

SUSTAIN ABILITY IN ACTION

2013 Sustainability Report

QAPCO
شركة البتروكيماويات القطرية
QATAR PETROCHEMICAL COMPANY





CAUTIONARY STATEMENT

For the purposes of this report, Qatar Petrochemical Company (QAPCO) Q.S.C. and its subsidiary company Qatofin Limited, will be discussed together. Where relevant and available, separate performance figures will be provided, for both QAPCO and Qatofin separately. The boundaries of this report are discussed in further detail on page 68 of Appendix D.

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



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- (Source: US Environmental Protection Agency)



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Sustainable development is integral to Qatar's strong and vibrant future. As we look forward to our 40th anniversary, QAPCO has always been a company defined by progress, strength, and growth. These outcomes align directly with sustainable development. QAPCO's strength has never been more evident as we commence planning for our Al Sejeel mega-petrochemical project with Qatar Petroleum. Sustainability drives us to define strength comprehensively and to broaden our definition of growth to include social and environmental impact into the equation.

Sustainability management challenges our company to understand our impact and the influence that we have on stakeholders. This challenge takes many forms- performance benchmarks, community conversations, and shareholder evaluations. What we understand now more than ever is that sustainability is a journey.

Our success is made possible through the visionary leadership of His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar, the guidance of HE Dr. Mohammed bin Saleh Al Sada, Minister of Energy and Industry, the support of our Board of Directors and shareholders, and the commitment of our executive management team and our employees.

Join us as we move forward with putting sustainability into action at QAPCO. Our sustainability journey is just beginning, we are excited to share it with you in this report and through dedicated engagement in the future.

HAMAD RASHID AL MOHANNADI
Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN



Growing stronger is not only a representation of our past success, but also a signal of our future as we progress with putting sustainability into action.

I take pride in the strength of our company and its contributions to the State of Qatar. As we celebrate our 40th anniversary, our success and leadership in the petrochemicals industry is clear. The commencement of Al Sejeel, our mega-petrochemicals project with Qatar Petroleum, is the result of our leadership and proven strength.

We recognize, now more than ever, that sustainability is complex and an evolving objective for our company. We are moving forward with many exciting initiatives for stakeholder engagement, knowledge building, and performance management. We are proud to participate in the Qatar Energy and Industry Sector Sustainable Development Industry Reporting (SDIR) Programme in order to propel sustainable development within our company. The SDIR Programme catalyzes our company and the sector's leadership on sustainability within the region by providing a platform for collaboration and comparison. We continue to learn from our participation in the SDIR Programme and look forward to advancing our own leadership on sustainability in alignment with the energy and industry sector.

2013 was record breaking on many fronts. We reached 15.4 million hours without lost time incident, increased our engagement with society through our CSR programs, and invested in improving our environmental impact.

Our journey towards understanding and communicating our impacts is moving forward with more energy and direction than ever before. Our second publicly issued sustainability report presents our performance in a concise and comparative manner. Growing stronger is not only a representation of our past success, but also a signal of our future as we progress with putting sustainability into action.

Welcome to QAPCO's 2013 sustainability report.

DR. MOHAMMED YOUSEF AL MULLA
Vice Chairman & Chief Executive Officer

MESSAGE FROM VICE CHAIRMAN AND CEO

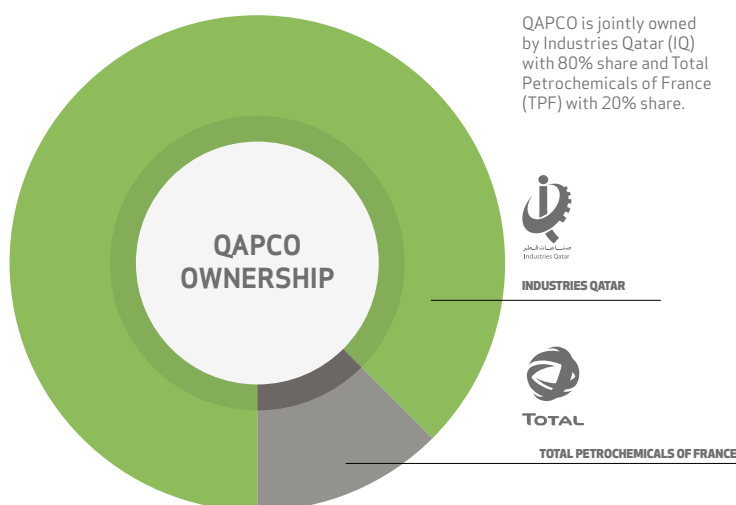






ABOUT QAPCO

"Growth defines us, not solely based on our production and economic growth, but also by the progress we continue to make as a company."



COMPANY PROFILE

QAPCO was the first petrochemical company in the GCC Region. Established in 1974, we are celebrating our 40-year anniversary. As producers of low density polyethylene (LDPE) and linear low density polyethylene (LLDPE) we are part of the Qatar Energy and Industry sector. To learn about our products and facilities, please see page 36.

QAPCO has a reputation for leadership within our sector and the State of Qatar. We continue to expand our operations, adding a new production plant in Q4 2012 and announcing our partnership with Qatar Petroleum for the development of a mega-petrochemicals facility in Ras Laffan. Growth defines us, not solely based on our production and economic growth, but also by the progress we continue to make as a company. We have expanded our operations significantly during our 40 years; we are now focused more than ever on measuring and communicating the impact our company has on our employees, Qatar, our shareholders, and society. We use sustainability reporting as a tool for communicating our impact directly to our stakeholders.

Vision, Mission and Values

Vision: To become one of the leading, reliable and prime source of producing and supplying ethylene and polyethylene in the regional market.

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

Values: Integrity & Ethics, Relationships/Trust, Teamwork/Collaboration, Achievement of Goals, Creativity/Innovation, Freedom to Act, Recognition of Achievements, Learning and Growth.

Corporate Governance

Strong management and leadership defines our success. The Board of Directors is QAPCO's highest governing body, responsible for oversight and decision making within our company. In 2013, the Board of Directors included 9 members, representing extensive experience in petrochemicals and industry. Further information on our corporate governance structures and committees can be found in Appendix A on page 66.

QAPCO BOARD OF DIRECTORS


Hamad Rashid Al Mohannadi, Chairman	Dr. Mohammed Yousef Al Mulla, Vice Chairman & Chief Executive Officer	Mr. Mubarak Awaida M. Al-Hajri
Mr. Sultan Khalifa Al-Binali	Mr. Ahmed Mohd Ahmed Darwish	Mr. Ahmad Ali Abdulla Al-Mawalawi
Mrs. Bernadette Spinoy	Mr. Philippe Vindevoghel	Mr. Mohamed Khalid Al-Ghanem

OUR PERFORMANCE IN CONTEXT

In an effort to present our sustainability performance within the sector and national context within which we operate, we created the performance table below. This table utilizes data from the 2012 SDIR Qatar Energy and Industry Sector report. The indicators selected align with the sector and subsector indicators within the SDIR report.

To see our performance in context, we included performance for the Qatar Energy and Industry Sector representing 35 participating companies across eight sectors. We also include the petrochemical subsector performance for Qatar including QAPCO, Qatofin, Q-Chem, RLOC, QAFAC, QJet, QAFCO, QVC and SEEF.

Further information on the SDIR Programme and performance can be found on the SDIR website: <http://www.hse-reg-dg.com/qeistr2012/WWW/sdir-programme/>

Sustainability Section	Indicator (unit)	2013 	2012 Qatar Petrochemical Companies	2012 Qatar Energy and Industry Sector
Economic Contribution	Revenues (USD)	\$1,223,217,582	\$6,900,000,000	\$138,200,000,000
	Production (tonnes)	1,282,000	13,000,000	--
	Goods and services sourced locally (%)	80.9	60.7	54.0
Climate Change and Energy	Total energy use (GJ)	20,825,190	--	201,756,219
	Total GHG emissions (tonnes CO ₂ e)	1,785,561	9,587,044	80,591,709
	Flaring (MMSCM)	22	558	4,499
	Natural gas used (m ³)	587,620,087	20,089,000,000	423,183,000,000
Environment	Fresh water used (m ³)	2,380,793	7,864,000	43,260,000
	SO _x emitted (tonnes)	617	11,146	523,273
	NO _x emitted (tonnes)	4,239	8,876	145,127
	Significant oil spills	1	--	16
	Total waste disposed (tonnes)	278	--	370,383
Health and Safety	Employee fatalities	0	--	2
	Contractor fatalities	0	--	9
	Employee lost time injury rate (per 1 mn mh)	0.00	0.75	0.76
	Contractor lost time injury rate (per 1 mn mh)	0.48	0.17	0.24
	Employee total reportable injury rate (per 1 mn mh)	0.98	0.83	1.99
	Contractor total reportable injury rate (per 1 mn mh)	2.90	1.04	1.41
	Employee occupational illness rate (per 1 mn mh)	0.00	0.61	0.48
	Heat stress events	0	--	10
	Loss of containment (LOC) / process safety incidents	2	11	339
Workforce	Workforce size	1,325	4,680	34,710
	Qatarization	30.2%	18.8%	24.6%
	Female employment	3.8%	3.6%	9.5%
	Average hours of training provided per employee	35.92	--	35.17
Society	Total social investment budget (USD)	3,407,596	6,872,786	61,800,000
	Corruption or human rights incidents	0	0	0

2013 SUSTAINABILITY HIGHLIGHTS

15.4

million LTI free work hours

77%

reduction in flaring

225%

increase in near miss reporting

10%

reduction in total energy use

30.2%

Qatarization

1.28

million tonnes produced

13%

reduction in water intensity

1,325

employees

85%

employee satisfaction

6.8

million QR community investment

81%

local procurement



QAPCO & SUSTAINABILITY

Q&A: What we mean when we talk about “sustainability”

Sustainability reporting is rapidly becoming an expectation for companies around the world. We want to make sure our readers are on the same page before we jump into the details of our sustainability management and performance.

Q: What is the GRI?

