of our economic contribution, QAPCO invested more than 89 million QR into community projects in 2012 in the form of direct donations, sponsorships, and community programs.

Strategic Procurement Forum

The Strategic Procurement Forum initiative, spearheaded by QAPCO's materials department, aims to bring together the companies operating in Mesaieed Industrial City (MIC) to share procurement best practices, discuss advances and challenges related to procurement and logistics, and develop outlets for collaboration and coordination between companies and suppliers.

Initiated in 2012, the Strategic Procurement Forum meets quarterly and includes members from Qatar Petroleum (QP), QAPCO, Qatalum, Qatar Steel, QAFAC, QAFCO, QVC, and Q-Chem.

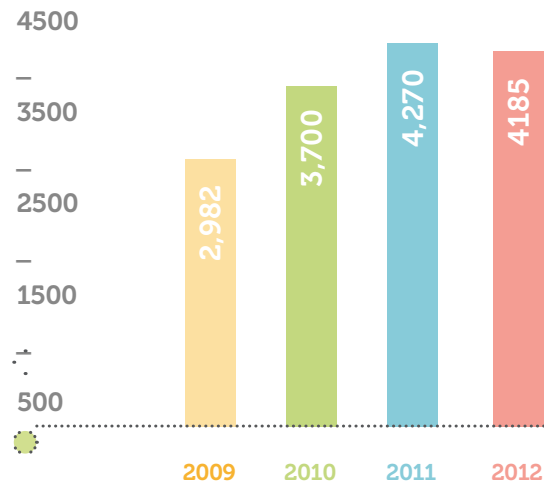
This forum is one example of the ways in which QAPCO is working to maximize the efficiency and positive economic impact of its operations. Moving forward, the Strategic Procurement Forum will investigate long-term opportunities for consortium buying and supplier relationships to optimize the collective purchasing and economic impact of the companies of MIC.



Operating cost	: 958,027
Employee Wages & benefits	: 372,894
Payments to Providers of Capital	: 2,298,017
Payments to Government	: 147,983
Gross Taxes	: 3,332
Community Investment	: 89,973
Depletion, Depreciation & Amortization	: 89,973

Approximate values, QR millions

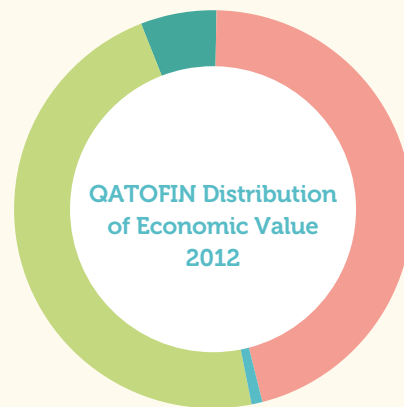
Revenues : 2009-2012



Approximate QAPCO stand alone revenues, QR millions

Qatofin's Financial Performance

As a majority equity shareholder of Qatofin, we have included its financial performance in this report in accordance with international reporting best practices. Qatofin's strong financial performance continued in 2012, with revenue reaching 3,054 million QR. As part of its economic impact, Qatofin contributed 1.7 million QR to community investments and 13.8 million QR in employee wages and benefits.



Operating cost	: 1,495,258
Employee Wages & benefits	: 13,839
Payments to Providers of Capital	: 1,525,464
Payments to Government	: 0
Gross Taxes	: 1,765

Approximate values, QR millions

04/

Plastics and Society





Plastics : Part of our daily lives

As one of mankind's most useful and innovative materials, plastic is changing the way that products are manufactured, used, and perceived within society. The ubiquity of plastics has brought many advantages to people's lives, resulting for example in convenient, lightweight, and inexpensive packages, containers, and household products.

Plastics have replaced many traditional materials such as glass and paper, especially in the creation of bottles, containers, and food packaging. Plastic is ideally suited for these applications due to its low weight, low cost, and ability to be manufactured to meet specific chemical and physical properties.

Recognizing the significant resource input required for the production of plastics, we must continue to work toward finding a balance between utility and conservation. It is important that we remain cognizant of the intrinsic value and role plastic has, from all perspectives—economic, social, and environmental—and that we find a balance of these perspectives through research, awareness, and acceptance.



Our People, Our Society

The integral roles played by plastic products in our daily lives are made possible by the production, manufacturing, and sale of plastics around the world. As one of the GCC's largest plastics producers, QAPCO occupies the first step in the creation of the plastic products that so enrich our lives. Beyond our industry impact, QAPCO has taken a leadership role in supporting Qatar's human and social development objectives through employment, education, and professional development programs.

Qatarization and Education

QAPCO celebrates the strength of our employees and the valuable contributions they make to the success of our company. In 2012, for the third consecutive year, we were honored with the Ministry of Energy and Industry's Annual Qatarization Award for supporting Qatarization. This award recognizes QAPCO's dedication and commitment to developing national education and human capital in alignment with industry and national objectives.

Supporting the social and professional development of Qatari nationals is one of QAPCO's key objectives. Through scholarship, technical skills training, leadership development, and direct employment, QAPCO is working to make the Qatar government's stated goal of %50 Qatarization into a reality.

Employee Perspectives

Abdulrahman Abdulla Al-Romaihi

Materials Department

"I like that we are all contributing to Qatar's National Vision 2030, not only Qatari employees, but all of the QAPCO Family are proud to support this vision".



We continue to grow and enhance our Qatarization programs in order to provide engaging and beneficial opportunities to Qatari nationals. From 2010 to 2012, we increased our Qatarization rate to %28, with 17 Qataris joining QAPCO during 2012. As evidence of the strength of our Qatari workforce, we achieved %75 Qatarization of senior management in 2012, including the Chairman and Vice Chairman & CEO positions.

QAPCO's Qatarization programs are designed to build the educational and professional capacity of Qataris through scholarships, mentorships, and professional development. As part of our contributions to national Qatarization efforts, we have invested more than 25 million QR from 2012–2009 to support scholarships and educational sponsorships for Qatari nationals.

In addition to direct support for Qatari education, QAPCO engages with community partners to support capacity building and recruitment through active participation in career fairs and outreach programs.

As part of our commitment to supporting education, we have direct partnerships with 13 universities and schools in Qatar, including Texas A&M Qatar, Community College Qatar, Omar Ibn Al-Khattab School, Qatar Independent Technical School, and Qatar University. Through these partnerships, QAPCO supports the growth of high-demand academic concentrations such as chemical and mechanical engineering.

These partnerships also serve as an outlet for research and development programs in coordination with QAPCO's R&D laboratories and university departments.

Employee Perspectives

Rola Abdulla Kafoud

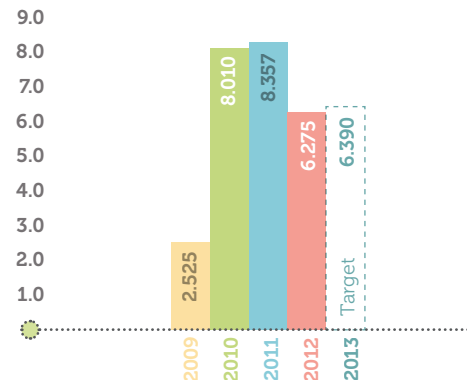
Business Excellence Department

"The sky is the limit here, if you work hard and add value to the company, you will be rewarded. My development within QAPCO has been first class! Our LEAD training program plans and monitors my development and provides a clear and structured path towards achieving my career objectives."

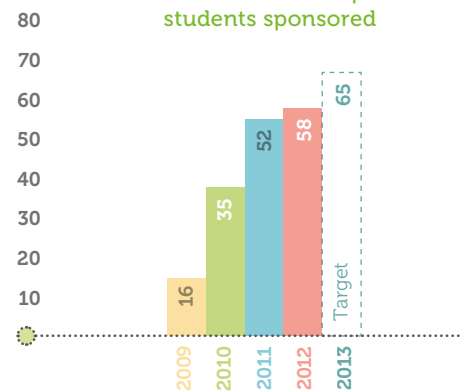


Qatarization Investment

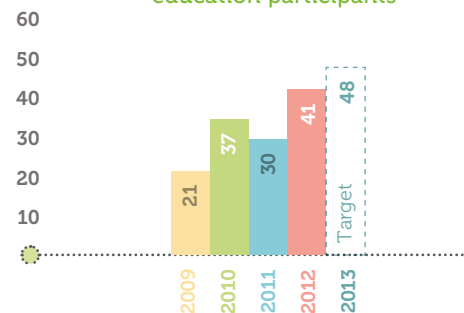
Investment in sponsorships and scholarships for Qatarization (QR Million)



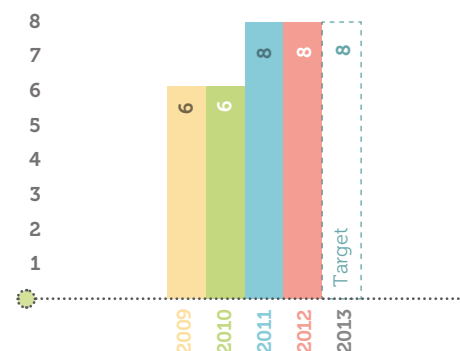
Number of scholarships and students sponsored



Number of continuing education participants



Number of career fairs attended / sponsored





QAPCO's Nationalization Programs

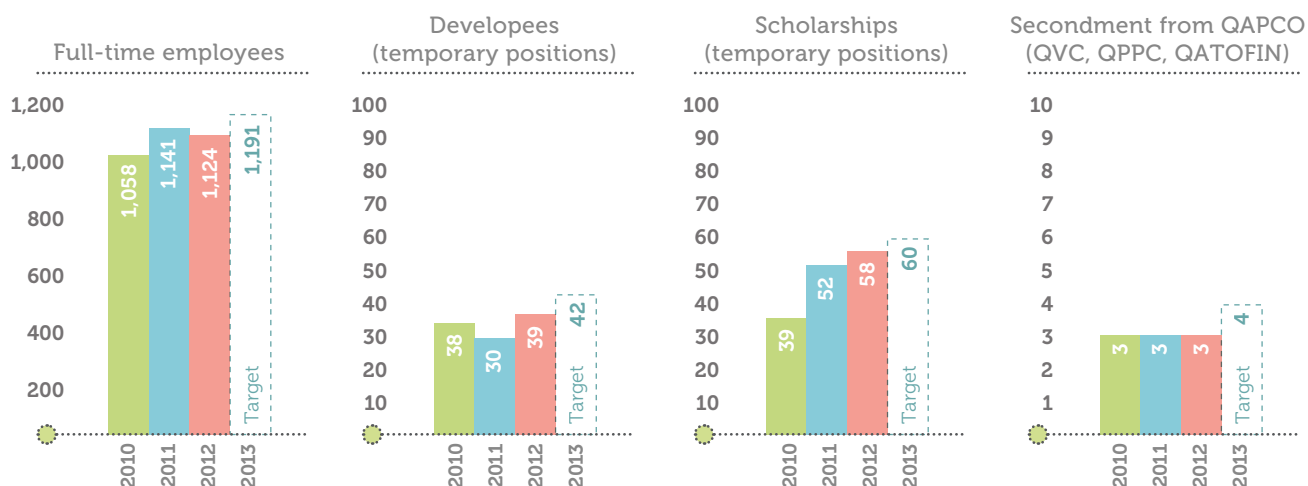
Program Name	Description
5-Year Strategic Qatarization Plan	QAPCO's well-defined strategy of planning our Qatarization programs 5 years ahead of time, in terms of recruitment, higher studies, jobholder, succession, etc. This plan is developed and updated in respect to each department and the organization as a whole.
LEAD Development Program	A development program intended to develop Qatari nationals for key positions, building required technical skills, knowledge, and leadership through specialized training and mentorship.
Scholarship Program	Direct scholarships are granted to high school students based on academic performance and demonstrated interest in high-demand technical areas, such as chemical engineering. This program is part of QAPCO's national capacity-building and recruitment programs.
Higher Education Program	High-performing Qatari nationals are selected to receive financial support for long-term study programs. QAPCO selects students on the basis of academic performance as well as leadership potential.
Job-Related Preparation Program	QAPCO's short-term development program aims to provide required technical knowledge and skills for employees to excel in their current and/or target positions.
On-the-Job Training Program	This capacity development program is intended to develop Qatari nationals to attain their target position by providing the technical skills required for the desired position.

HR and Workforce

QAPCO is committed to providing a safe, productive, and engaging workplace for our employees. As we work to develop the skills and knowledge required for our technical production facilities, we are also working to build a family of employees who are engaged and committed to their work-

place and community. In 2012, QAPCO's roster consisted of 1,224 employees, including 97 develop-ees and scholarship employees. 95% of QAPCO's employees work in Qatar, while the remaining 5% work in QAPCO's marketing and logistics locations across the world.