A: The Global Reporting Initiative (GRI) is a non-profit organization based in Amsterdam that has established sustainability reporting guidelines that are used by more than 2,500 of the largest companies in the world. For this report, we are using the GRI G4 guidelines, issued in May 2013 which focus on reporting of material subjects. We are confident that our reporting will improve as a result of using the GRI G4 guidelines. This report has been prepared to be “in accordance with Core” based on the GRI G4 guidelines. You can find more information and our GRI Index on page 69. [G4 - 18]

Q: What is the SDIR?

A: QAPCO is a participant in Qatar Energy and Industry Sustainable Development Industry Reporting (SDIR) Programme. Entering its fourth year, this landmark initiative from the Minister of Energy and Industry captures the collective sustainability performance of Qatar’s Energy and Industry Sector. We are proud to participate in the SDIR Programme and will continue to learn from the tools and workshops provided. Throughout our report, you will find performance comparisons against Qatar’s petrochemical subsector and the entire Energy and Industry sector. These comparisons are intended to put our performance in context and enhance our readers’ ability to understand our achievements and challenges.

Q: How does QAPCO approach reporting?

A: We are committed to annual, public, sustainability reporting because we recognize the value that this report adds towards understanding our impact, holding ourselves accountable for our performance, and enhancing engagement with our stakeholders.

Reporting is a tool that helps us to understand our performance and impact. We view reporting as a part of our journey towards sustainability management. As an annual exercise, we work as a team representing our main operations and executive departments to build a report that matters to us and to our stakeholders. This report is a learning experience for us, and we welcome your feedback in order to improve our reporting in the future.

Contact us at: sustainability@qapco.com.qa

How has our reporting changed?

Building on the success of our first public report for 2012, we have incorporated the following changes focused on improving the clarity and accuracy of our reporting:

- Materiality is now the basis for disclosures, in alignment with our adoption of the GRI G4 reporting guidelines
- Inclusion of performance comparisons against Qatar petrochemical companies, Qatar Energy and Industry Sector, GCC Region and Global performance
- Expansion of scope to include the performance of our subsidiary Qatofin within the majority of our performance metrics
- Focus on intensities and 3 year trends within our discussion of performance

OUR BIG IDEAS FOR THE FUTURE

Sustainability is a complex challenge for every company. Our approach to sustainability management and reporting centers on some big ideas for the future of our operations. Looking forward, our perspectives are grounded in five convictions for our long-term success.

**EMPLOYEES
CREATE RECORD-
SETTING
PERFORMANCE.**

**STAKEHOLDERS
EMPOWER US TO
SUCCEED.**

**GROWTH WILL
MAKE US
STRONGER.**

**RESEARCH
WILL GENERATE
NEVER
BEFORE SEEN
APPLICATIONS FOR
OUR PRODUCTS.**

**EFFICIENCY CAN
BE HARNESSSED
THROUGH THE
INNOVATIONS OF
OUR STAFF.**

Sustainability Management

Corporations have the responsibility to optimize the impact of their operations on the environment, the economy and society.

At QAPCO, sustainability is measured via clear indicators, monitoring our impact on all of our stakeholders from our employees to our shareholders, from the environment to our suppliers and contractors, from our customers to the society at large. The concepts of sustainable development are embedded within our strategy, from our daily operations to our products.

For QAPCO, sustainable development encompasses our economic and social impact. Contributing to capacity building by developing the talents of our employees, being involved in outreach and CSR programs that make a difference within our community, supporting local SMEs by increasing local procurement, and placing the well-being of our employees as a key priority are examples of our focus on sustainability.

Sustainability Governance

Sustainability governance is directed by our executive management team who regularly reviews the company's economic, social and environmental performance. Day to day sustainability management is a collaborative effort that is shared between three key departments: HSE, Communications, and Business Excellence & Strategic Planning.

In recognition of the importance of sustainability, QAPCO has initiated the formation of a dedicated sustainability management team which will be formed in 2014 after board approval. The sustainability management team will draw on 6 key members within QAPCO's management including the chief operations officer, business excellence & strategy manager, and the HSE manager. As part of its role, the sustainability management team will drive sustainable development projects in QAPCO including the annual sustainability report, measurement of sustainability metrics, implementation projects, and capacity building and training for sustainability topics. [G4 - 18]

OUR STAKEHOLDERS

Growing stronger as a business depends on our ability to meet the expectations of our stakeholders. These expectations have never been higher, driving us to engage further and to adopt a more detailed approach with each of these stakeholder groups.

Engagement and strong communication is our focus so that we can understand our stakeholders' priorities and needs.

More details on our stakeholders, their priorities, and engagement methods can be found in appendix B on page 64. [G4 - 18]



**Stakeholders
empower us to
succeed.**

Developing a comprehensive sustainability strategy and management plan begins with defining what sustainability means to QAPCO. We have created the framework below to illustrate how we are moving towards our goal of “producing high quality, high value petrochemical products responsibly and efficiently”.

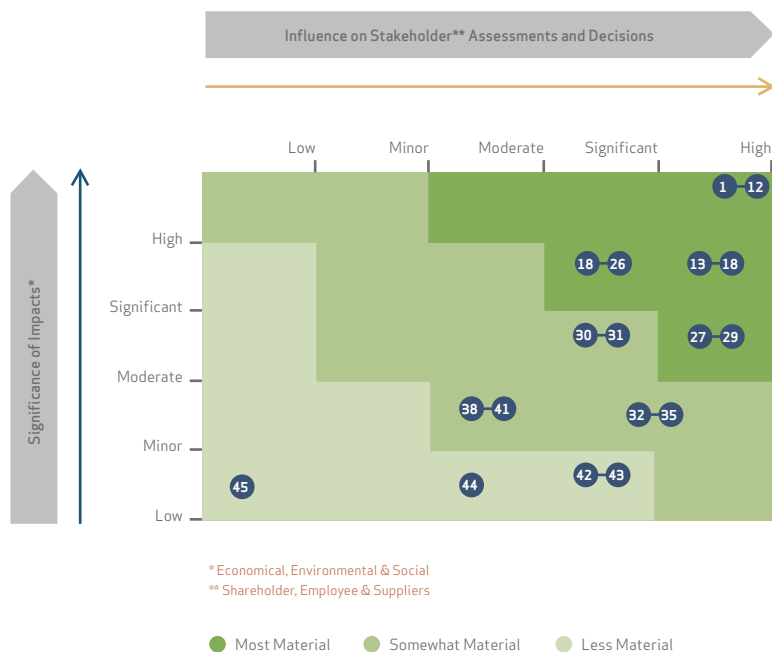
QAPCO SUSTAINABILITY FRAMEWORK

Strategy drives our operations and decision making at every level. Developing a comprehensive sustainability strategy and management plan begins with defining what sustainability means to QAPCO. We have created the framework below to illustrate how we are moving towards our goal of “producing high quality, high value petrochemical products responsibly and efficiently.” In order to achieve this vision, we focus on 5 areas - Safety, Workforce, Compliance, Investing, and Contributing. Growing stronger means balancing the impacts of all five focus areas and managing our impacts in a comprehensive and integrated manner. [G4 - 18]

GROWING STRONGER



PRODUCING HIGH QUALITY, HIGH VALUE PETROCHEMICAL PRODUCTS RESPONSIBLY AND EFFICIENTLY



1	ECONOMIC PERFORMANCE	24	SAFETY EVENT INVESTIGATION AND RESOLUTION
2	SAFETY TRAINING AND SAFETY CULTURE	25	HUMAN RIGHTS
3	CONTRACTOR SAFETY PERFORMANCE	26	CSR
4	OCCUPATIONAL HEALTH AND PREVENTION	27	TRAINING
5	PREVENTATIVE MAINTENANCE	28	COMPENSATION AND REUNUMERATION
6	COMPLIANCE WITH LEGAL REGULATIONS FOR HEALTH AND SAFETY	29	FLARING AND VENTING
7	QUALITY CONTROL	30	EMPLOYEE ENGAGEMENT
8	RELIABILITY AND PRODUCTION OPTIMIZATION	31	PRODUCT PACKAGING AND SHIPPING
9	PROCESS INSPECTIONS AND MONITORING	32	SCHOLARSHIPS AND EDUCATION
10	SAFETY DRILLS AND TRAINING	33	CUSTOMER PRIVACY
11	COMPLIANCE WITH LEGAL REGULATIONS	34	LABOR AND CONTRACTOR RIGHTS
12	ANTI CORRUPTION	35	LOCAL PROCUREMENT
13	INJURY RATES	36	ENERGY EFFICIENCY
14	GHG EMISSIONS	37	ENERGY MANAGEMENT
15	PRODUCT LABELING AND SAFE USAGE	38	ENERGY CONSUMPTION
16	CONTAMINATION AND SPILL PREVENTION	39	MATERIALS
17	QATARIZATION	40	EMPLOYEE RETENTION
18	WORKFORCE	41	JOB CREATION
19	PRODUCTS AND SALES	42	ENVIRONMENTAL GRIEVANCE MECHANISMS
20	WATER	43	BIODIVERSITY
21	WASTE MANAGEMENT	44	DIVERSITY AND EQUAL OPPORTUNITY
22	ENVIRONMENTAL MANAGEMENT SYSTEMS AND ACCREDITATION	45	INDIRECT ECONOMIC IMPACT
23	ENVIRONMENTAL EXPENDITURES		

MATERIALITY ASSESSMENT

Our prioritization process was led by our Business Excellence and Strategy team in order to assess the relevance, significance and influence on stakeholders of 45 topics. Our materiality assessment was conducted in alignment with our risk analysis process so that it would best align with our company's business analysis practices. Our materiality map includes consequence thresholds to designate and provide quantitative ranking of the impacts and influence that each topic has on our company and our stakeholders.

As our first materiality mapping exercise, we recognize there is significant room for improvement and growth. In 2014, we will focus on engaging our stakeholders on our materiality assessment. We will also enhance our engagement with internal and external partners on materiality in order to refine and improve our assessments of influence and impacts. Our current assessment has been reviewed and approved by our management team after internal creation and revision.

For the purposes of this report, we will focus on addressing the "high priority" topics that have been identified through our materiality process. The boundary for each of our material aspects is listed within appendix D on page 68.

AUDIT OF PERFORMANCE DATA

To assess and improve the accuracy and quality of the data that we report publicly, we conducted an internally-run audit of 20 key performance indicators (KPI) for quality, maturity, and integrity. Each KPI was assessed against 32 specific areas based on five data verification principles.

The outcome of our audit was a rating of 87% of compliance with data management principles for quality and a score of 78% maturity for the management and measurement systems implemented for the KPIs. Our internal audit is the starting point for our commitment to regularly evaluate and audit our performance management systems as part of our sustainability reporting program. More information about our audit findings can be found on page 66. [G4 18-19]

5 DATA VERIFICATION PRINCIPLES







01/ HEALTH AND SAFETY

PERSONNEL SAFETY
PROCESS SAFETY
CONTRACTOR SAFETY MANAGEMENT
OCCUPATIONAL HEALTH

Safety is the starting point for every action. Recognizing the risks that are inherent to our operations, safety will always be our primary operational focus. Through 40 years of operations, our safety performance has improved to be at world-class standards. This year, we celebrated 15.4 million exposure hours without lost time incident (LTI) for employees, and achieved our strongest safety performance on record. We will continue to improve in the future by focusing on two main risks: hazard recognition and contractor safety management.

PERSONNEL SAFETY

2013 marked another remarkable safety performance for QAPCO. While we increased our employee and contractor exposure hours by 6% and 13% respectively, we continued our record setting employee LTI performance with zero LTI and 13% improvement in contractor LTI rate.

As we look towards the future, our focus is on behavior management and augmenting our safety culture. Shared responsibility for safety is our next aim; we trained 560 of our employees on hazard recognition and reporting to build a proactive culture into our company from administrative staff to shift workers. As a result, we have increased our near miss reporting by 225% and will implement near miss reporting as a requirement for every employee within department performance metrics.

Performance in Context:

When compared to sector and subsector performance, our employee TRIR rate of 0.98 is 51% lower than the Qatar energy and industry sector average of 1.99, but 18% higher than the petrochemical industry average of 0.83.

Our employee LTIR rate of 0 surpasses both the Qatar energy and industry sector average of 0.76 and the petrochemical industry average of 0.75.

CONTRACTOR SAFETY MANAGEMENT

The safety of every person at our facilities is our responsibility and priority. We invest thousands of hours into training our contractors to meet our safety and conduct standards. Every contractor receives an onboarding safety course as well as task specific training on an as-needed basis. As we grow our operations and prepare for our General Shutdown in 2014, our focus is on enhancing our contractor management program by intensifying contractor performance analysis and increasing training hours for contractors.

In 2013, we increased contractor exposure hours by 13% and saw our contractor LTI rate decrease for the second consecutive year. With increased contractor reportable injury rate, contractor safety undeniably remains a challenge for our company. To meet this challenge, we are building stronger and more robust contractor management systems and investing heavily in training for supervisors and line managers to bolster safety culture within our contractors and supervisory staff. As a first step, we implemented a personnel management training course for 91 of our contractor supervisors to encourage active leadership and proactive safety management.

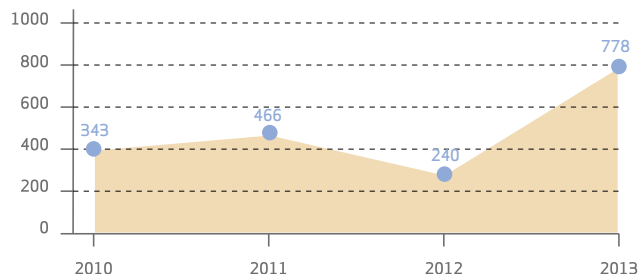
OCCUPATIONAL HEALTH

Employee health and wellness is part our responsibility as an employer. We operate a 24-hour onsite medical clinic and deliver annual health screenings for all employees to monitor health and ensure that all employees are in good physical condition. High temperatures and heat index create a challenge for health and safety. As a result, we implement a summer safety campaign that focuses on hydration, rest periods and reducing exposure to the sun. 2013 marked another year without occupational health or heat stress incident, a tradition we are proud to continue through coordinated education campaigns and preventative screenings for diabetes, heart diseases, cancer and other illnesses.

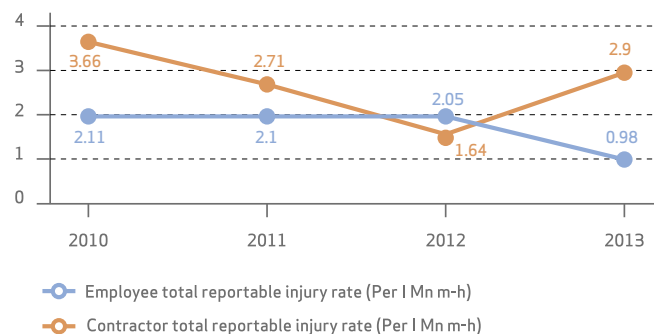
Preparing for the 2014 General Shutdown

3 of our production facilities will be shut down for 45 days for maintenance and upgrading. We have been preparing for the GSD for more than a year in order to ensure that it is completed in a safe and responsible manner. With more than 8,000 contractors expected at peak time during the GSD, our focus more than ever is to develop strong contractor management system and to ensure that contractors and supervisors are aware of and follow all safety and conduct standards during this immense, coordinated effort.

Near miss incidents reported



Reportable Injury Rate 2010-2013



GET TO KNOW QAPCO

Mansoor
Abdulla
Al-Janahi

Health, Safety & Environment Manager

What does sustainability mean for your department?

To be sustainable, our operations must be fully accepted and approved by our stakeholders. This means that we don't impact them in any intolerable way. Therefore our operations must be seen by our staff, the contractors and their staff and the neighboring community as:

- **Safe** no injuries or health impact on them
- **Environmentally responsible** minimize impact on water, ground and atmosphere
- **Profitable** reliable operations, employment and revenues

Sustainability is about building mutually beneficial relationships with our stakeholders and we are fully aware of the pivotal role that our HSE department plays in maintaining QAPCO's strong reputation and license to operate.

Tell us more about contractor management and how that can impact safety and performance

Contractors are the main resource for activities which are not the core business of the company and which require a different know-how than our chemical processes.

Subcontracting tasks do not mean that we are allowed to subcontract risks without managing them.

That is the reason why a strong contractors' management system is in place to guarantee that contractors are:

- **Aware of the inherent risks of their activities** (through verification of their professionalism during the bid evaluation process)
- **Aware of the precautions to be taken when executing the work** (through our Permit To Work system)
- **Aware of the risks generated by QAPCO** (through communication of risk registers)
- **Aware of interference of these risks** (through job safety analysis)
- **Monitored and audited about the implementation of their HSE management system in place.**

This is a key element at the heart of all our safety management systems certifications including ISO 14001, OSHAS 18001, and RC 14001.

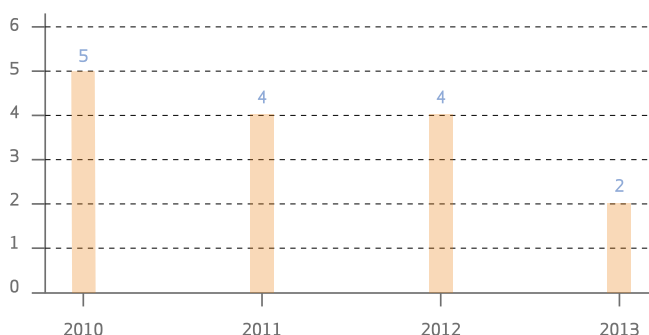


PROCESS SAFETY

The integrity of our plant assets is critical for safety and reliability of our operations. Preventative maintenance and risk analysis and reporting are the foundation of our approach to process safety. Critical hazards evaluations and risk monitoring are integral to managing process safety within our plants.

As we enter 2014, the major upgrades to our plant as part of the general shutdown will significantly influence our process safety by upgrading much of our most prominent machinery. Training on new equipment and adjustments to our machinery will be the focus of 2014.

Loss of containment (LOC) incidents



Safety Campaigns and Training

Description

HSE Training annual plan	23 Training programs, 77 sessions - 983 Employees
PSM Training	5 sessions - 330 Employees
Near miss reporting awareness	14 sessions - 564 Employees
Contractor Management for supervisors	4 sessions - 91 Contractor supervisors
Behavior Based Safety Training	4 Training sessions - 70 employees
Catalyst Safety Awareness	4 Training sessions - 90 employees
Heat Stress Awareness Campaigns	6 sessions - 100 Supervisors
RC14001 awareness	2 sessions - 33 supervisors (QAPCO and Contractors)
Contractor HSE Induction	464 sessions - 7,096 contractors



Health and Safety Performance	2010	2011	2012	2013
Personnel Safety				
Exposure hours (Employees)	1,898,859	1,900,700	1,932,829	2,044,757
Exposure hours (Contractors)	1,366,788	1,444,097	1,829,654	2,072,354
Total QAPCO working days	--	--	241,604	351,384
Employee lost time injuries	0	0	0	0
Contractor lost time injuries	0	1	1	1
Employee total reportable injuries	2	4	4	2
Contractor total reportable injuries	1	3	3	6
Employee lost time injury rate (Per 1 Mn m-h)	0	0	0	0
Contractor lost time injury rate (Per 1 Mn m-h)	0	0.69	0.55	0.48
Employee total reportable injury rate (Per 1 Mn m-h)	2.11	2.1	2.05	0.98
Contractor total reportable injury rate (Per 1 Mn m-h)	3.66	2.71	1.64	2.9
Fatalities (Employee and Contractor)	0	0	0	0
Occupational Health				
% of sick/hospitalization days to total working days	--	--	1	1
Average total sick leaves / employee/ year (days)	3	3	2	3
Heat stress events (resulting in medical treatment)	0	0	0	0
Employee occupational illness rate (per 1 Mn m-h)	0	0	0	0
Contractor occupational illness rate (per 1 Mn m-h)	--	--	0	0
Safety Training				
Training hours for health and safety (QAPCO employees)	--	--	5,132	5,367
HSE Training hours (Contractors)	--	--	--	7,320
Process Safety				
Loss of containment (LOC) incidents	5	4	4	2
Emergency response drills (number)	49	48	48	49
Incident Investigation completion (%)	100	100	100	100
Process Hazard evaluations (number completed)	--	9	12	5
Safety Critical Equipment Inspection (% inspections completed)	--	77	97.5	91.1
Near miss incidents reported	343	466	240	778



02/

ENVIRONMENTAL MANAGEMENT

MATERIALS AND WASTE
WATER
ENERGY AND CLIMATE CHANGE
FLARING
AIR EMISSIONS

“The industrial sector in general, and we at QAPCO, have the responsibility to reduce and limit the impact of our operations on all our stakeholders, and therefore on the environment, via a range of practical steps and comprehensive environmental programs aimed at limiting our carbon footprint. The health of any business is linked to the health of the community and the environment in which we operate “

Dr. Mohammed Yousef Al Mulla, QAPCO
Vice Chairman and CEO.