Employment by Contract



	2010	2011	2012	2013
Total workforce	1,138	1,226	1,224	1,298
Total confirmed full time positions *	1,101	1,111	1,176	1,298

* Confirmed positions reflect those employees who have passed their 6-month probationary employment period and are full time QAPCO employees.

Employment by Level

Employment by Level (Number of Individuals)				
	2010	2011	2012	2013 Targets
Senior Management	23	28	32	40
Middle Management	346	369	408	428
Staff	769	829	813	830
Total Workforce	1,138	1,226	1,224	1,298

Total Workforce by Age Group				
	2010	2011	2012	2013 Targets
18-30	144	203	263	340
31-40	329	356	386	424
41-50	309	314	318	326
51-60	205	205	206	208
Total	1,138	1,226	1,224	1,298

Employment by Region				
	2009	2010	2011	2012
# of employees in Qatar	1,003	1,076	1,157	1,163
# of workers outside Qatar	34	62	69	61
Total workforce	1,037	1,138	1,226	1,224



Employee compensation and benefits

Employee compensation at QAPCO is competitive and in line with industry standards. Compensation packages include some of, but not limited to, the following benefits:

Benefits for Qatari Employees

- Basic Salary
- Health Coverage
- Location Allowance
- Social Allowance
- Transportation Allowance
- Mileage Allowance
- Housing Allowance
- Supplementary Housing Allowance
- Retention Allowance
- Car Loan
- Marriage Loan
- Furniture Allowance
- Furniture Maintenance

Benefits for Expatriate Employees

- Basic Salary
- Health Coverage
- Location Allowance
- Transportation Allowance
- Mileage Allowance
- Housing Allowance
- Car Loan
- Furniture Allowance
- Furniture Maintenance

Female Participation

QAPCO's work environment is welcoming and supportive to our female employees. In 2012, women represented 2.86% of our total workforce, an increase of 0.6% from 2010.

The labor-intensive nature of QAPCO's operations limits opportunities for female participation; however, we continue to develop new opportunities for women in the workplace.

In addition to direct employment, QAPCO engages in a variety of community sponsorships to support female participation in the workforce. For example, QAPCO is an annual sponsor of the Women in Business Forum, which brings the foremost business-women in Qatar to discuss and develop new means of involving women in the workplace and building professional skills to meet employer demands.

Get To Know QAPCO

Our employees are our most valuable resource. We sat down with two of QAPCO's female employees to discuss their experiences at QAPCO and their perspective on sustainability.



Noor Al Tememi

Assistant Head of Environment,
Health, Safety & Environment Department

How many years have you been with QAPCO?

Going on my 5th year

What do you like the most about QAPCO?

QAPCO is a very dynamic organization. If you want to keep up with the energy, you can't stay still. It motivates you to improve everyday. This environment pushes you to become better and proactive. QAPCO stimulates my ambition to perform.

What does sustainability mean to you?

For me, sustainability is like a puzzle- each piece is related to the other one. Each and every one of our actions, at our own level, in our own life, can be sustainable. Therefore, we have to think twice about the consequences of our actions. We can all make a difference for the future of our planet.

How can we encourage sustainability in Qatar?

From my background in environmental management, I look towards ecosystems as a tremendous opportunity for sustainability. Qatar is in an incredible position, being surrounded by the sea and as it has a great amount of sun light. This opens the door to many possibilities to push sustainability further, especially on the industrial side, looking at greener and cleaner energy sources. Algae can be cultivated in seawater to produce bioethanol, almost like crop. Algae has many benefits, looking at its composition, but it is also cheap and clean, and largely available around here.

Fatima Abdulla H. Salatt

Community Relations Executive,
Public Affairs & Communications Department

How long have you been working with QAPCO?

7 years and 7 months

How does QAPCO challenge you and what are your favorite parts about working at QAPCO?

I take every task as a challenge, as I always want every aspect to be as perfect as possible. My favorite part about QAPCO is the atmosphere; this is something very specific and special about QAPCO. All of the employees treat each other like family members, often putting the Three Musketeers slogan, "all for one and one for all" into practice. This camaraderie is unique and a real strength for QAPCO.

Another thing, which is important, is the humbleness of our VC & CEO Dr. Mohammed Al-Mulla, you will never find a CEO like him in any other organization.

What does sustainability mean to you?

Sustainability represents a brighter future for our children and the next generations to come.

Any parting words of wisdom?

Never underestimate yourself; life is full of chances just wait for your opportunity and make the best of it.

Employee Turnover

Recognizing that turnover is an expected aspect of all businesses, QAPCO includes end-of-service benefits in all employee contracts to ensure that every employee's transition from QAPCO to retirement or other employment is as smooth as possible. In 2012, our turnover was 6.9%, which is in line with the average industry performance.



Employee Turnover

	2010	2011	2012
Total number of employees departing the organization	51	43	84
Turnover (%)	4.5%	3.5%	6.9%

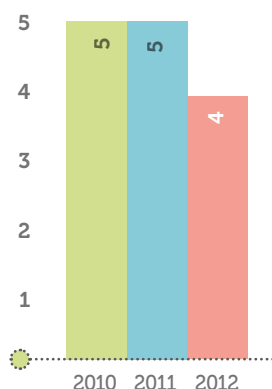
We take pride in the dedication of our employees. In 2012, almost one third of our employees had been employed at QAPCO for more than 10 years. We work everyday to ensure that our employees' needs and aspirations are met; employee satisfaction in 2012 reached 76%, a clear sign of the strength and success of our investment and support of our employees.

Long-Term Employment

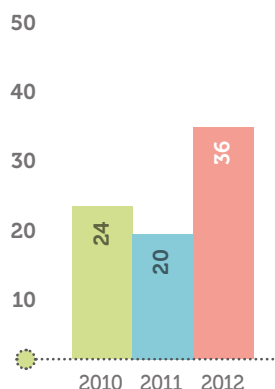
	2012
Employees working at QAPCO for more than 10 years	401
Employees working at QAPCO for more than 20 years	132

Turnover by Employment Level

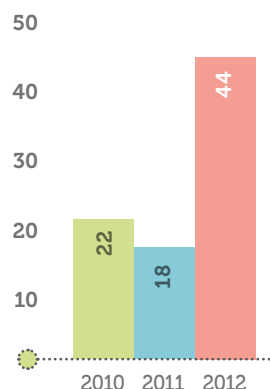
of Senior Management



of Middle Management

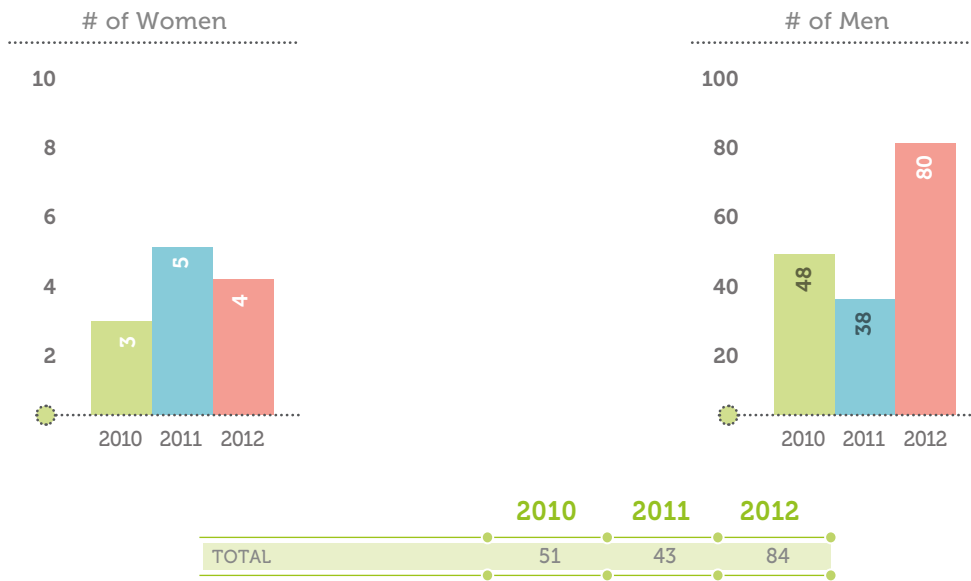


of Staff

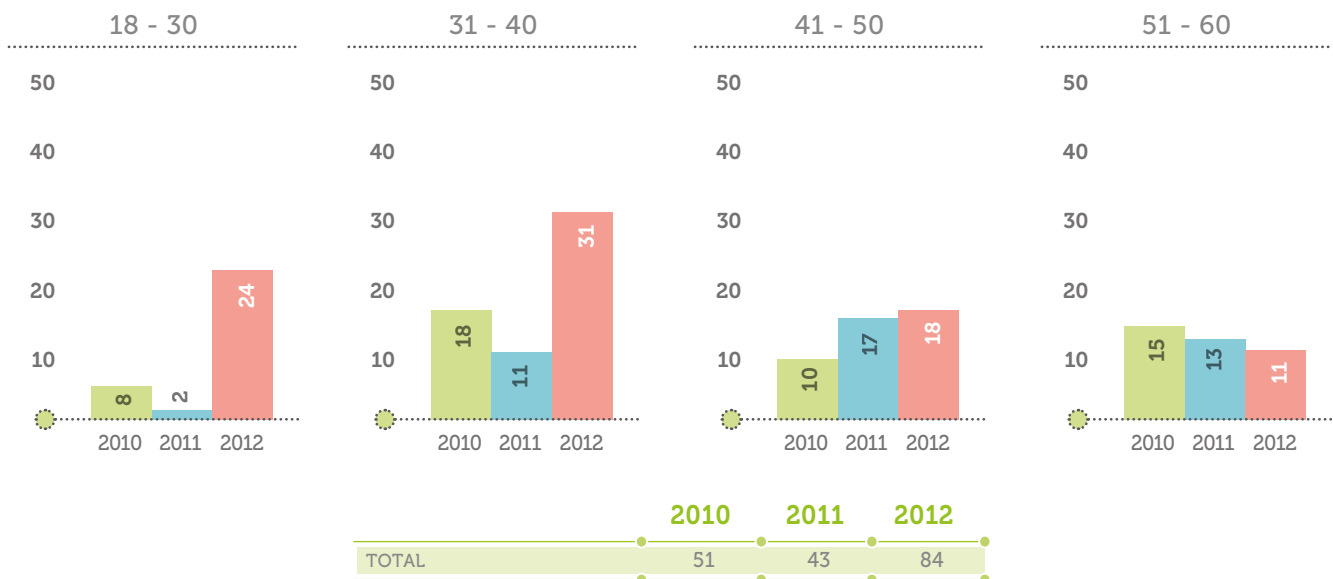


	2010	2011	2012
TOTAL	51	43	84

Employee Turnover by Gender



Employee Turnover by Age Group



Learning and Development

Investing in the professional development of our employees is part of QAPCO's commitment to being an employer of choice and supporting national human capital development. In 2012 QAPCO supported 34,672 hours of training for 892

of our employees. All employees receive annual performance appraisals, and 19% of Qatari employees receive a comprehensive career development review based on QAPCO's five-year Qatarization plan.

Company-wide Training

Our learning and development programs are developed to ensure that our employees achieve their greatest potential through regular professional development programs and innovative online learning courses. QAPCO has also established an education partnership with Texas A&M Qatar to provide continuing education programs to our employees. In 2012, 41 employees participated in these programs, with 8 of them beginning their master's degree studies.