Understanding Our Environmental Performance

We focus on intensities within our discussion of performance because we see more value in understanding our performance in context. As inputs and outputs of our operations, there's less value in examining trends without putting them in the context of how our operations have grown. Thus, while our net consumption and outputs have increased year-on-year, we are proud to see that our consumption and outputs have improved relative to our production.

We have a responsibility to manage our environmental impact in a comprehensive manner. Taking account of our environmental footprint from materials, waste, energy and discharges makes our business stronger by identifying opportunities for efficiency gains and cost savings. Environmental management is more than a compliance exercise, it is part of our commitment to grow stronger by managing our impact from every angle, including the environment. In 2013, we invested more than 271 million Qatari Riyals into environmental impact projects including wastewater treatment, SO₂ reduction and irrigation projects.

Environmental Expenditures 2013	Amount (QR)
Water Treatment	13,721,850
Sewage Treatment	1,986,742
Green Belt Irrigation	3,800,000
Water Conservation	2,326,141
Furnaces Replacement (2013 allocation)	248,517,426
SO ₂ Emissions Reduction	1,217,092
Total Environmental Expenditures	271,569,251

As a producer operating in the industrial sector, our environmental footprint is complex and undeniably significant. We have invested millions of Riyals into funding environmental management projects and will only continue to increase our attention towards environmental management in the future. As we grow our operations, we are also upgrading our machinery to meet rigorous environmental standards. Our investment in the latest and most efficient technologies within our newest LDPE plant and the upgrades during the general shutdown in 2014 will make our operations more efficient and reliable than ever before.

Environmental Performance Trends 2011-2013

-29%	Energy Intensity
-20%	GHG Intensity
-80%	Flaring Intensity
-29%	Natural Gas Intensity
-17%	Water Intensity
-23%	SO _x Intensity
-11%	NO _x Intensity
-2%	Waste Intensity
+ 6%	Recycling Intensity

In 2013, we focused on enhancing our environmental management systems to be compliant with Responsible Care 14001 certification. Expected in May 2014, the RC 14001 will augment our existing environmental management systems which are certified under ISO 9001 and ISO 14001 as well as OHSAS 18001. Responsible Care 14001 is a global performance management certification focused on comprehensive management of environmental performance through rigorous and regular performance reporting and management frameworks.

MATERIALS AND WASTE

Manufacturing is a material intensive process that depends on thousands of raw materials ranging from ethane gas to catalysts to piping and machinery. From 2011-2013, we improved our waste intensity by 2% and increased our recycling volume by 50%. As waste management capacity increases in Qatar, we will continue to seize opportunities to improve our waste management through recycling and reuse. Better waste management creates economic savings as well as ensuring that we are disposing of our materials in a responsible manner.

Performance in Context:

Recycling 40% of its waste, QAPCO is one of only 6 companies to recycle 40% or more of their waste out of 20 companies reporting in the energy and industry sector.

WATER

Since 2011, we have improved our water intensity by 17% through investment in water recovery and recycling. We achieved 40% recycling of water within our process through a closed-loop steam recovery unit and the use of waste-water for landscaping.

In the next 5 years we will invest more than 110 million Riyals on water management as part of our aim of zero liquid discharge. To achieve this ambitious goal, we are partnering with engineering firms around the globe to develop and implement wastewater treatment solutions that will allow us to eliminate water discharge outside of our facilities. Closing this loop is a significant engineering challenge, but one that we will invest considerable time and attention towards in order to comply with forthcoming environmental regulations.

Our staff are the key to creating and continuing progress towards environmental responsibility. In 2014, QAPCO will focus on water efficiency education for employees in order to build awareness of water as a vital resource and to encourage reduction in water usage at home and in the office.

Performance in Context:

Our water intensity decreased by 12.6% between 2012 and 2013, 10.6% more than the 2% decrease in the petrochemical industry intensity between 2011 and 2012.

Efficiency can
be harnessed
through the
innovations of
our staff.



Awake Before It's Too Late

SAVE WATER SAVE THE PLANET

QAPCO Environment Section is pleased to invite you to participate in

**QAPCO's First
Water Conservation
Competition**



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

Let's compete to reduce water usage at home

- The competition will span over the months of April, May and June 2014.
- Water consumption needs to be documented to be valid.

Supporting Documents can include:

Picture of Water Meter

- on 01 April 2014
- on 30 April 2014
- on 31 May 2014
- on 30 June 2014

OR

Water Bill

- Month of April 2014
- Month of May 2014
- Month of June 2014

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

To participate, download the form from:
www.qapco.com.qa/wcc.pdf
and submit along with supporting documents by internal mail to :
PR Department Secretary,
Last Date : 31st of July 2014

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

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



GET TO KNOW QAPCO

Noor Al
Temimi

Asst. Head of Environment

What were the key focuses / achievements for 2013 for your section?

Finding the best environmental solutions and technology to reduce the environmental impact of our production process. This is translated into our environmental management programs and projects including:

- Solid waste oxidizer, which will improve our ability to incinerate waste on-site and reduce transport costs and impact
- Our new waste storage yard has been established

What will you be focusing on for 2014?

- Reduction NOx emissions from furnaces by replacing 7 old furnaces by 6 new furnaces
- Revamping of wastewater treatment unit
- Expansion of our waste storage yard
- New sewage plant where the treated water will be used for landscaping

- Installing continuous emission monitoring system on all the stacks.

What does sustainability mean for your department?

- Optimize our process to minimize waste generation
- Reuse and implement the 4R's whenever is applicable
- Enforce waste segregation for better waste processing
- Our part is to control the plant emissions by investing in the latest capture, treatment and disposal technologies

How do you communicate with your stakeholders? What are the issues that they are most concerned with?

- Environmental training sessions for employees and contractors
- Environmental events such as Qatar Environment Fair, World Environment Day or the Waste Free Day, where we engage with the youth and raise awareness about the importance of preserving the environment and the nature



ENERGY AND CLIMATE CHANGE

The impact of our actions, as people, as producers, and as members of a global society is better understood than ever before. Climate change is a global concern stemming from our consumption of energy and discharge of carbon to the atmosphere. Research continues to improve our understanding of climate change implications. We increasingly recognize climate change poses a significant risk to societies around the world through changes in weather patterns, severity of storms and environmental events and rising temperatures. Climate change will play a big role in determining the welfare and development of societies into the future. Its implications on global trade and resources affect QAPCO and every other business. As such, energy use and climate change must be addressed aggressively and actively.

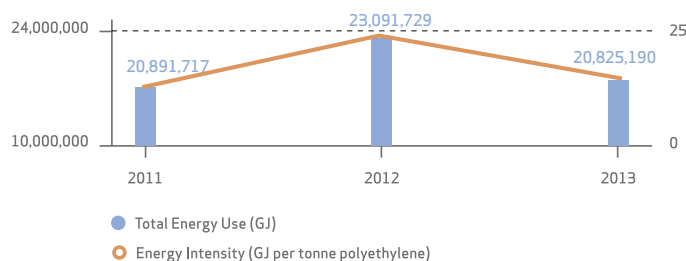
As we grow, so does our net energy and carbon impact. Energy, in the form of natural gas is the feedstock for our products. We have developed a long term feed agreement with Qatar Petroleum to receive feedstock from Qatar's significant natural gas reserves.

Since 2011, we have reduced our natural gas intensity by 29% and as a result our total energy intensity has also reduced by 29%. We have also made significant advances in greenhouse gas emission intensity, reducing 20% over the past three years. Investing in the latest machinery and technologies within our plants has allowed us to achieve these improvements. Our LDPE 3 plant is a shining example of operational efficiency and implementation of the latest technologies.

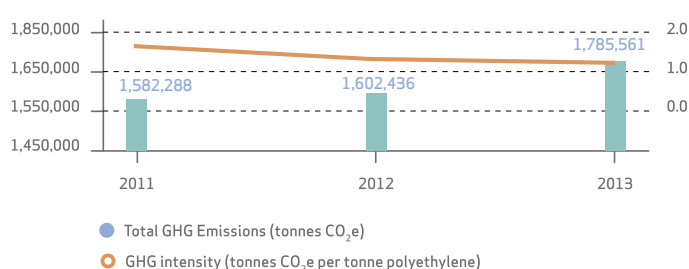
Performance in Context:

Our GHG intensity decreased by 8.5% between 2012 and 2013, while the petrochemical industry intensity increased 16% between 2011 and 2012. With our general shutdown in 2014, we will champion even more efficiency and reliability by upgrading our gas turbines and ethylene crackers.

Energy Use Intensity



GHG Emissions Intensity



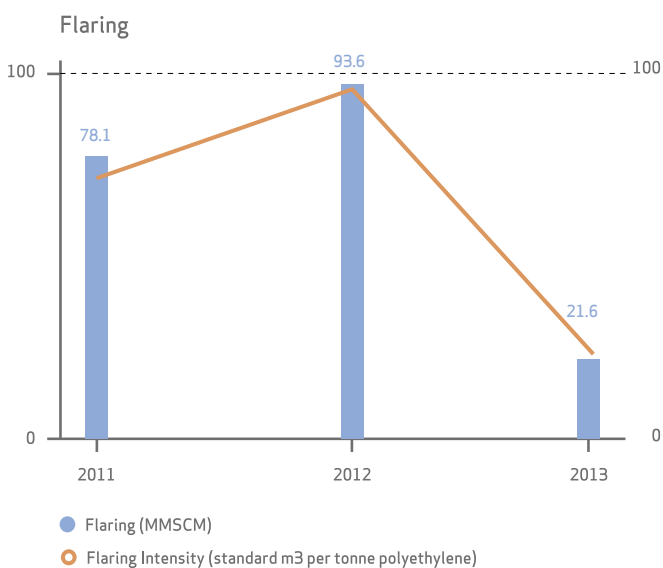


FLARING

Hydrocarbon flaring is initiated to relieve unsafe pressure within our production lines as a result of interruptions or abnormalities within our feedstock delivery or production process. **Since 2011, we have achieved an 80% reduction in flaring volumes and intensity.** This can primarily be attributed to a shift in the composition of gasses flared and 85% reduction in fuel gas flaring. Over the same period, we also reduced our acid gas flaring by 74%.

Performance in Context:

Our SO_x intensity increased by 71% between 2012 and 2013, 47% less than the 118% increase in the petrochemical industry intensity between 2011 and 2012.



AIR EMISSIONS

Air emissions are a part of our production process. We are investing more than ever to reduce the pollutants in our emissions and improve our performance. In the next 5 years, we plan to invest more than 800 million Riyals to reduce nitrogen oxide (NO_x) and sulphur oxide (SO_x) emissions. The upgrades to our ethylene cracking furnaces during the general shutdown in Q2 2014 will reduce our NO_x emissions by 9.5% and improve containment of other air emissions. Air emissions reductions challenge our environment and engineering teams to apply the latest technologies for scrubbing and emissions treatment in order to further reduce our emissions and comply with forthcoming environmental regulations. Since 2011, we have improved our NO_x and SO_x emissions intensities by 23% and 10% respectively. These gains will continue as we invest further in air emissions improvements and upgrading our facilities.

Environmental and Energy Performance	2011	2012	2013
Direct energy use (GJ)	20,806,833	22,987,408	20,652,624
Indirect energy use (GJ)	84,884	104,321	172,566
Total Energy Use (GJ)	20,891,717	23,091,729	20,825,190
Energy Intensity (GJ per tonne polyethylene)	22.9	21.9	16.2
Energy exported to the grid (GJ)	162,958	113,872	96,552
Direct GHG emissions (scope 1) (tonnes CO ₂ e)	1,561,948	1,577,439	1,744,211
Indirect GHG emissions (scope 2) (tonnes CO ₂ e)	20,340	24,997	41,350
Total GHG Emissions (tonnes CO ₂ e)	1,582,288	1,602,436	1,785,561
GHG Intensity (tonnes CO ₂ e per tonne polyethylene)	1.74	1.52	1.39
Flaring (MMSCM)	78.1	93.6	21.6
Flaring Intensity (standard m ³ per tonne polyethylene)	85.7	88.9	16.8
Natural Gas Consumption (m ³)	591,952,784	653,971,070	587,620,087
Natural Gas Intensity (m ³ per tonne polyethylene)	649.8	621.1	458.4
Fresh water used from purchased (m ³)	519,261	887,199	966,410
Fresh water used from company generated (m ³)	1,237,428	1,263,908	1,136,612
Total Water Use (m ³)	2,036,805	2,237,872	2,380,793
Water Intensity (m ³ per tonne polyethylene)	2.24	2.13	1.86
Water discharged to sea (m ³)	1,006,926	1,140,166	1,232,421
Water discharged other than sea (m ³)	131,723	183,477	187,953
Water recycled or reused (m ³)	1,450,100	1,391,915	1,589,082
SO _x emitted (tonnes)	567	297	617
SO _x Intensity (tonnes SO _x per 1000 tonnes polyethylene)	0.62	0.28	0.48
NO _x emitted (tonnes)	3,370	3,919	4,239
NO _x Intensity (tonnes NO _x per 1000 tonnes polyethylene)	3.70	3.72	3.31
Significant oil spills (> one barrel)	0.00	0	1
Volume of spills (m ³)	0	0	3,000
Total waste disposed (tonnes)	202.0	246.3	277.8
Total waste recycled (tonnes)	121.8	135.5	181.3
Total waste management (tonnes)	323.8	381.8	459.1
Waste Intensity (tonnes waste per 1000 tonnes polyethylene)	0.22	0.23	0.22
Recycling Intensity (tonnes recycled per 1000 tonnes polyethylene)	0.13	0.13	0.14



03/ MAXIMIZING OUR ECONOMIC IMPACT

PRODUCTION AND OPERATIONS

OUR VENTURES

FINANCIAL PERFORMANCE IN CONTEXT

HEADED NORTH: AL SEJEEL PETROCHEMICAL COMPLEX

PRODUCTS AND LOGISTICS

STRATEGIC PROCUREMENT / POLICIES

Over the coming years, QAPCO is planning an unprecedented expansion in terms of volume and size of its business and production. 2013 was a record breaking year for us on all fronts, led by 38% growth in LDPE production and the announcement of our mega-petrochemical plant, Al Sejeel Petrochemical Complex, to be developed jointly with QP. Growth defines our success and positions us to achieve our vision of becoming a global leader in petrochemicals. As demand for our products increases, we will continue our pursuit of excellence by focusing on reliability and safety.

PRODUCTION AND OPERATIONS

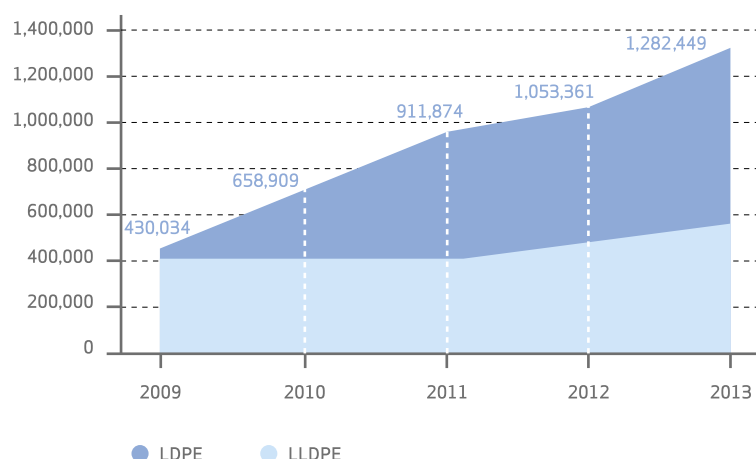
QAPCO and QATOFIN's production assets consist of 6 main plants located in Mesaieed Industrial City 40 km from Qatar's capital city, Doha. In addition to our production facilities, we also operate a dedicated utilities plant that produces electricity, steam, and freshwater through cogeneration gas turbine and desalination process. Co-location of utilities and production facilities create economies of scale and allow us to limit our reliance on public power and water suppliers, adding reliability and cost savings to our operations. Our investments and plan to upgrade and add two additional boilers and turbines over the next 5 years will further improve our reliability and utilities efficiency.

We operate 3 LDPE production plants and one LLDPE plant in addition to our utilities and administrative buildings. With the addition of our newest plant in November, 2012, QAPCO has become one of the largest single site LDPE production facilities in the world. With an annual capacity of 700,000 tonnes LDPE and 450,000 tonnes LLDPE, we are recognized as a regional leader in petrochemical production. QAPCO and QATOFIN are Qatar's only producers of LLDPE and LDPE. Regionally, we represent about 40% of LDPE production capacity and 10% of LLDPE production, with Saudi Arabia producing the remainder¹.



¹ GPCA: GCC Plastic Processing Industry Summary 2013. <http://www.gpca.org.ae/sites/default/files/gpcanexant2013.pdf>

Production 2009-2013 (tonnes)



“The LDPE-3 facility is another step in our development plans to span the next several years. As we have delivered excellence in the past for more than thirty years, we will continue to deliver for the next thirty years and beyond.”

QAPCO's Chairman, Mr. Hamad Rashid Al-Mohannadi

**Growth will
make us
stronger.**

Polyethylene production increased by 200% in the past five years

2013 Production Snapshot

- Highest ever production levels for LDPE and LLDPE
- New LDPE plant completed first full year of production producing 278KMT
- 22% growth in polyethylene production
- Record breaking sales and marketing performance

Production ²	2009	2010	2011	2012	2013	% Change 2012-2013
LDPE	400,785	404,510	426,440	525,965	723,283	38%
LLDPE	29,249	254,399	485,434	527,396	559,166	6%
Total Polyethylene	430,034	658,909	911,874	1,053,361	1,282,449	22%
Ethylene	800,117	797,586	793,071	794,736	787,234	(1%)

²Does not include production of derivatives such as pygas, LPG and sulphur.



OUR VENTURES

Growing our business through partnerships and joint ventures is a critical outlet for success. We have made significant investments in a number of companies in Qatar including Qatofin, QVC and QPPC. Our investments and ventures target Qatar's petrochemicals and derivatives industries to bring new opportunities and support development of associated products.

For the purposes of this report, we present relevant performance figures for only our majority owned venture, Qatofin, and rely on the majority venture partners to present performance for the remaining companies.

Performance in Context:

Between 2012 and 2013 our revenues increased by 15.6%, while the revenues of the petrochemical industry as a whole decreased by 5% and the revenues of the Qatar energy and industry sector increased by 11%.