Employee Perspectives

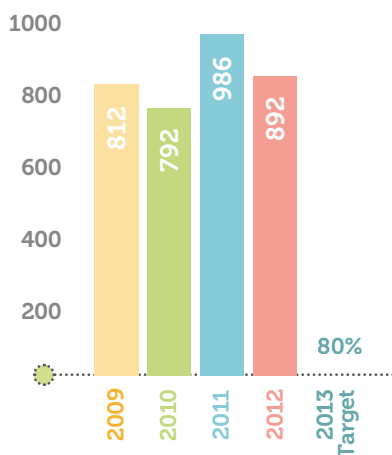
Hassan Abdulrahman Al-Mohammed -

LLDPE Department

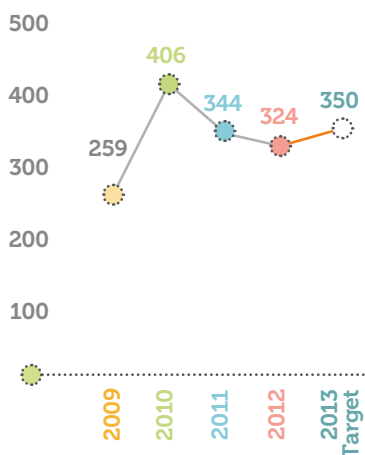
Professionals from the Learning & Development Department enabled me to grow from a young trainee to starting my Degree in Chemical Engineering. I know I would not have completed the Aggie Gate Program at Texas A&M Qatar if it was not for the strong foundation of knowledge and support I received at QAPCO"



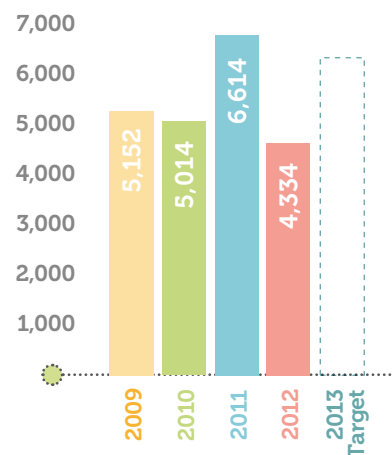
Total number of employees trained



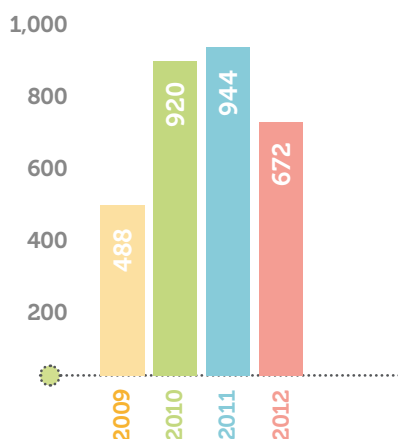
Total number of trainings and education sessions



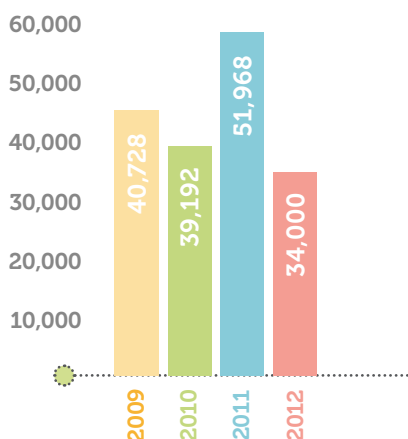
Total number of training days



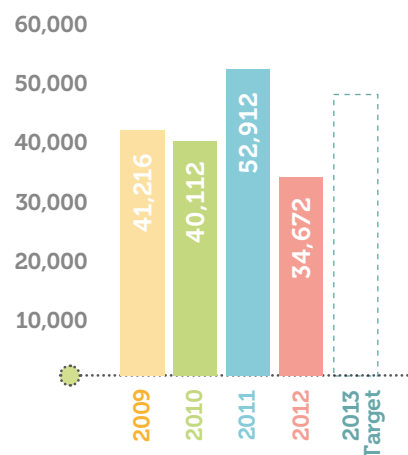
Total amount of training for women (hours)



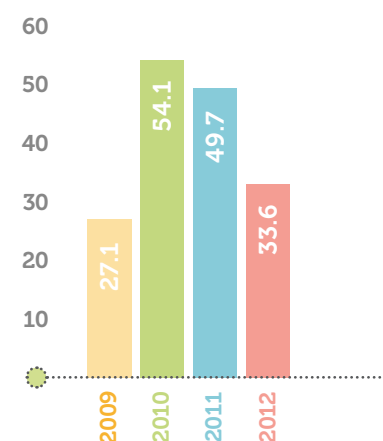
Total amount of training for men (hours)



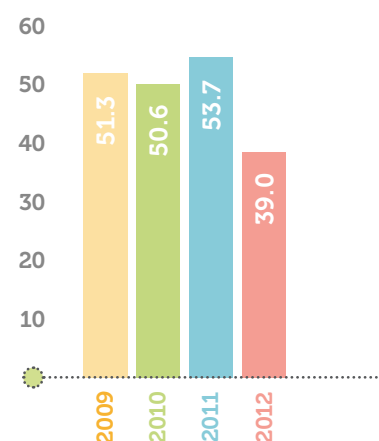
Total amount of training for total workforce (hours)



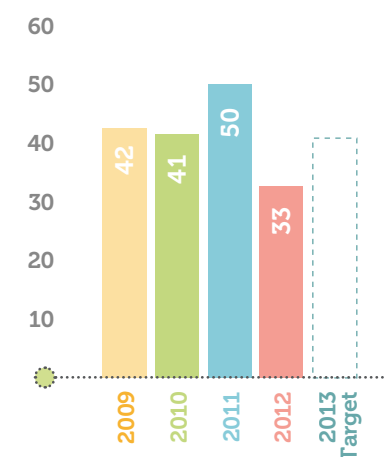
Average hours of training per year per female employee



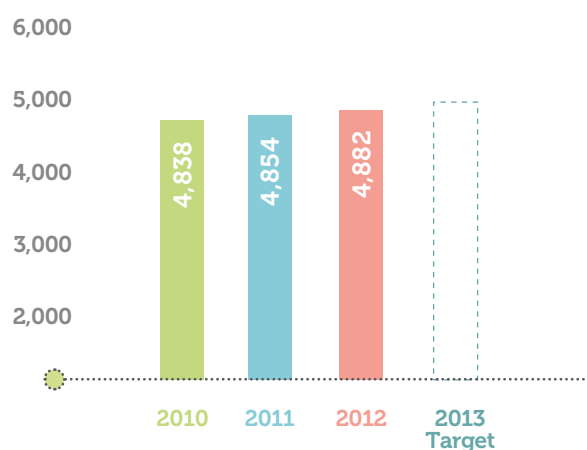
Average hours of training per year per male employee



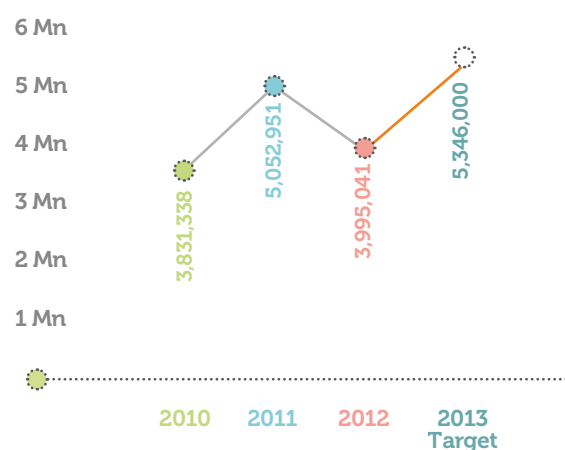
Average hours of training per year per employee



Average cost of training per Individual (QR)

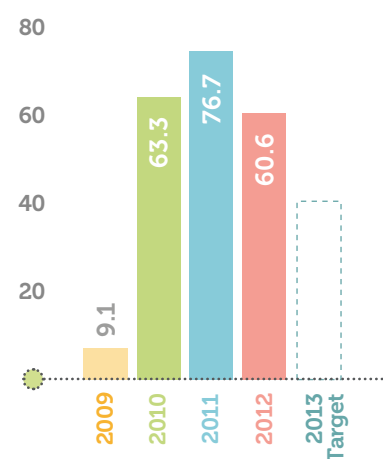


Total cost of training (QR)

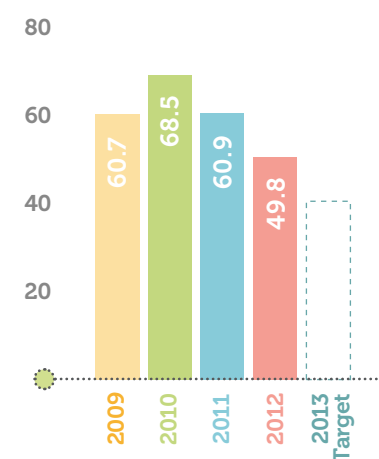


Average Hours of Training per Employee – by Employee Category

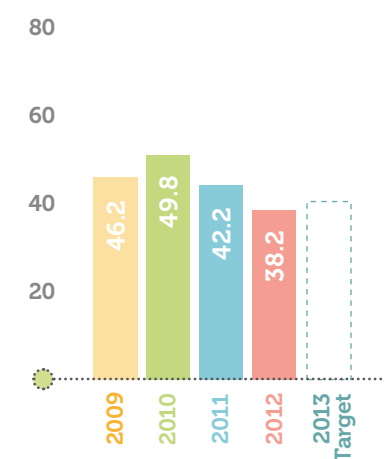
Senior Management



Middle Management



Staff





05/

Finding Environmental Balance



Environmental Impact and Responsibility

The development of plastics has created new products and technologies that continue to influence the future of industry and product development around the world. Plastic offers many environmental benefits compared to traditional materials such as metal and glass: weight savings, which create significant reductions in fuel usage for product transport; energy savings resulting in improved strength-to-weight ratios; and improved product design efficiency based on plastic's chemical engineering potential. However, it is also important to recognize the environmental impact of plastic throughout its life cycle to create a balanced understanding of the important role plastic plays in societies around the world.

The energy embodied in plastics derives both from its raw materials, either natural gas or crude oil, and the chemicals and energy involved in the chemical production of plastics from those raw materials. The environmental impact of plastic production is an area of increasing focus within the industry as it works to develop new, more efficient manufacturing processes to reduce the energy, raw materials, and water input needed for production.

Beyond the scope of production, the environmental impact of the plastic products that we see around us everyday presents numerous opportunities to improve the public's awareness of recycling, specifically of the potential value represented by recycling and reuse of plastic products.

Education and public awareness of the safe and proper reuse of plastics is the first step toward mitigating the negative impact of plastic waste disposal. The plastics industry is working to support the development and growth of plastics recycling and reclamation industries as a means of improving the life cycle utility of plastics. Understanding the value and significance of plastics throughout its entire life cycle is the most critical step toward finding an environmental balance within the plastics industry.

Managing Our Environmental Impact

QAPCO is working to support efforts to innovate solutions that address the energy intensive nature of plastic manufacturing in order to improve economic and environmental performance. Our environmental efforts focus on managing our current environmental impact and making investments in efficiency and operations to improve our environmental performance in the future.

Environmental Management

Measuring, understanding, and managing our environmental performance are key factors to our success. Improving our environmental performance has a ripple effect through our company, increasing operational efficiency, creating material savings, and improving the air quality of our operations facilities.

Environmental Management System

Operating based on the Continuous Improvement model, QAPCO has a well-established Environmental Management System (EMS) that is certified under the requirements of ISO 14001 for all environmental management systems. All of our operations are managed under our EMS, which is subject to annual external audits.

The following are central to our EMS: QAPCO's formal Health, Safety, and Environment (HSE) Policy; EMS manuals; Environmental Management Programs (EMPs); and legal compliance with national environmental legislation. We are currently reviewing our EMS to align with ISRS-8 requirements.

In addition to ISO 14001 certification, QAPCO has also achieved OHSAS 18001 certification for occupational health and safety as well as ISO 9001 for quality management systems.



Environmental Monitoring Program

Technical understanding of the negative environmental impact of industrial activities has contributed to a growing national and international emphasis on monitoring and reduction of that impact, including energy consumption, waste generation, water consumption, and harmful air emissions.

QAPCO's contribution to this goal includes development of a comprehensive Environmental Monitoring Program (EMP) to measure and review environmental performance in the following areas:

- Wastewater discharge to the sea
- Cooling water discharge to the sea
- Air emissions
- Industrial hygiene
- Material usage and waste generation



Environmental Improvement Projects

Recognizing the economic, social, and environmental benefits of sustainability, we are committed to investing in the efficiency and environmental performance of our production facilities. Our most significant 2012 improvement projects are discussed in the following sections, centered on the following themes:

1. Wastewater treatment
2. Air emissions reduction
3. Energy efficiency
4. Resource efficiency

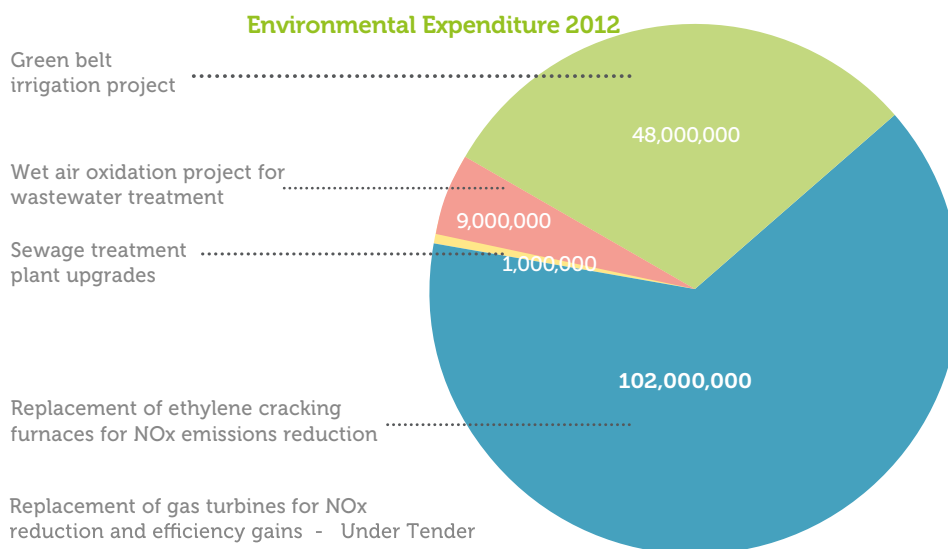
Environmental Expenditure

QAPCO is making significant investments in improving our environmental performance and increasing the operational efficiency of our plants. In 2012, environmental expenditure totaled 160million QR. QAPCO's improvement projects, listed

Environmental Awareness Programs

QAPCO engages in public and internal environmental awareness programs to increase appreciation of environmental impact and conservation. In March 2012, QAPCO initiated the "Think Plastic" Plastic Awareness Forum as a capstone of our public environmental awareness programs, which focus on recycling, plastic safety, and the economic impact of plastics. In addition to our public programs, QAPCO operates an internal environmental awareness program that provides training to more than %25 of all employees on the environmental issues most relevant to QAPCO's operations.

below, are part of our commitment to align with and exceed national environmental regulations, with an investment of more than 675million QR over the projects' durations.