We have shares in the following companies:

Company	QAPCO Ownership	Second Owner	Third Owner
Qatofin Company Limited (Qatofin)	63%	Total Energy Company (36%)	Qatar Petroleum (1%)
Al Sejeel Petrochemical Complex	20%	Qatar Petroleum (80%)	--
Qatar Plastics Products Co. W.L.L. (QPPC)	33.3%	Stefano Ferretti (33.3%)	Qatar Industrial Manufacturing Company (QIMC) (33.3%)
Qatar Vinyl Company Q.S.C. (QVC)	31.9%	Qatar Petroleum (12.9%)	Mesaieed Petrochemical Company (55.2%)
Ras Laffan Olefins Company Ltd. (RLOC)	(Qatofin 45.69%)	Qatar Chemical Company (53.31%)	Qatar Petroleum (1%)



FINANCIAL PERFORMANCE IN CONTEXT

QAPCO is part of the 4 trillion USD global chemicals industry. The industry continues to experience rapid growth as demand for basic chemicals, polymers, and agricultural supplements increased around the world. In the GCC, the chemical industry represented 80 billion USD with continual growth in production capacities across the region.

Qatar has built a significant petrochemicals industry around its natural gas and hydrocarbon resources, increasing the State's production capacity by almost 20% from 2008-2012. Petrochemicals represent a high-value, high-demand opportunity for Qatar to realize wealth from its resources. High petrochemical prices and increased production from QAPCO's LDPE 3 plant coming online created 6.6% rise in net profits and 15.6% increase in revenues. Qatofin also generated 26.6% improvement in profits and highest LLDPE production in company history.

“This modern facility is a direct and physical manifestation of Qatar's National Vision 2030, guided by the country's wise leadership. While Qatar is blessed by plentiful natural resources, it is the value that is created by processing the raw products that moves the country towards its economic diversification goals in the coming decades.”

His Excellency Dr. Mohammed Bin Saleh Al Sada, Minister of Energy and Industry – commenting on the launch of the LDPE 3 Plant.

HEADED NORTH: AL SEJEEL PETROCHEMICAL COMPLEX

In 2012, QAPCO announced the development of a mega petrochemicals complex in Ras Laffan Industrial City in partnership with Qatar Petroleum. Scheduled for completion in 2018, the Al Sejeel project is a milestone for QAPCO's journey to become a significant global petrochemicals producer from the GCC region. Al Sejeel will add new products to the country's production portfolio, with a designed capacity of 2.2 million MTPA. The petrochemical complex will produce ethylene, high-density polyethylene (HDPE), linear low-density polyethylene (LLDPE), polypropylene (PP), butadiene and py-gasoline.

With the signing of the technology agreements for Al Sejeel, HE Dr. Mohammed bin Saleh Al Sada, Minister of Energy and Industry and Chairman and Managing Director of QP said, "We firmly believe that the development of the downstream petrochemical sector will create countless opportunities for the production of new intermediate and derivative products." Al Sejeel will create 1,500 job opportunities for Qataris. HE Dr. Al Sada also stated, "the Al Sejeel Petrochemical Project represents a pioneering initiative as it is the first time that two Qatari entities will build and develop together a petrochemical complex of this scale."

Growth creates opportunities that, when realized, generate immense returns for the social and economic development of Qatar. We are proud to begin our next phase with Al Sejeel and to continue our efforts toward building a strong and responsible petrochemical sector in Qatar.

PRODUCTS AND LOGISTICS

Qatar produces 10 million tonnes of chemicals, polymers and fertilizers annually for export on global markets. With more than 25 billion USD of investment in Qatar's petrochemical and chemicals sector until 2020, some have designated the coming period as the "Chemical and Petrochemicals decade." Sustained growth of the sector is driven by strong demand for petrochemicals and chemicals, especially in Asia and developing markets. The magnitude of the State's investment in the sector is a clear representation of the tremendous potential that the industry has in supporting development and growth for Qatar through expansion of downstream sectors.

QAPCO and QATOFIN produce linear low density polyethylene (LLDPE) and low density polyethylene (LDPE) polymers that are sold as bulk commodities under the brand name Lotrène®. Polyethylene is the building block of plastic products that we see around us every day from PVC pipes to agricultural films and food packaging. As a basic building block for thousands of products, our LDPE and LLDPE are sold for use in blow extrusion production lines and various applications around the world.

Our products are marketed and sold through Qatar's consolidated marketing and distribution company, Muntajat. Our Lotrène® products are sold to thousands of customers in 120 countries through the State of Qatar's consolidated marketing and distribution company, Muntajat.

Bagging, logistics and shipping of Lotrène® is managed by QAPCO directly from our loading docks at Mesaieed Industrial City. Our integrated production and logistics facilities reduce transport costs and improve the reliability of our shipping and delivery performance by consolidating bagging, shipping and transport within one, on site facility. Currently, 95% of our sales are shipped by sea from our on-site dock, however there has been a 77% increase in road transport of shipments to serve increased demand from domestic and regional customers.





GET TO KNOW QAPCO

Abdul Aziz
Ahmed
Bashraheel

Technical and Customer Service Manager

What were the key focuses / achievements for 2013 for your department?

- TCS Department achieved 96 % customer satisfaction which testifies the quality of our service
- EU food contact compliance Certificates for all LDPE and LLDPE Lotrène® grades renewed
- Successfully obtained toys compliance for all Lotrène® grades
- Received zero quality-related claims from customers
- Successfully responded to all queries received from customers
- Successfully resolved all claims raised by the customers

What will you be focusing on for 2014?

- Installation of four pieces of major equipment for testing and product evaluation
- Provide effective support to operations during general shut down and start-up

What does sustainability mean for your department?

TCS aims to make a positive and unique contribution to our customers (internal as well as external). Our effort is to ensure the quality of our product and to resolve the application-based and technical issues of our customers by providing prompt and efficient support and assistance.

What are the key indicators/measurements for sustainability within your department?

- Internal customer satisfaction index
- Ratio of out of spec Lotrène® product that reaches the customers against total number of batches produced

How do you communicate with your stakeholders? What are the issues that they are most concerned with?

Our customers are most concerned with technical support for the applications of our product in end uses such as packaging or films. We communicate directly with them on the phone on a frequent basis, by attending trade conferences, conducting site visits and client meetings for instance and, internally, through our satisfaction survey.



Building Local Capacity and New Product Applications

Developing the national and regional market for our products is part of our long-term strategy. Domestic and regional sales of our product have historically been very low due to limited plastics manufacturing capacities.

With our strategic partners, we established the Qatar Plastic Products Company (QPPC) in 2000 to support domestic production from our products. QPPC produces all of the bags and shipping films for our products and a number of other petrochemical companies in Mesaieed Industrial City. As the first petrochemical products converter in Qatar, QPPC is an example of the success that can be achieved by leveraging the value of LDPE and LLDPE within Qatar. Currently employing 78 people and generating more than 13,000 tonnes of plastic product, QPPC makes a valuable contribution to Qatar's economy and helps QAPCO to reduce costs and ensure reliable supply of its logistics materials. QPPC's subsidiary, Qatar Wood Products Company is currently developing new products that combine QAPCO's LDPE and LLDPE with materials to create high value construction and landscaping materials such as the new Wood-Plastic Composite materials which will be sold in Qatar beginning in 2014.



GET TO KNOW QAPCO

Yousuf Saleh
Al Jabir

Materials Manager

What were the key focuses / achievements for 2013 for your department?

We increased our spending on local suppliers.

What will you be focusing on for 2014?

- We will focus on evaluating our supply chain and further embedding responsibility and ethics into our supplier expectations. Education and due diligence for contractors to verify that all contracts involving people meet our standards for living conditions and worker rights.

What does sustainability mean for your department?

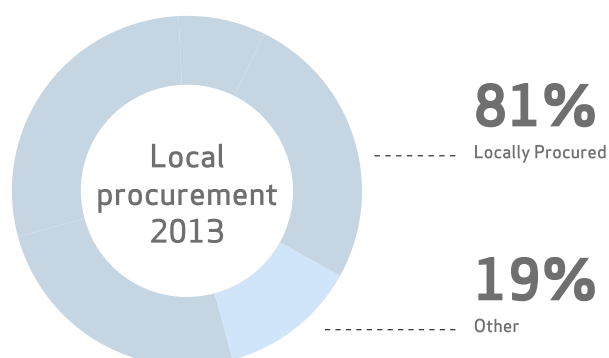
- Socially and ethically responsible purchasing
- Minimizing environmental impact through the supply chain
- Delivering economically sound solutions
- Balance of financial, environmental, social, ethical,

reputation factors

- Minimizing procurement risks and taking a long term approach to procurement decisions
- More understanding and oversight on our supply chain

What are the key indicators/measurements for sustainability within your department?

- Periodical updates on policy and procedures
- Frequent audits on procurement practices and contracts to minimize risk of corruption or bribery
- Building relationships with local suppliers to increase the ratio of local procurement within our supply chain
- Contractors and supplier performance evaluation
- Site visits and audits for compliance with contract requirements



Currently at 81%, our local procurement ratio has steadily increased as the local market has developed to meet our needs and specifications.

STRATEGIC PROCUREMENT / POLICIES

We have high standards and we demand the same from our suppliers and contractors.

Through our procurement and materials department, we work with suppliers to ensure that they adhere to our environmental and social standards. Each of our contracts includes screening and evaluation questions related to environmental, safety, and workforce welfare performance. Due diligence and, at times, elimination of contractors on the basis of poor HSE performance, help us to ensure that our suppliers and contractors meet our expectations for performance. In our due diligence and verification process, we focus our efforts on manpower contracts because those are recognized to have the greatest risks. We conduct regular announced and unannounced visits to our manpower contractor's living locations to ensure that they are in compliance with our housing, wage, and amenities requirements.

Local Economic Impact

Doing business with local suppliers makes our company stronger by reducing delivery times and creating long-term partnerships. Currently at 81%, our local procurement ratio has steadily increased as the local market has developed to meet our needs and specifications. The nature of some of our procurement- specific chemicals

and heavy machinery – means that some contracts must be formed with external suppliers. Where feasible, we preference Qatar-based suppliers because we see the value it creates for us, them, and the State of Qatar.

Currently QAPCO is doing business with a large number of local suppliers representing a number of industries and business sizes. 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.