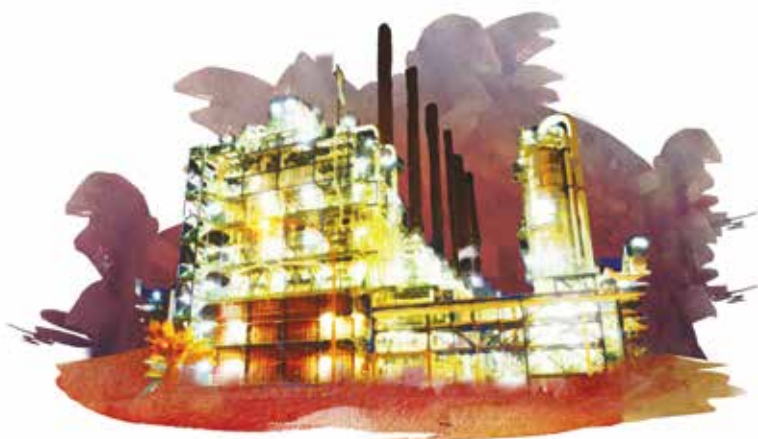


Total Environmental Expenditure 2012

QAR 160,100,000

Energy Usage

Plastic production relies on energy input from fuel gases, electricity, and steam. As such, energy usage is one of QAPCO's most significant production components. QAPCO is actively working to reduce its energy consumption through investment in retrofitting for its gas turbines and cracking furnaces. As part of these projects, QAPCO will be replacing 6 cracking furnaces over the next 2 years, and will upgrade 5 gas turbines by 2014. These investments will reduce the economic and environmental costs associated with QAPCO's production while increasing operational efficiency and helping QAPCO to continue to operate within increasingly strict environmental regulations.



Direct Energy Consumption

QAPCO's direct energy consumption comes from two main sources: natural gas consumption and vehicle fuel consumption. Natural gas is used as a feedstock for QAPCO's production and electricity production, and is delivered directly from QP's

facilities in MIC. In 2012, QAPCO's natural gas consumption increased by 10.5% due to increased plant operations. Fuel consumption also increased by 4.5% from increased plant production.

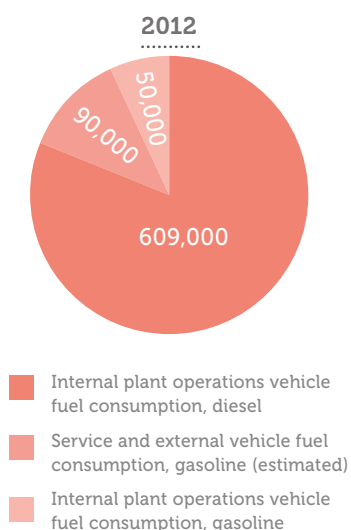
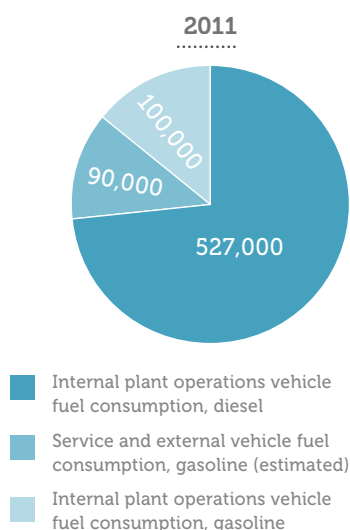
Natural Gas Consumption

	2010	2011	2012
Natural Gas(MT)	443,618	433,783	479,230
Amount of money spent on natural gas (QR)	336,458,146	429,656,879	375,492,262

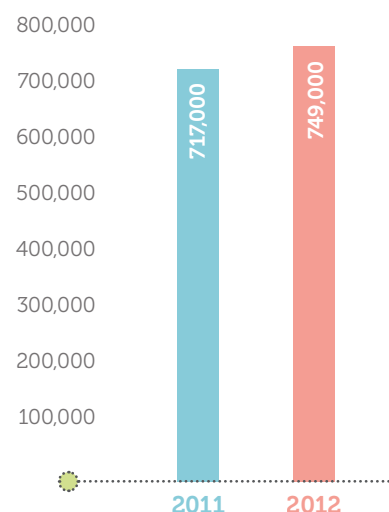
QAPCO Vehicle Fleet

	2011	2012
Small vehicles (number)	28	29
Light trucks (number)	41	41
Total vehicle fleet (number)	69	70

Vehicle Fuel Consumption (L)

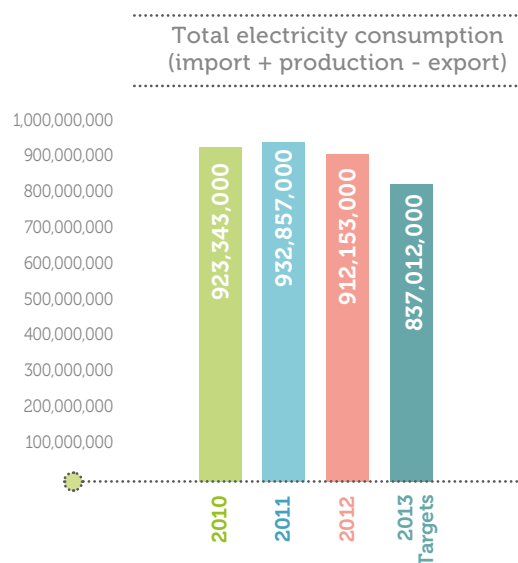


Vehicle fuel consumption, total (L)



Indirect Energy Consumption

QAPCO's production process utilizes a direct feed of fuel gas supplied from QP's facilities at MIC in addition to electricity produced on-site or imported directly from Kahramaa, Qatar's national electricity provider, and QVC. Electricity is produced onsite by QAPCO's five turbines, which supply electricity for the production of ethylene and polyolefins as well as for administrative and building usage. QAPCO maintains an on-demand flow system for electricity production with Kahramaa and QVC in order to ensure that the energy supply and demand of all three companies is met in the most efficient way possible. In 2012, electricity consumption decreased by 2.2%, led by a reduction in electricity imports. QAPCO is in the process of implementing programs to move toward electricity self-sufficiency and the associated efficiency gains from reduced transmission of electricity via imports and exports.



Electricity Consumption within Plant Operations (kWh)				
	2010	2011	2012	2013 Targets
Ethylene plant	290,650,000	294,041,000	299,355,000	289,126,000
Utilities plant	138,617,000	133,684,000	136,309,000	140,160,000
Polyolefin plants (LDPE 1 and LDPE 2)	393,296,000	402,372,000	397,851,000	385,826,000
Other (including offices)	15,482	12,228,000	15,376,000	21,900,000
Total Consumption (kWh)	822,578,482	842,325,000	848,891,000	837,012,000

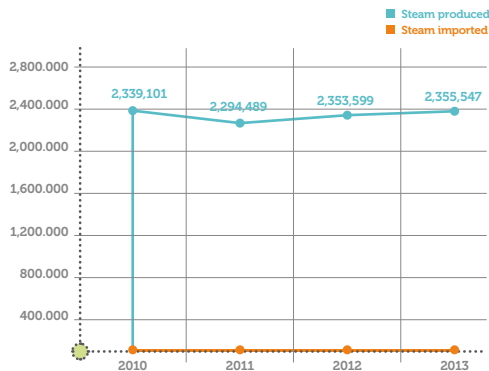
Electricity Consumption (kWh)				
	2010	2011	2012	2013 Targets
Electricity imported from Kahramaa and QVC	55,342,000	68,845,000	60,609,000	34,740,000
Electricity produced	825,352,000	818,746,000	819,913,000	802,272,000
Electricity exported to Kahramaa and QVC	42,649,000	45,266,000	31,631,000	0
Total electricity consumption (import + production - export)	923,343,000	932,857,000	912,153,000	837,012,000
Amount of money spent on electricity (QR)	74,304,476	72,582,356	69,401,172	--

Steam Production and Export

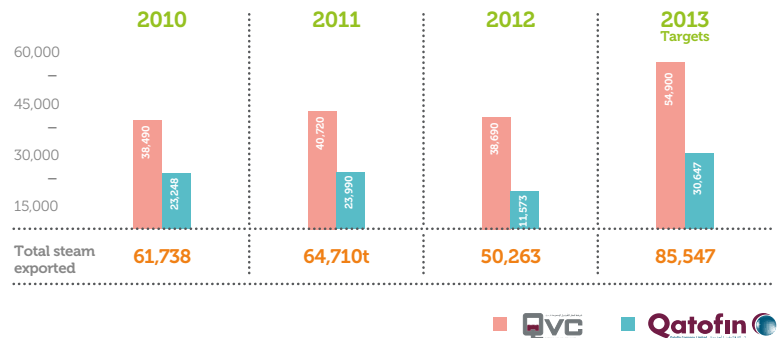
QAPCO's operations use steam in the ethylene cracking furnaces for the conversion of ethylene gases into monomers for LDPE production. Steam is produced using electricity from QAPCO's turbines and imported from Kahramaa and QVC. While the majority of steam is used for ethylene cracking, a limited quantity is also used for utilities and polyole-

fin production. In addition, QAPCO exports a portion of its generated steam to Qatofin and QVC for use in their operations. The condensate from exported steam is then returned to QAPCO for reuse in the steam generation process. In 2012, steam production increased by 2.6% as a result of increased production of LDPE.

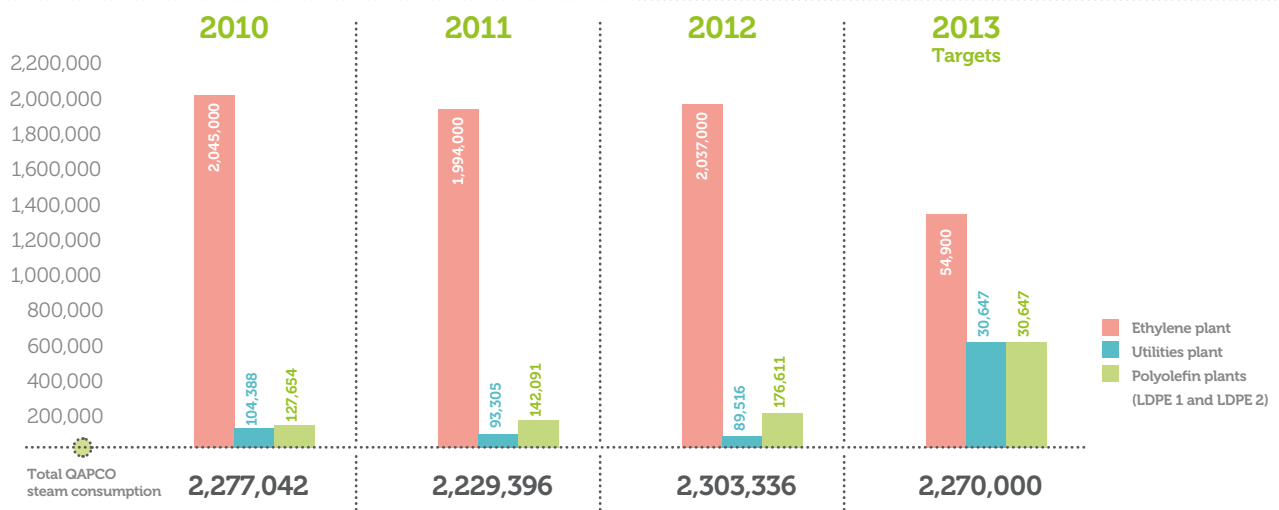
Steam Production and Imports (MT)



Steam Exports (MT)



Steam Consumption By Location (MT)



Climate Change and Emissions

QAPCO acknowledges the risks associated with climate change, most significantly rises in severe weather and in global temperatures. Additionally, greenhouse gas (GHG) emissions result from electricity consumption and natural gas consumption. QAPCO has developed a three-part strategy to mitigate the negative impact of climate change

associated with our operations:

1. Efficient use of energy through upgrades and process efficiency assessments
2. Flaring and emissions reduction
3. Direct GHG reduction through minimizing combustion within operations

Performance Analysis: GHG and Energy Consumption

Through our ISO 14001 certified Environmental Management System (EMS), we are able to accurately measure GHG emissions resulting from our operations and imported energy usage. Natural gas feedstock is our most significant source of energy consumption, followed by imported

electricity and then vehicle fuel. As we continue to retrofit and replace our operations facilities, our operational efficiency will improve, allowing us to create larger volumes of product with less energy consumption.