Some of the preferences provided by QAPCO to the local vendors are as follows:

- Up to 10% variations are accepted for local manufacturers, subject to technical acceptance during any tender process
- Preferences of local vendors, who have a local business, stock and manufacturing facilities, during the vendor prequalification process for new vendors
- Open tenders are advertised in 3 local newspapers and also published on QAPCO corporate web site [G4-17]

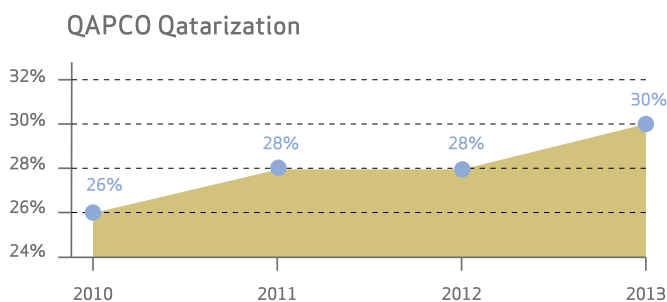
Economic Performance (QR)	2011	2012	2013
QAPCO Local Procurement %	74.32%	74.83%	78.20%
QATOFIN Local Procurement %	82.38%	83.88%	84.25%
Total Local Procurement %	77.81%	78.72%	80.92%
Direct economic value generated			
Revenues	--	3,861,903,000	4,452,512,000
Economic value distributed			
Operating Costs	--	958,026,807	1,268,555,148
Employee Wages and Benefits	--	372,894,259	424,084,480
Payments to providers of capital	--	2,298,017,177	2,559,365,436
Gross taxes	--	147,982,823	183,134,564
Community investment	--	89,973,418	87,731,818
Depletion, Depreciation & Amortization	--	129,365,330	191,572,774



04/ OUR WORKFORCE

QATARIZATION
OUR EMPLOYEES
TRAINING

Employees define our success and create record setting performance every day.



As a Qatari company in the State's most prominent sector, our reputation for excellence precedes us. We are proud to be recognized as an employer of choice to build partnerships with our community to support development of talent and workplace skills. As we continue to grow, we will create more than 1,500 job opportunities for Qataris and enhance the skills of thousands more through our training and education programs.

Performance in Context:

When compared to sector and subsector performance, our Qatarization rate of 30% is 11% greater than the petrochemical industry average of 19% and 5% greater than the Qatar energy and industry sector average of 25%.

QATARIZATION

Supporting national and sector employment objectives through direct employment of Qataris makes our company stronger and defines our cultural identity. We are proud to employ 346 Qataris across technical, managerial, and executive levels. In 2013, we invested more than 8.7 million Riyals in sponsorships and scholarships to support Qatari students in gaining valuable workplace skills and knowledge.

Once again, QAPCO was awarded the Annual Qatarization Crystal for Supporting Student Scholarships by H.E. Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry. QAPCO's Chief Administration Officer Mr. Rashid Al Sulaiti described winning this award as "A landmark achievement for QAPCO" and went on to say "Our people determine our future; we have a special and important mission to help to develop our Qatari citizens. Bringing this mission to life is how we will achieve our vision of becoming the Employer of Choice in Qatar. Our People Strategy is a road map for attracting, developing, and retaining our most valuable asset - our people."



WHAT MAKES QAPCO DIFFERENT?

If there is really one thing that sets QAPCO apart, it is our 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, with product grades recognized internationally, up to the highest possible standards. Our successful journey rests on the hard work and expertise developed by local talent.

“Our people determine our future; we have a special and important mission to help to develop our Qatari citizens. Bringing this mission to life is how we will achieve our vision of becoming the Employer of Choice in Qatar. Our People Strategy is a road map for attracting, developing, and retaining our most valuable asset - our people”.

Mr. Rashid Al Sulaiti,
QAPCO's Chief Administration Officer

**Employees
create
record-setting
performance.**



GET TO KNOW QAPCO

Abdulla Naji

Learning and
Development Manager

What were the key focuses / achievements for 2013 for your department?

Our key focus was our ongoing 5 Year Qatarization Strategy. This entails attracting, recruiting, developing and retaining quality Qatari nationals to enjoy a long and successful career within QAPCO.

Our Corporate Learning Section initiated and conducted a major campaign on Process Safety Management, to ultimately train the entire workforce on a concept that will enhance the competencies of every person working in QAPCO, especially those in Operations.

What will you be focusing on for 2014?

Recruiting and retaining top talent as QAPCO can only succeed in the long-term if we recruit, motivate and retain people.

We will also focus on providing the most appropriate training that will satisfy the development needs of each department, ensuring employees are better equipped to perform and increase productivity

What does sustainability mean for your department?

Meeting the development needs of our employees today without compromising the capabilities or skills of the next generation of engineers and leaders.

What are the key indicators/ measurements for sustainability within your department?

- Number of Qatari Nationals recruited
- Number of succession plans put into place for critical key positions over the next 5 years
- Number of career development plans put into place
- Attrition level
- Training Needs Fulfillment rate
- Course effectiveness measurement (employee feedback, Pre/Post Test, Post course evaluation)

How do you communicate with your stakeholders? What are the issues that they are most concerned with?

We have in place Memorandums of Understanding with most of the top Universities, Colleges and Schools in Qatar. This enables us to effectively communicate and understand their needs and requirements and to shape tailor-made programs and internships for the students of those learning institutes.

They are all concerned with the following issues

- How can learning and education quality standards be maintained and improved
- They wish for their students to acquire Industry related skills

Performance in Context:

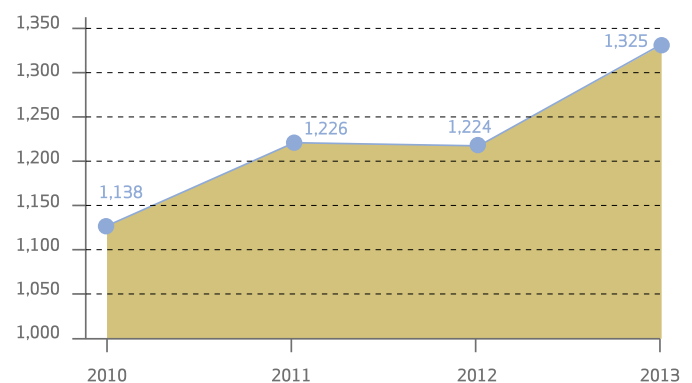
Between 2012 and 2013 our workforce increased by 8%, while the workforce of the petrochemical industry as a whole increased by 1.0% and the workforce of the Qatar energy and industry sector increased by 1.9%.

OUR EMPLOYEES

Our employees define our success. Year on year, our workforce has grown to meet the needs of our company and support our operations. The nature of our business requires strong technical and physical skills alongside an unwavering appreciation for safety and responsibility.

In 2013, we increased our overall workforce by 8% and provided 20% more training hours than ever before. As we look towards the future, we will continue to grow our workforce to meet our expanded operations. The Al Sejeel project will create demand for thousands of direct employment and contracting positions. We work towards the future by focusing on recruiting for the long term and investing heavily in the skills and success of our employees.

Our Workforce



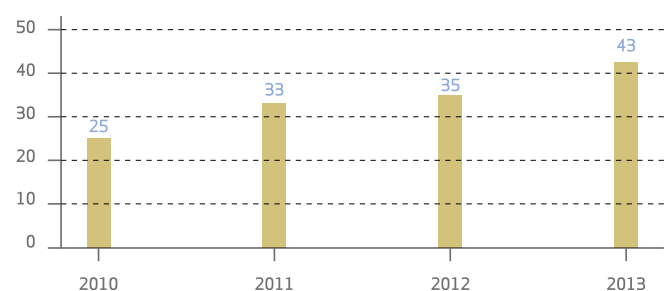
Highlight on QAPCO Scholarship Students

Dr. Mohammed Yousef Al Mulla stated: "We already have over 100 Scholarship students studying in Universities either in Qatar or abroad. We have invested in developing the next generation of Engineers and Managers, to ensure a regular flow of talented and highly qualified new recruits will be able to support QAPCO in achieving its future business goals and ambitions. This is especially important now, with our joint venture with QP to build a world-scale petrochemical complex in Ras Laffan by 2018."

FEMALE AND YOUTH EMPLOYMENT

As the fastest growing segment of Qatar's workforce, women and adults aged 18-30 are a strategic priority for employment. We are reaching out further than ever to support our current employees and to provide opportunities for women to succeed at QAPCO. Our support for the Women in Business Forum and the creation of QAPCO Ladies Group are part of our efforts to support women within our organisation by creating a community and shared activities. Since 2010, the number of women employed at QAPCO has increased by 72%. Over the coming 5 years, we target 5% female employment. This goal, along with our aspiration to remain an employer of choice in Qatar, will challenge us to ensure that we are exceeding the expectations of our employees and supporting their success professionally and socially.

Women in Our Workforce





EMPLOYEE RETENTION

We are proud to celebrate more than 500 of our employees reaching the 10-year employment anniversary with QAPCO. More than 40% of our employees have ten years of experience at QAPCO, a clear indicator of our success in retaining employees by providing challenging and rewarding employment opportunities.

Despite our successes, employee retention is a recognized challenge for every company. In 2013, we increased our retention rate while also increasing our overall employment.

TRAINING

Building skills and strengthening our employees' capacity is essential for our long-term success. Our learning and development department focuses particularly on that—providing training courses that build skills for our success. Many of our training courses are technically specific and time intensive. We continue to build specialized programs to meet the technical needs of our operations and to develop leadership skills within managerial and supervisor levels. In 2013, our training hours increased by 20% and training hours for our female employees increased significantly.

Annual Motivation Scheme Awards

This annual event brought together 223 achievers in a formal celebration to recognize their achievements. The slogan for this year's celebration was "Our success = Your success"

In his speech on this occasion Dr. Mohammed Yousef Al-Mulla said: "Our employees are the fuel of our success. Our employees are at the heart of everything we do and enable us to reach our full potential!"