Energy Consumption (GJ)	
	2012
Direct energy consumption (natural gas)	22,751,444
Direct energy consumption (fuel)	26,828
Indirect energy consumption (imported electricity)	218,192
Total energy consumption (GJ)	22,996,464
Energy Intensity (GJ / tonne polyethylene produced)	21.83

Efficient Use of Energy

At QAPCO, we work constantly to ensure that our operations feature optimal efficiency, through process assessment and investment in state-of-the-art production facilities. Our newest LDPE plant, which came online in 2012, was designed to maximize efficiency and reduce the energy and materials needed for production. LDPE plant 3 uses less energy, reaching an ethylene conversion rate of 33%, which is among the most efficient conversion rates of all ethylene-cracking plants in the world.

In addition to our investment in LDPE 3, we have initiated a number of projects to increase the efficiency of our plants currently in operation, via retrofitting of steam furnaces and gas turbines. These efficiency upgrades will be implemented in 2014, and will result in energy and environmental savings through reduced electricity and natural gas usage. The energy and materials savings from investments in efficiency continue to embed strength into our operations while reducing the emission of CO₂ and other greenhouse gases contributing to climate change.

GHG Intensity
improved by

13%
in 2012

GHG Emissions (tonnes CO ₂ equivalent)		
	2011	2012
Direct GHG emissions	1,562,218	1,577,574
Indirect GHG emissions (electricity)	59,388	52,283
Total GHG emissions (tonnes CO₂ equivalent)	1,621,606	1,629,857
GHG intensity (tonnes GHG emitted / tonne polyethylene produced)	1.78	1.55

Direct GHG Emissions by Source (tonnes CO ₂ equivalent)		
	2011	2012
Direct GHG emissions from diesel fuel consumption	1,438	1,662
Direct GHG emissions from petrol fuel consumption	514	379
Direct GHG emissions from natural gas	1,560,266	1,575,533
Total direct GHG emissions (tonnes CO₂ equivalent)	1,562,218	1,577,574

Direct GHG Reduction

QAPCO is committed to continual assessment of its operations in order to seek out and implement methods of reducing direct GHG emissions.

As part of this commitment, QAPCO monitors and measures its material consumption in order to identify potential material outputs that can be recycled in place of incineration or landfill disposal.

In 2012, QAPCO implemented a process to recycle 100% of used oil, and through a partnership with a local waste management and recycling company, we have been able to reduce incineration by more than 135 tonnes of waste oil, creating environmental savings from the elimination of GHG associated with oil incineration.

As another example of our 2012 GHG reduction initiatives, QAPCO invested in a pyrolysis gasoline hydrogenation unit to reduce the incineration of pyrolysis waste gasoline resulting from LDPE production.

This measure has decreased incineration of pyrolysis gasoline by more than 78%, and the recovered gas is now sold as a raw material for other industrial production.

Flaring and Emissions Reduction

QAPCO is working to reduce the volume of gases emitted through flaring and combustion in order to minimize the negative environmental impacts had by such emissions. In 2012, emission of sulfur oxides (SO_x) decreased by 48%, while nitrogen oxides (NO_x) emissions increased. From 2010- 2012, flaring has decreased by 39% despite an increase in overall operations. QAPCO continues to work to further reduce emissions and flaring in alignment with our environmental management plan, which calls for the replacement of many plant components to increase efficiency and reduce emissions.

QAPCO's newest plant, LDPE 3, features reduced flaring through its incorporation of the latest, most efficient technologies. Additionally, the furnace and turbine retrofitting and replacement projects begun in 2012 are predicted to result in significant reductions in NO_x emissions beginning in 2014.

Flaring By Source (MMSCM)

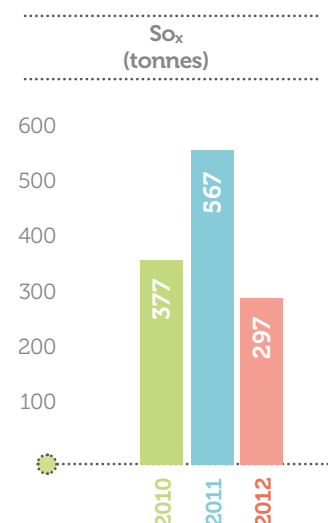
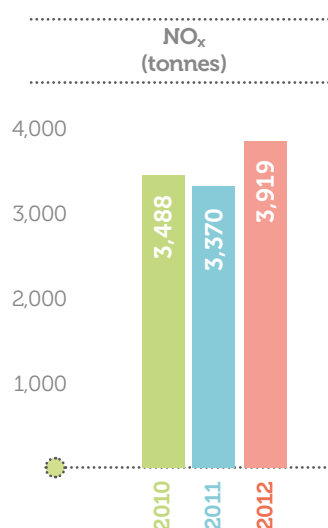
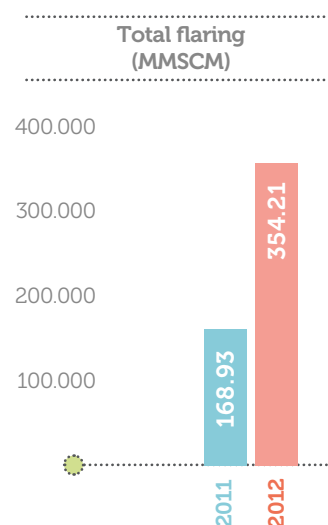
	2011	2012
SAG (Stripped Associated Gas)	19.88	9.02
Ethane	38.59	106.33
Ethylene	107.35	225.09
Tail gas	0.00	0.00
Fuel gas	0.00	0.00
Acid gas	0.24	0.07
LPG	2.87	13.70
Total flaring	168.93	354.21

Material Consumption

QAPCO continues to investigate potential opportunities to increase recycling of materials generated during the production process. As a first step, we have begun detailed tracking of specific materials in order to understand the volume and economic incentives for recycling and alternative disposal. From 2010 to 2012, the volume of waste disposed decreased by 61.5% as a result of these improved waste management practices.

Currently, QAPCO operates a waste storage facility to collect and monitor generated materials and ensure that waste disposal is optimized for economic and environmental impact. In the future, we hope to work with local waste management companies to develop recycling and reuse programs for the materials generated by our operations, including used drums and tote tanks.

Emissions of Ozone-Depleting Substances

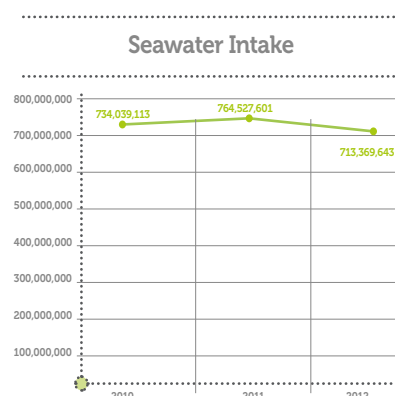


Waste Disposal by Type (tonnes)			
	2010	2011	2012
Total non-hazardous waste disposed	73.55	41.90	66.05
Total hazardous waste disposed	418.60	38.95	44.79
Total materials recycled	131.85	121.76	135.48
Total waste disposed	624.0	202.61	240.32

Water Consumption

Water plays a critical role in QAPCO's operations. It is used for cooling, steam production, general operations, and potable water consumption. QAPCO operates two water desalination units, which produce the majority of freshwater consumed, and purchases additional freshwater from Kahramaa. Additionally, QAPCO recycles 39.28% of freshwater input for re-use in production and within its grey water landscaping system. In 2014, QAPCO will replace one of its desalination units in order to increase efficiency and output, and we aim to achieve water self-sufficiency in the future by increasing our desalination, water recycling, and water capture processes.

Seawater is also used at QAPCO, specifically for cooling purposes. Currently QAPCO operates with a temperature delta of 3°C, in compliance with national environmental regulations; seawater withdrawal and return are carefully monitored to reduce the risk of temperature pollution. Seawater is treated with chlorine to eliminate the growth of marine organisms on plant facilities, and features chlorine concentrations of 1 PPM or less, in line with national environmental regulations. Thanks to QAPCO's implementation of a chlorine dioxide system in the LLDPE plant, all adverse impact of this treatment on indigenous sea life is eliminated.



Fresh Water Usage			
	2010	2011	2012
Freshwater exported (m³)	157,345	163,058	164,984
Freshwater purchased (m³)	547,401	519,261	887,199
Freshwater produced through desalination (m³)	1,287,297	1,237,428	1,263,908
Freshwater consumption (m³)	1,116,216	1,905,955	2,381,790
Fresh water discharged (m³) for use in operations	294,254	197,345	150,813
Amount of money spent on water consumption (QR)	2,544,332	2,124,925	4,263,147

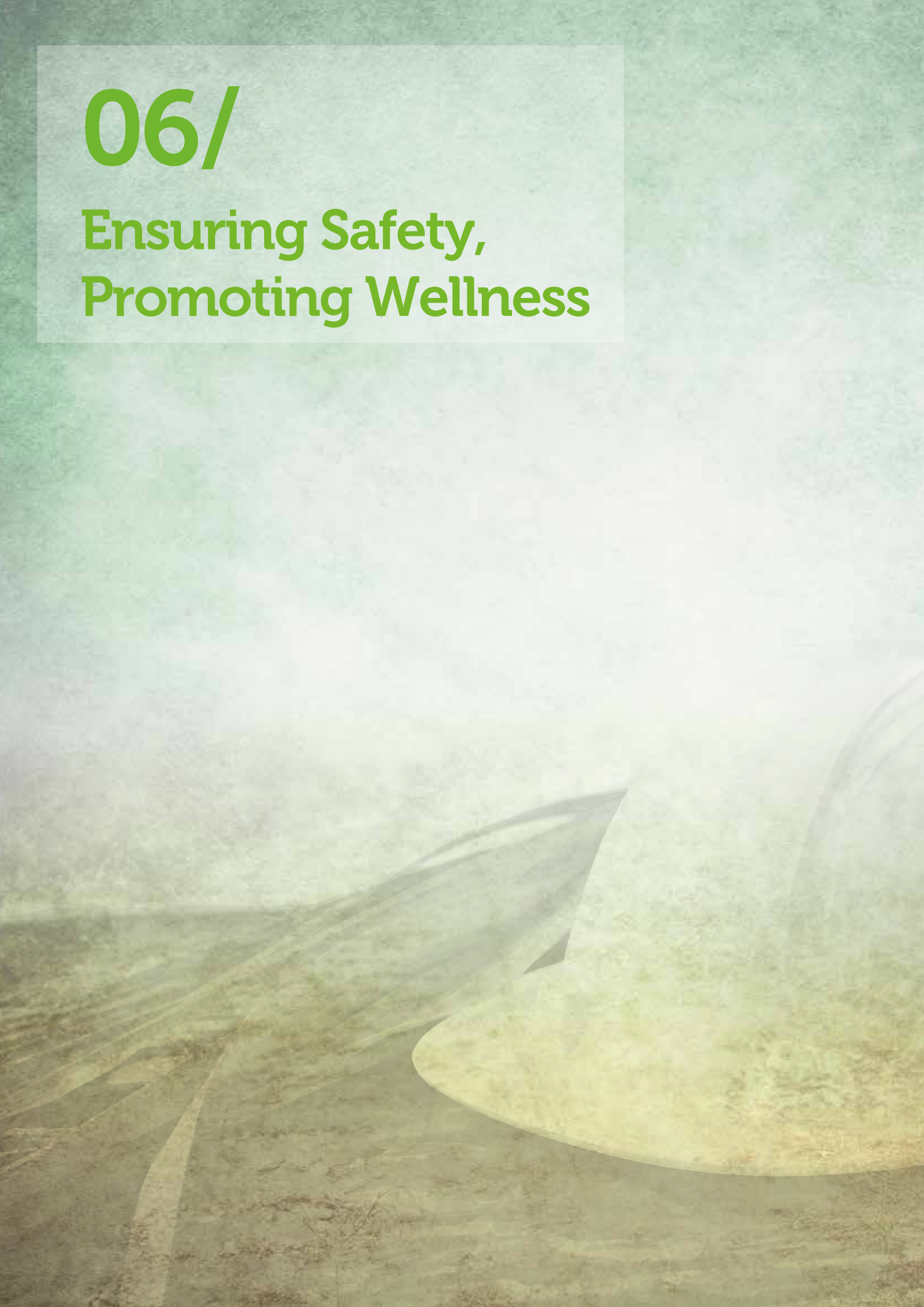
QAPCO monitors and evaluates the composition of discharge water in order to better understand and mitigate the presence of pollutants. In 2012 we initiated a project to upgrade our discharge water treatment facilities to increase efficiency and improve water composition. This project, slated for completion in 2014, meets or exceeds all national environmental regulations regarding water composition.

Water Composition – Annual Average (tons)			
	2010	2011	2012
Oil and grease	4.58	3.39	3.27
COD	88.14	101.96	100.97
BOD	9.16	32.98	31.81
Phosphorus	0.39	0.75	2.62
Nitrogen	2.62	3.07	2.10
TSS	19.85	22.75	22.63

Water Recycling	
	2012
Water recycled or reused (total volume recycled in the plant / total freshwater inflow)	39.28%
Total of reused/recycled water (m³)	1,391,915

06/

**Ensuring Safety,
Promoting Wellness**





People and Plastics

Plastic is an increasingly prevalent material in all aspects of society. Thus understanding the safety and health risks posed by plastics is critical to proper integration of plastic materials into daily life. Extensive testing related to chemical migration and exposure has revealed potential risks in plastic; however, these risks are largely results of misusing plastic materials. For instance, exposure to heat and extreme wear beyond the design specifications of certain types of plastic, such as polycarbonate plastic, can trigger migration of chemicals. Through research and testing, we continue to develop our knowledge and understanding of the proper uses of plastics, and as our understanding of the interaction between people and plastics increases, the plastics industry will continue to improve techniques of educating consumers about proper usage.

Ensuring Safety, Promoting Wellness

Externally, QAPCO promotes safety and wellness by working to encourage understanding of the health and safety precautions necessary for proper use of plastics. From an internal perspective, we are focused on ensuring that our operations meet high

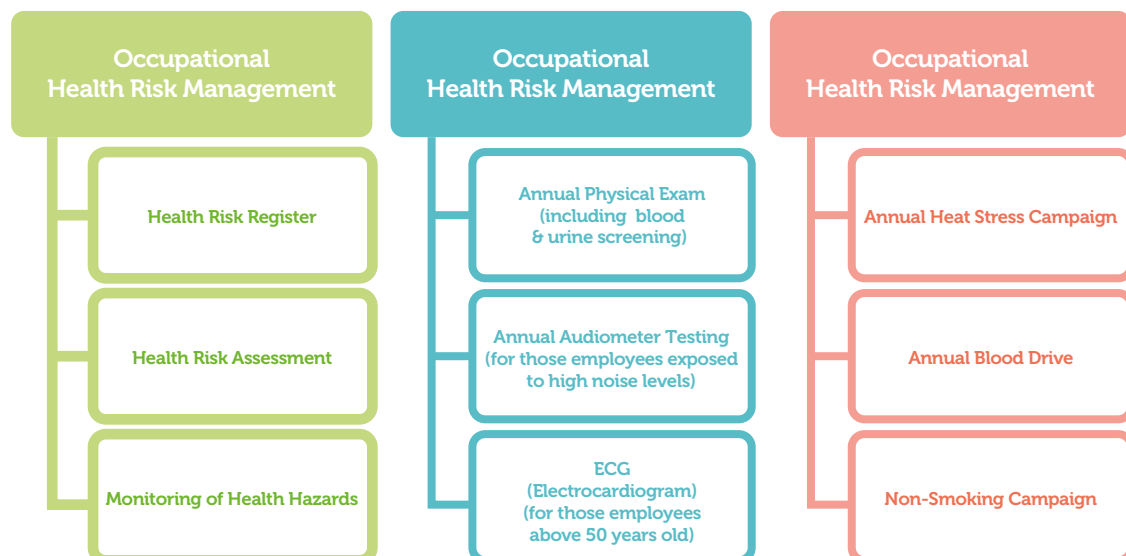
standards for health and safety. QAPCO takes a proactive approach to health, safety, and wellness through our health management system, extensive HSE training, and sponsoring of sports and physical activity programs.



Health Management

QAPCO's health management system is designed to work proactively to reduce our employees' risk of illness and injury while promoting wellness and

health awareness. The three pillars of our health management system are displayed below:



In 2012, QAPCO achieved a high level of health amongst its employees. Of the 241,604 days worked by all QAPCO employees, only 1% was taken as sick leave. With an average of just 2 sick days taken per employee on an annual basis, QAPCO continues to promote wellness through its proactive health management programs.

Safety Record and Emergency Preparedness

QAPCO is proud to have recorded more than 13.4 million consecutive employee exposure hours with 0 lost-time injuries. In 2012, recordable injury rates for both employees and contractors decreased, and we continue to implement and augment our safety training and risk management programs to build on our strong safety record. We have also continued our near-miss reporting program, with 240 such incidents reported in 2012.

Sick Leave*

	2012
Total QAPCO working days	241,604
% of sick/ hospitalization days to total working days	1
Average total sick leaves / employee/ year (days)	2

QAPCO's Medical Clinic and Health Insurance

QAPCO operates its own medical clinic at its facilities in MIC. This clinic provides physical exams, conducts medical screenings, and provides emergency primary care. In addition to regular business hours, medical staff is available 24/7 for emergency care.

All QAPCO employees receive comprehensive medical insurance as part of their employment benefits.

Injury and Exposure *

	2010	2011	2012
Employee fatalities	0	0	0
Contractor fatalities	0	0	0
Employee lost-time injury rate (per I Mn m-h)	0	0	0
Contractor lost-time injury rate (per I Mn m-h)	0	0.69	0.55
Employee total reportable injury rate (per I Mn m-h)	2.11	2.1	2.05
Contractor total reportable injury rate (per I Mn m-h)	3.66	2.71	1.64
Near-miss incidents reported	343	466	240
Exposure hours (Employees)	1,898,859	1,900,700	1,932,829
Exposure hours (Contractors)	1,366,788	1,444,097	1,829,654

QAPCO Recognized for HSE Excellence

QAPCO's commitment to HSE was recognized by the Qatar oil and gas industry, receiving a Silver Award from the 2012 QP HSE Excellence awards competition. QAPCO's proposal for "Critical function analysis – Barrier analysis redefined" was recognized as an innovative program that can be transferred within process safety management for oil and gas operations.



HSE Training

Health Safety and Environment (HSE) training is the backbone of our risk prevention and safety promotion strategy. In 2012, 5,132 hours of HSE trainings were conducted, as well as 5,389 hours of HSE induction training for new employees. 1,244 employees participated in 106 training sessions

covering 18 different HSE topics. In addition to employee trainings, QAPCO conducted 523 safety orientation sessions for 5,389 contractors in 2012.

Process Safety and Emergency Preparedness

In 2012 QAPCO continued its process safety management programs as part of its commitment to reducing risks and hazards within its operations. As part of these programs, 12 process hazard evaluations and 97.5% of safety critical equipment inspections were completed.

Our comprehensive emergency preparedness program, including emergency response drills and mandatory safety briefings for all on-site visitors, continues to ensure that QAPCO is prepared to respond to any emergency situations.

Process Safety and Emergency Preparedness*			
	2010	2011	2012
Loss-of-containment (LOC) incidents (number)	5	4	4
Emergency response drills (number)	49	48	48
Incident investigation completion (%)	100	100	100
Process hazard evaluations (number completed)	--	9	12
Employee occupational illness rate (per 1 Mn m-h)	--	--	0
Contractor occupational illness rate (per 1 Mn m-h)	--	--	0
Heat stress events resulting in medical treatment (number)	0	0	0
Safety critical equipment inspections (% inspections completed)	--	77	97.5
Occupational risk-monitoring assessment completed vs. plan (%)	--	--	100

* The health and safety statistics presented here represent QAPCO's operations within Qatar and do not include the performance of staff located outside of Qatar.

Community Engagement through Sports and Cultural Initiatives

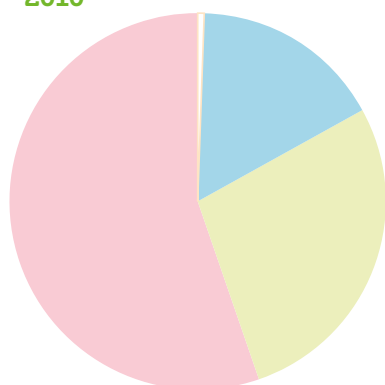
QAPCO has developed a community engagement program as part of its corporate social responsibility initiatives. This program entails the financial and in-kind support of cultural, sports, wellness, and education initiatives, and demonstrates QAPCO's ongoing work to support Qatar's social and cultural development. In 2012, QAPCO's community investment amounted to more than

8 million QR, including 5.7 million QR in educational sponsorships and scholarships.



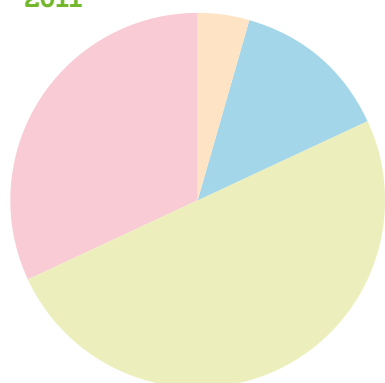
QAPCO Community Investment (QR)

2010



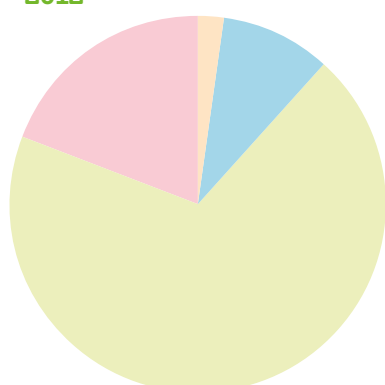
Type of Activity	QR
Direct Donation	40,000
Sponsorship/ Partnership	973,868
Education Sponsorships	1,650,000
Other (internal events related to CSR)	3,291,637
Total Community Investment	5,955,505

2011



Type of Activity	QR
Direct Donation	259,500
Sponsorship/ Partnership	787,240
Education Sponsorships	2,900,000
Other (internal events related to CSR)	1,832,195
Total Community Investment	5,778,935

2012



Type of Activity	QR
Direct Donation	200,000
Sponsorship/ Partnership	777,250
Education Sponsorships	5,700,000
Other (internal events related to CSR)	1,583,090
Total Community Investment	8,260,340

Our community engagement activities focus on supporting internal and external activities that align with Qatar's national objectives. As such, we have focused our external engagement activities on issues related to preserving Qatar's social and cultural heritage as well as support for diversity and special education.

Internally, QAPCO runs a variety of cultural, social,

and sports programs to encourage camaraderie, teamwork, and social enjoyment for our employees. In 2012, more than 150 QAPCO employees contributed their time to volunteering at community and company events such as National Day celebrations, the Qatar Environment Fair, and the formal inauguration of our LDPE 3 plant.

Examples of QAPCO Community Activities and Sponsorships, 2012 (QR)

Organization	Sponsorship Description	Contribution
Friends of the Environment Center	Support of the Center's activities for National Sports Day, in line with the preservation of the environment and to raise awareness about the importance of sustainability and coastal beach cleaning	50,000
Qatar Hejen Racing	Support of camel racing, in order to preserve and support Qatari culture and heritage	100,000
Delny Campaign	Sponsorship of the "Accountability and Awareness Among the Youth" program, aimed at helping to guide teenagers, share with them the values of respect and solidarity for a sustainable future, and encouraging them to avoid drugs and alcohol	50,000
Al Tamakon Institute	Support of students with special needs, as social integration and caring for one another is a fundamental principle	50,000
Qatar Racing and Equestrian Club	Supporting the tradition of Arabian horses, which is part of the Qatari heritage, and encouraging youth to participate	100,000
Qatar Volleyball Association	Support of the international volleyball championship tournament, to promote sports among the community and to encourage youth to participate in the sport, in the drive to 2022 World Cup	100,000
Qatar Red Crescent	Support of a program to take care of maids and facilitate their integration, both because cross-cultural relationships are vital to the cohesion of the country and because QAPCO defends human rights everywhere	45,000
Qatar Charity	Support of the Zokhr project, to provide aid to underprivileged families	30,000
Qatar International Bureau for NGOs	Supporting underprivileged teenagers and kids at Barzan Youth Center, by funding educational, recreational, and cultural activities	30,000
Sheikh Al Thani Charitable Foundation	Support of the Foundation's Ramadan activities, which support culture and tradition	30,000
Gulf Development Center	Promoting the importance of awareness of quality and standards, such as ISO amongst the community, via conferences and other activities	109,200

Examples Internal Events

Organization	Sponsorship Description	Contribution
QAPCO's Mini-Olympics (Sports Day Celebration)	Celebration of Qatar's first National Sports Day, to encourage and promote healthy lifestyles and fitness amongst our employees and their families	340,780
Motivation Scheme Award Ceremony	To reward our employees and motivate our workforce, by keeping them engaged in different activities, offering attractive remuneration, and creating a quality work environment where employees can succeed, be fulfilled, and raise their overall standards of living	319,817
Garangao Night Celebration	Supporting culture and tradition by sharing gifts with the children of our employees	58,032
Eid Al-Fitr and Eid Al-Adha Reception	Supporting culture and tradition by giving back to the community and promoting social development	59,492
Parties Qatarization Day	Supporting human development by building capacity and developing talent, contributing to education in the state, shaping the leaders of tomorrow, and encouraging strong individuals, in order to reach our goal of %50 Qatarization	240,950
Employees Annual Gathering	Promoting social and human development, and offering thanks to our best assets: our people	376,693
National Day Celebration	Promoting culture and tradition via gift distribution to the community, giving back and acting as a community partner, and celebrating the national day of Qatar	159,726

Appendix A: Report Parameters

Profile:

This report covers the economic, social, and environmental performance of QAPCO for the 2012 calendar year and provides comparable data for 2010 and 2011 performance when available. As a result of significant overlap between operations and assets of QAPCO and Qatofin, this report also includes limited coverage of Qatofin's 2012 performance.

The performance reporting for Qatofin is limited to financial, workforce, and social investment indicators, which are clearly marked in this report. As the operator of Qatofin's LLDPE plant on QAPCO premises in Mesaieed Industrial City, the health /safety /environmental performance for Qatofin is represented by QAPCO's performance on those aspects.

Scope and Boundary of the Report:

QAPCO has developed this report based on the key sustainability issues of the petrochemicals industry from an international and national context. Our sustainability framework captures the most significant sustainability issues for

QAPCO, and our sustainability approach and performance are reported to our stakeholders throughout this report.

Stakeholder Inclusiveness:

QAPCO views stakeholders as a critical element of successful implementation of sustainability management and reporting. Accordingly, QAPCO has identified key stakehold-

er groups and channels through which QAPCO engages our stakeholders, identified on page 66 of appendix C.

Comparability and Balance:

This report provides performance data for the past three years, 2010–2012. In the interest of balance, both our achievements and our challenges are presented. For compa-

rability, this report was developed using the GRI G3.1 sustainability reporting guidelines.

Accuracy and Reliability:

QAPCO has made every effort to ensure that the data presented in this report is accurate and reliable. This information is based on the performance management systems in

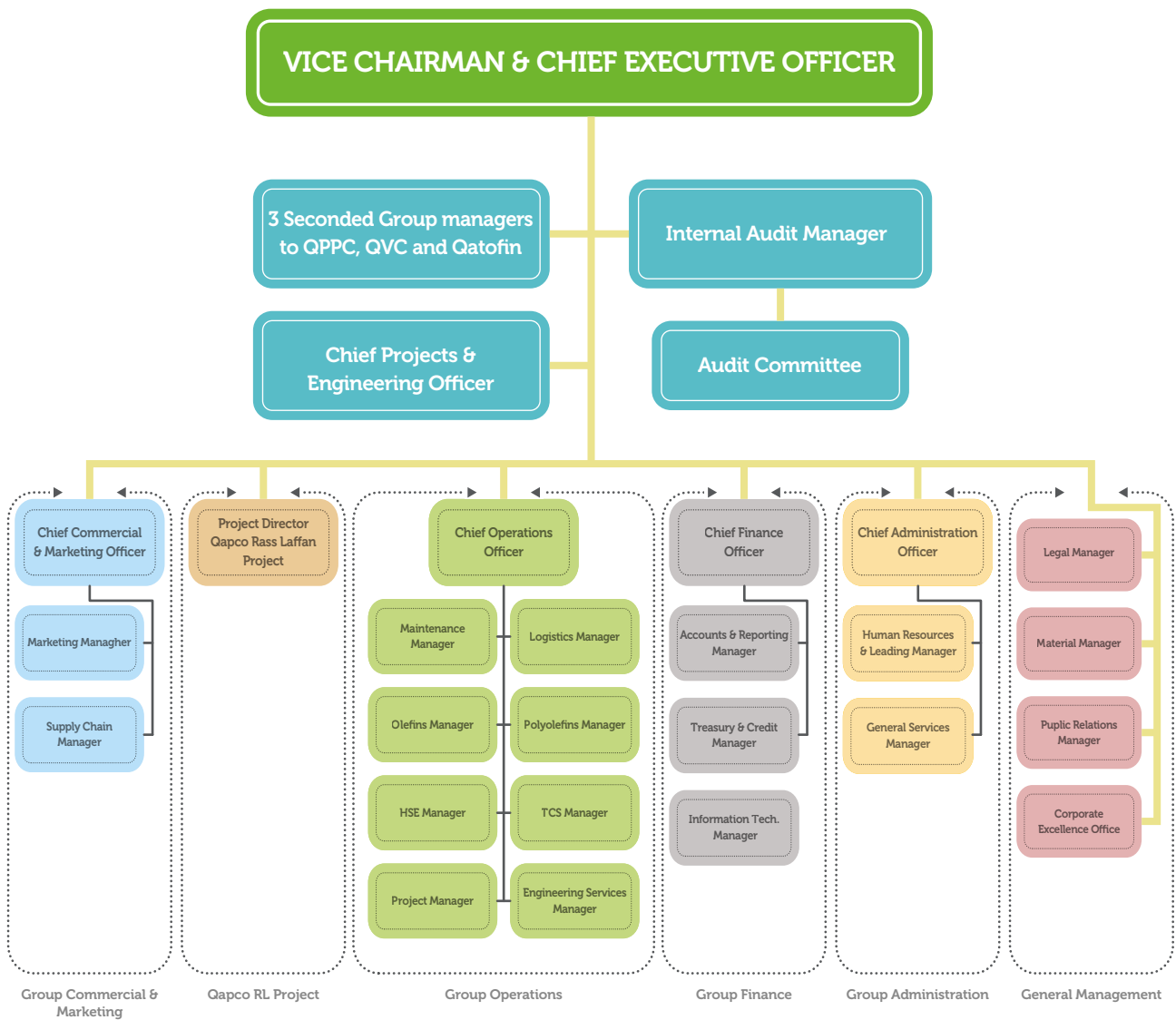
place, and is not intended for use in statistical analysis. All instances of estimation are noted within the text.

Alignment with International Guidelines and Programs

As a business, we continue to explore new ways to align with international sustainability and transparency guidelines and programs with the understanding that these programs add value to our operations and signify our contribution to global sustainability efforts. For example, this report is our tangible contribution to align with the Global Reporting Initiative (GRI) guidelines for sustainability report-

ing, an internationally recognized sustainability reporting and transparency program. In the future, we strive to align our operations with the ten principles of the UN Global Compact as a sign of our continued commitment to international best practices for human rights, labor, environment, and anti-corruption.

Appendix B: Organization Structure Chart

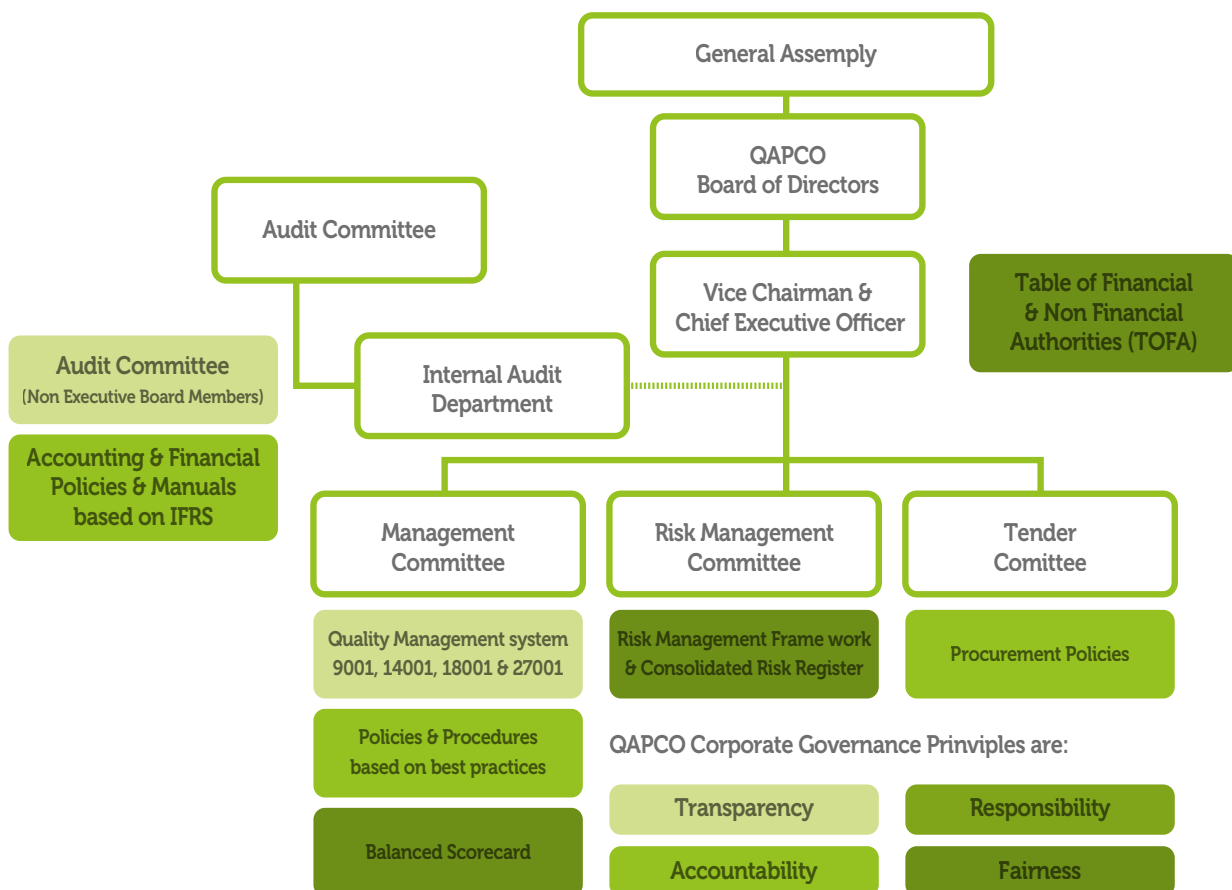


Corporate Governance Framework

QAPCO Corporate Governance is the system by which business decisions are directed and controlled. The Corporate Governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders,

and spells out the rules and procedures for making decisions on corporate affairs.

In brief it is the set of managerial responsibilities that binds a company's management shareholders, and the board within a larger context defined by legal, regulatory, competitive and ethical forces.



Appendix C: Stakeholder Map

Our Stakeholders	How We Engage Them	Priority Stakeholder Issues	QAPCO Priority Issues
Shareholders	Board meetings, newsletter, announcements on Qatar Exchange, constant liaison with IQ, site visits, participation in major corporate events such as LDPE 3 inauguration.	Returns, transparency, compliance with national and international Laws.	Our aim is to provide high returns for our shareholders and ensure the success of the company in the long term.
Employeeest	Daily operations, awards and recognition programs, community engagement programs, learning and development courses	Salary, safety and health, integration, growth, development	Our aim is to maintain a productive, motivated, healthy, and happy workforce that feels engaged and who can grow within the organization and develop their skills and talents
Customers	Participation in exhibitions such as IPTC ArabPlas, ChinaPlas, Kfair; conferences; product literature; newsletter; direct meetings; customer survey; regular phone calls; customer visits.	Quality, reliability, flexibility, consistency, on-time delivery of product, and payment processing.	Our aim is to have satisfied customers who can safely rely on our best quality products at competitive prices, and to increase customer loyalty by remaining close to customers and being able to answer to their needs.
Community	Outreach programs with schools, scholarships, donations to charities, awareness campaigns.	Sustainability, wellbeing, cohesion, maintaining high standard of living.	Our aim is to be a community partner that strongly contributes the wellbeing of the community in a sustainable way for now and all future generations.
Petrochemical Industry	Conferences, workshops, speaking at conferences and GPCA meetings	Information sharing, advancement of the sector, achieving national and international growth.	Our aim is to contribute to the advancement of the petrochemical industry
Government	Presentations to the Minister, meetings, annual reports, supporting national trade missions abroad (like Invest In Qatar Forum from MOFA), audits, invitations to corporate events, supporting national events or functions.	Sustainability, stability, long-term growth and industry development, social development, employment, and nationalization.	Our aim is to be fully transparent and accountable to authorities by implementing best practices and ensuring the long-term success of the company.
Suppliers & Contractors	Meetings, inspections, audits, tender process, MOUs and signing ceremonies, visits abroad, corporate events invitations, Motivation Scheme for the best contractor in safety, quality, and service	Prompt payment, safety, strategic partnerships, economic and social growth.	Our aim is to work professionally with suppliers and contractors, to ensure they are safe and reliable.
R&D/Educational Institutes	Chemistry chair sponsorships in multiple universities, symposiums and joint research projects, internships.	Grants, advancements, discoveries.	Our aim is to work closely with educational institutes and support them in their development and advancement of research and new discoveries that will be beneficial to QAPCO and the world.
Environment	Production and operations processes, landscaping and campus maintenance.	Minimizing and mitigating climate and environmental risks associated with operations, protection of biodiversity and ecosystems, efficient usage of finite resources.	Our aim is to achieve optimal and efficient use of resources within QAPCO operations, as well as compliance with environmental regulations and laws.

Appendix D: GRI Index

Standard Disclosures		
Part 1 – Profile Disclosures		
STRATEGY AND ANALYSIS		
1.1	Statement from the most senior decision-maker of the organization	6-7
1.2	Description of key impacts, risks and opportunities	13-14
ORGANIZATIONAL PROFILE		
2.1	Name of the organization	11
2.2	Primary brands, products and/or services	11
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	27-30, 64-64
2.4	Location of organization's headquarters	Doha, Qatar
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	27, 29
2.6	Nature of ownership and legal form	12
2.7	Markets served	27-29
2.8	Scale of the reporting organization	12-13, 28-29, 33, 39
2.9	Significant changes during the reporting period regarding size, structure or ownership	None
2.10	Awards received in the reporting period	8-9, 59
REPORT PARAMETERS		
3.1	Reporting period	Calendar year 2012
3.2	Date of most recent previous report	None
3.3	Reporting cycle	Annual
3.4	Contact point for questions regarding the report or its contents	3
3.5	Process for defining report content	63
3.6	Boundary of the report	63
3.7	Specific limitations on the scope or boundary of the report	63
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations	63
3.9	Data measurement techniques and the basis for calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	63
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	No re-statements
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	No change
3.12	Table identifying the location of the Standard Disclosures in the report	67-72
3.13	Policy and current practice with regard to seeking external assurance for the report	63

GOVERNANCE, COMMITMENTS AND ENGAGEMENT

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	13, 64-65
4.2	Whether the chair of the highest governance body is also an executive officer	The chairman of the Board of Directors is not an executive officer.
4.3	For organizations that have a unitary board structure, the number of members of the highest governance body that are independent and/or non-executive members	Pg 13 – 8 males, 1 female
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Direction for the Board of Directors is provided through regular meetings with QAPCO shareholders. In addition, recommendations can be made to the Audit Committee or directly to the Vice Chairman and QAPCO CEO, Dr. Al-Mulla
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives	Board members are compensated at a fixed annual rate that is not tied to the organization's performance.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Conflicts of interest are addressed through the conflict of interest committee, which issues annual reports pertaining to conflict of interest investigations and actions taken.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics	QAPCO's primary shareholders, Total and Industries Qatar, elect board members on the basis of relevant expertise and knowledge.
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation	In collaboration with its shareholders, QAPCO is in the process of developing a charter for its Board of Directors, which will outline the basis for management of performance, risk, and operations.
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	12-13
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	The Chairman of the Board is responsible for evaluating the performance of the board in collaboration with QAPCO shareholders and the Qatar Energy and Industry Minister.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	6-9, 13
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	12-13
4.13	Memberships in associations	QAPCO is a founding member of the Gulf Petrochemicals Association, and a member of European Petrochemical Association
4.14	List of stakeholder groups engaged by the organization.	15, 66
4.15	Basis for identification and selection of stakeholders with whom to engage.	63, 66
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	QAPCO engages with our stakeholders on a daily basis through commercial interactions, participation in external events and publications, and community engagement programs. For this report, QAPCO did limited engagement with stakeholders, specifically with its venture, Qatofin. Please see our stakeholder map on page xx for more detailed information regarding stakeholder engagement and actions.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	66

Standard Disclosures Part 2 – Disclosures on Management Approach

DMA (EC)	Disclosure on Management Approach Economic (EC)	25-33
DMA (EN)	Disclosure on Management Approach Environment (EN)	47-55
DMA (LA)	Disclosure on Management Approach Labour Practices (LA)	35-45, 57-60
DMA (HR)	Disclosure on Management Approach Human Rights (HR)	35-45 QAPCO does not support or condone discrimination. Specific policies relating to discrimination are issued in QAPCO's HR Policy QAPCO does not employ youth or condone the practice of child labor. QAPCO holds the safety and security of its employees and operations as the highest priority. Strict security policies are followed at all QAPCO facilities to maintain safety. QAPCO does not support actions that compromise the rights of indigenous people.
DMA (SO)	Disclosure on Management Approach Society (SO)	61-62, 12-13
DMA (PR)	Disclosure on Management Approach Product Responsibility (PR)	23-29

Standard Disclosures Part 3 - Performance Indicators

ECONOMIC

EC1	Direct economic value generated and distributed	33
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	52-53
EC3	Coverage of the organization's defined benefit plan obligations	40
EC4	Significant financial assistance received from government.	QAPCO did not receive any payments from the government in 2012.
EC5	Range of ratios of standard entry-level wage by gender compared to local minimum wage.	QAPCO employees receive competitive compensation in line with industry standards.
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation	32
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	36-40
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement	61-62
EC9	Understanding and describing of significant indirect economic impact, including the extent of impact	25-27

ENVIRONMENT

EN1	Materials used by weight or volume.	50-55 - The primary direct materials used in QAPCO operations are gas feedstock, water, and electricity. Additional materials and products are used for production and operations. – [Partially reported] QAPCO is in the process of developing a material usage system to track consumption of renewable and non-renewable materials by volume.
EN2	Percentage of materials used that are recycled input materials	Current operations do not include recycled input materials.
EN3	Direct energy consumption by primary energy source	50-52
EN4	Indirect energy consumption by primary source	50-52
EN5	Energy saved due to conservation and efficiency improvements	40
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	48-52
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	48-55

EN8	Total water withdrawal by source	55
EN9	Water sources significantly affected by withdrawal of water	55
EN10	Percentage and total volume of water recycled and reused	55
EN11	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	QAPCO is not aware of any biodiversity risks associated with its facilities and land. We are working to understand the full impact of our operations on biodiversity and ecosystems.
EN12	Description of significant impact of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	QAPCO is not aware of any biodiversity risks associated with its facilities. We are working to understand the full impact of our operations on biodiversity and ecosystems.
EN13	Habitats protected or restored	[Not reported – not available]
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	[Not reported – not available]
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	[Not reported – not available]
EN16	Total direct and indirect greenhouse gas emissions by weight	52-53
EN17	Other relevant indirect greenhouse gas emissions by weight	52-53
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	52-53
EN19	Emissions of ozone-depleting substances by weight	52-53
EN20	NO _x , SO _x and other significant air emissions by type and weight	54
EN21	Total water discharge by quality and destination	54-55
EN22	Total weight of waste by type and disposal method.	55
EN23	Total number and volume of significant spills	Zero spills
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	QAPCO does not transport hazardous waste. This activity is contracted to waste management professionals.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	54-55
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	47-55
EN27	Percentage of products sold and their packaging materials that are re-claimed by category	19-23
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	\$0
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	28
EN30	Total environmental protection expenditures and investments by type	49
LABOUR PRACTICES		
LA1	Total workforce by employment type, employment contract and region	39 – QAPCO does not have any part time employees [Partially reported] - female employment by contract type will be reported in the future.
LA2	Total number and rate of employee turnover by age group, gender and region	42-43
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	40
LA4	Percentage of employees covered by collective bargaining agreements.	[Not applicable] – there are no trade unions in Qatar.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	3 months
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	58-60
LA7	Rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities by region	58-60

LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	58-60
LA9	Health and safety topics covered in formal agreements with trade unions	[Not applicable] – there are no trade unions in Qatar.
LA10	Average hours of training per year per employee, by employee category	44-45, 60
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	445-45, 38
LA12	Percentage of employees receiving regular performance and career development reviews	44
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	39
LA14	Ratio of basic salary of men to women by employee category	Basic salary ratio for men to women for all employee categories: 0.9793
LA15	Return to work and retention rates after parental leave, by gender.	Parental leave is provided to female employees only. 100% return to work and retention rate for females who take parental leave. [Partially reported] Number of employees who took parental leave and number who returned to work after parental leave will be reported in the future.

HUMAN RIGHTS

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	100%
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	All contractors and suppliers are registered with Qatar government and as such are expected to comply with all laws and regulations of the state of Qatar.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Respect for human rights are part of QAPCO's HR policy.
HR4	Total number of incidents of discrimination and actions taken	QAPCO is not aware of any incidents of discrimination in 2012
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	All contractors and suppliers are registered with Qatar government and as such are expected to comply with all laws and regulations of the state of Qatar.
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	All contractors and suppliers are registered with Qatar government and as such are expected to comply with all laws and regulations of the state of Qatar. QAPCO includes clauses prohibiting child labor in all of its procurement and supplier contracts.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	All contractors and suppliers are registered with Qatar government and as such are expected to comply with all laws and regulations of the state of Qatar. QAPCO includes specific clauses in all contracts to ensure that suppliers and contractors do not use compulsory labor.
HR8	Percentage of security personnel training the organization's policies concerning human rights	100%
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	0
HR10	Percentage of operations that have been subject to human rights reviews	QAPCO abides by all national laws and regulations to ensure respect for human rights within its operations.
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	0

SOCIETY		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impact of operations on communities, including entering, operating, and exiting	66 - Through regular engagement with our stakeholders, we work to minimize the impact of our operations on local communities.
SO2	Percentage and total number of business units analysed for risks related to corruption	20%
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	100% - as part of contracts and HR policy
SO4	Actions taken in response to incidents of corruption	In 2012 no incidents of corruption were reported. As part of our good governance actions, QAPCO operates an anonymous tip line and email reporting system for whistleblowing. Additionally, QAPCO is in the process of developing a formal whistleblowing policy to identify and address incidents of corruption.
SO5	Public policy positions and participation in public policy development and lobbying	QAPCO public policy positions are aligned with those of their primary shareholders. Through its public relations and communications activities, QAPCO aims to highlight issues and events that are of interest to QAPCO and its stakeholders.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions, by country	\$0
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices, and their outcomes	In 2012, there were no reported anti-competitive behavior, monopoly, or anti-trust incidents
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	\$0
SO9	Operations with significant potential or actual negative impacts on local communities.	QAPCO's operations are located within an industrial city with a minimal population. We work to ensure that we have a positive impact on the people of Qatar as a whole.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	QAPCO's operations are located within an industrial city with a minimal population. We work to ensure that we have a positive impact on the people of Qatar as a whole.
PRODUCT RESPONSIBILITY		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	22
PR2	Total number of incidents of non-compliance concerning health and safety impacts of products and services.	0
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	23
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	0
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	80% customer satisfaction for 2012
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	0
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	0
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	0
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	0

Feedback Form

Contact Information and Feedback Request:

As an ongoing endeavor to engage stakeholders and to improve performance, QAPCO welcomes your feedback. You can email the form below with any feedback to: sustainability@qapco.com.qa

I am

- | | |
|--|---|
| <input type="checkbox"/> a Government Representative | <input type="checkbox"/> a QAPCO Supplier or Contractor |
| <input type="checkbox"/> an Employee | <input type="checkbox"/> an Industry Group Representative |
| <input type="checkbox"/> a QAPCO Customer | <input type="checkbox"/> member of local Community |

The report communicates the sustainability performance at QAPCO

- | | | |
|---------------------------------|---------------------------------------|--|
| <input type="checkbox"/> Poorly | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Exceptionally |
|---------------------------------|---------------------------------------|--|

The details of information in the report

- | | | |
|--|-----------------------------------|-------------------------------------|
| <input type="checkbox"/> Comprehensive | <input type="checkbox"/> Adequate | <input type="checkbox"/> inadequate |
|--|-----------------------------------|-------------------------------------|

The quality of design and layout of the report

- | | | |
|------------------------------------|-------------------------------|----------------------------------|
| <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Average |
|------------------------------------|-------------------------------|----------------------------------|

Please rate the following elements of the report

	Very Poor	Poor	Average	Good	Excellent
Transparency					
Clarity					
Readability					
Informative, Interesting Reading					
Visually Appearing					

In what areas would you like to see additional information?

In what areas would you improve in the report? How?

Additional comments?



Statement GRI Application Level Check

GRI hereby states that **Qatar Petrochemical Company** has presented its report "40 Years of Sustainability" (2013) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 15 May 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 7 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.



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