Our Workforce

	2010	2011	2012	2013
Full-time employees	1,058	1,141	1,124	1,196
Developees (temporary position)	38	30	39	45
Scholarships (temporary positions)	39	52	58	83
Secondment from QAPCO (QVC, QPPC, QATOFIN)	3	3	3	1
Total confirmed full time positions	1,101	1,111	1,176	1,146
Total work force	1,138	1,226	1,224	1,325
Qatofin Workforce	17	17	18	15
Employment by level (Number of Individuals)				
Senior Management	23	28	32	33
Middle Management	346	369	381	439
Staff	769	829	811	853
Qatarization				
QAPCO Qatarization*	26%	28%	28%	30%
Qatofin Qatarization*	29%	35%	35%	33%
Combined Qatarization Rate*	26%	29%	28%	30%
Qatari Workforce*				
# of Qatari nationals	290	323	325	346
# of Expatriates	848	903	899	979
Qatarization Scholarships				
Investment in sponsorships and scholarships for Qatarization (QR)	8,010,000	8,356,000	6,275,000	8,757,000
Number of Scholarships and students sponsored	35	52	58	78
Number of University/educational institutes Partnerships			13	20
Female Employment				
# of Female	25	33	35	43
Female % *	2.20%	2.69%	2.86%	3.8%
Qatofin Female Employment				
Female	5	5	6	5
Total # of workforce by Age Group				
18-30	164	238	261	296
31-40	396	402	394	416
41-50	354	351	322	352
51-60	224	235	247	261

Our Workforce

	2010	2011	2012	2013
Female Participation in the Organization Workplace and Management (%)				
% of Employees	2%	2%	3%	3%
% of Middle Management	25%	25%	24%	24%
% of Senior Management	0%	0%	0%	0%
Total number of employees left the organization				
Total number of employees left the organization	51	43	84	89
# of employees left the organization by level				
# of Senior Management	5	5	4	4
# of Middle Management	24	20	36	28
# of Staff	22	18	44	57
# of employees left the organization by gender				
# of Female	3	5	4	2
# of Male	48	38	80	87
# of employees left the organization by age group				
18-30	8	2	24	36
31-40	18	11	31	29
41-50	10	17	18	8
51-60	15	13	11	16
% of workers coming back to work after parental leave by gender				
% of females	100	100	100	100
% of total workforce	100	100	100	100
Long-Term Employment				
Employees working at QAPCO for more than 10 years		--	401	346
Employees working at QAPCO for more than 20 years			132	197
Female Employment by Contract Type				
# of Senior Management			0	0
# of Middle Management			9	13
# of Employee Level			26	30
Employee Satisfaction				
Employees satisfaction %	72	75	76	85

Our Workforce

	2010	2011	2012	2013
Training Company-Wide				
Total number of Trainings and Education	406	344	324	435
Total Number of Days	5014	6614	4334	5185
Total number of Training for females (hours)	920	944	672	1,664
Total number of Training for males (hours)	39,192	51,968	34,000	39,816
Total number of Training for total workforce (hours)	40,112	52,912	34,672	41,480
Qatofin Training hours	416	440	720	224
Total Training hours	40,528	53,352	35,392	41,704
Total Number of Employees Trained: Female	17	19	20	19
Total Number of Employees Trained: Male	775	967	872	1,224
Total Number of Employees Trained	792	986	892	1,243
Average hours of training per year per female employee	54.1	49.7	33.6	87.6
Average hours of training per year per male employee	50.6	53.7	39.0	32.5
Average hours of training per year per employee	41	50	33	33.37
Total Cost of Training (QR)	3,831,338	5,052,951	3,995,041	4,922,642
Average Cost of Training per Individual (QR)	4,838	5,125	4,479	3,960
Average hours of training per employee by employee category				
Senior managers	63.3	76.7	60.6	57.4
Middle management	68.5	60.9	49.8	46.9
Staff	49.8	42.2	38.2	31.6
Long Term Learning Programming				
Number of programs		13	19	17
Number of employees participating in programs	--	--	41	44
Number of employees participating in programs to obtain a Master's degree	--	--	8	4

* These figures are calculated using the total confirmed positions within each organization.



05/
OUR
CONTRIBUTION
TO QATARI
SOCIETY

RESEARCH TO PROPEL OUR FUTURE
COMMUNITY INVESTMENTS

“Research and Development is a key pillar at QAPCO. Therefore, focusing on sustainability oriented R&D is a must for us. We are contributing to developing products, technologies and applications that will make our daily lives more sustainable, for the benefits of the generations to come.”

Mr. Yousuf Abdulla Rebeeh,
Chief Operations Officer at QAPCO



RESEARCH TO PROPEL OUR FUTURE

Research and development is a strategic priority for Qatar. As the country continues to grow its energy and industry sector, research and innovation will propel the future success of the sector and the national economy. Qatar has long recognized the importance of research and development and is allocating 2.8% of its GDP to research and development activities. Research opens the door to new uses for energy products and derivatives such as petrochemicals and generates job opportunities through the growth of a knowledge-based economy.

Research is part of QAPCO's commitment to improving the impact of our products by generating new applications and funding Qatar's knowledge based economy. Our support for research and development totaled 3.6 million Riyals in 2013 including sponsorship of QAPCO's first Research and Development Forum. Through collaboration with local and international partnerships, our research and development team is digging deep into the potential applications for our

petrochemical products now and into the future. We use focused partnerships with Qatar's most prominent universities as the launching point for our research activities.

Most recently, we supported the establishment of an endowed chair position at Texas A&M Qatar for Nobel Prize winning chemist Dr. Robert Grubbs. As the QAPCO Chair of Polymer Science and Engineering, Dr. Grubbs and his team will proceed with research into polymer applications as part of long-term development of polymer applications for LDPE and LLDPE raw materials. In addition to this research, QAPCO is also supporting a number of chemistry and engineering science research studies that will investigate new applications for LDPE and LLDPE within the petrochemical sector. Some of our research highlights include work to invent new weatherization materials for housing and construction that use plastic polymers as their base and provide unique insulation properties. As well, a QAPCO-funded



“It is our role at QAPCO to contribute to the progress and advancement of research, by partnering, supporting and collaborating with universities and research institutes in the fields of engineering and chemistry. Research is the cornerstone of technological advancement and scientific innovation.”

Dr. Mohammed Yousef Al Mulla,
QAPCO Vice Chairman and CEO

**Research will
generate never
before seen
applications for
our products.**

project is also pursuing research on bio-plastics and the inclusion of naturally decomposing materials for plastics.

While the outcomes of our research projects are still in development, the infinite possibilities presented by these projects gives us great reason for hope. As we support research on polymers and petrochemical applications, we are also proud to support the growth of Qatar’s knowledge based economy. Our funding for research laboratories and projects helps to employ more than 25 full time scientists and creates many opportunities for students at Qatar University and Texas A&M Qatar to learn hands on research skills and real life applications for their studies. As our programs develop, we will continue to pursue projects that not only advance our understanding of our products and their applications, but that also advance the skills and knowledge of Qatar and its research universities.



GET TO KNOW QAPCO

Ahmad
Yaseen Al
Hammadi

Public Affairs & Communications Manager

What were the key focuses / achievements for 2013 for your department?

- Organizing major events, for our employees and various stakeholders, that were very successful and high profile: QAPCO Club launch, Al Sejeel FEED and Corporate Identity Launch
- Production and launch of our first public sustainability report
- Development of our 5 year CSR Strategy
- Organization of our first company-generated CSR programs

What will you be focusing on for 2014?

- Reinforcing our community outreach programs
- Stakeholder engagement
- Increasing the number of our own CSR initiatives (instead of solely sponsoring external programs),

- Reinforcing internal communication
- Launching social media presence
- Archiving/documenting to preserve the QAPCO legacy
- Contributing to positioning QAPCO as Employer of Choice/ favorite company to work for

What does sustainability mean for your department?

For us, it means positively engaging with our stakeholders, to shape and build trust and to foster mutually beneficial long-term relationships. QAPCO has social responsibility and needs to optimize the impact of its operations on the 4 pillars of the QNV 2030.

This might mean that we have to contribute to solving some of our community's issues. Our two focuses are on communicating with stakeholders through our publications and supporting events and community outreach programs.





COMMUNITY INVESTMENTS

We are proud to act as a citizen of Qatar by making contribution to society through scholarships, events and sponsorships. Since 2010, our community investment spending has increased seven fold to nearly 7 million Riyals. As our company grows, so does the strength of our community involvement. We are investing more than ever in projects that support three key areas: employee and family welfare, education, and sports.

Our community investment is growing stronger every day as we dedicate more time and resources to communicating with and supporting people in our community - neighbors, families, Qataris and the environment. Recognizing our impact and contributing to society is part of our license to operate. We will grow stronger as we come together as a community.

Highlight: QAPCO Sports Club

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

Therefore, to encourage our employees and their families to practice sport on a regular basis, we built for them one of the largest and most impressive corporate sports and recreational club in region. We hope that it will promote healthy lifestyles and the regular practice of sport.

The QAPCO Club is one of the largest corporate sports clubs in Qatar and the region. The club offers a wide array of activities and boasts a FIFA Grade Two football field, a bowling arena, Olympic-sized pools, modern fitness centres, tennis and squash courts, snooker and ping pong tables and an impressive indoor multi-purpose hall.

The QAPCO Club is part of our legacy. Let us all make the best of it.





2013 Community Highlights

In addition to the many sporting competitions and family activities organized by our QAPCO Club such as Desert and Fishing trips, we have been busy supporting 45 CSR events and programs during the year. Here is a quick summary to better understand our impact:

- 11 major sporting competitions including 2 QAPCO champion teams
- 9 internal events for QAPCO employees and their families with food and fun for everyone.
- 22 external community events for children, schools, and environmental activities
- 9 QAPCO developed programs to benefit health, sustainability and wellness in our community.





Community Investment (QR)	2012	2013
Direct Donation	200,000	160,000
Sponsorship/ Partnership related to CSR	777,250	2,351,006
Volunteer Activities	159 people worked as volunteers in 2012 (plastic awareness, career fair, national day, environment fair, LDPE 3 inauguration)	71 employee had participated as volunteers in: QAPCO Club Inauguration & Sports Day, Environment Fair, Career Fair, National Day Celebration.
Internal events related to CSR	1,583,090	4,255,230
Additional initiatives related to CSR organized by QAPCO	--	14,850
Total Community Investment (QR) -	2,560,340	6,781,086

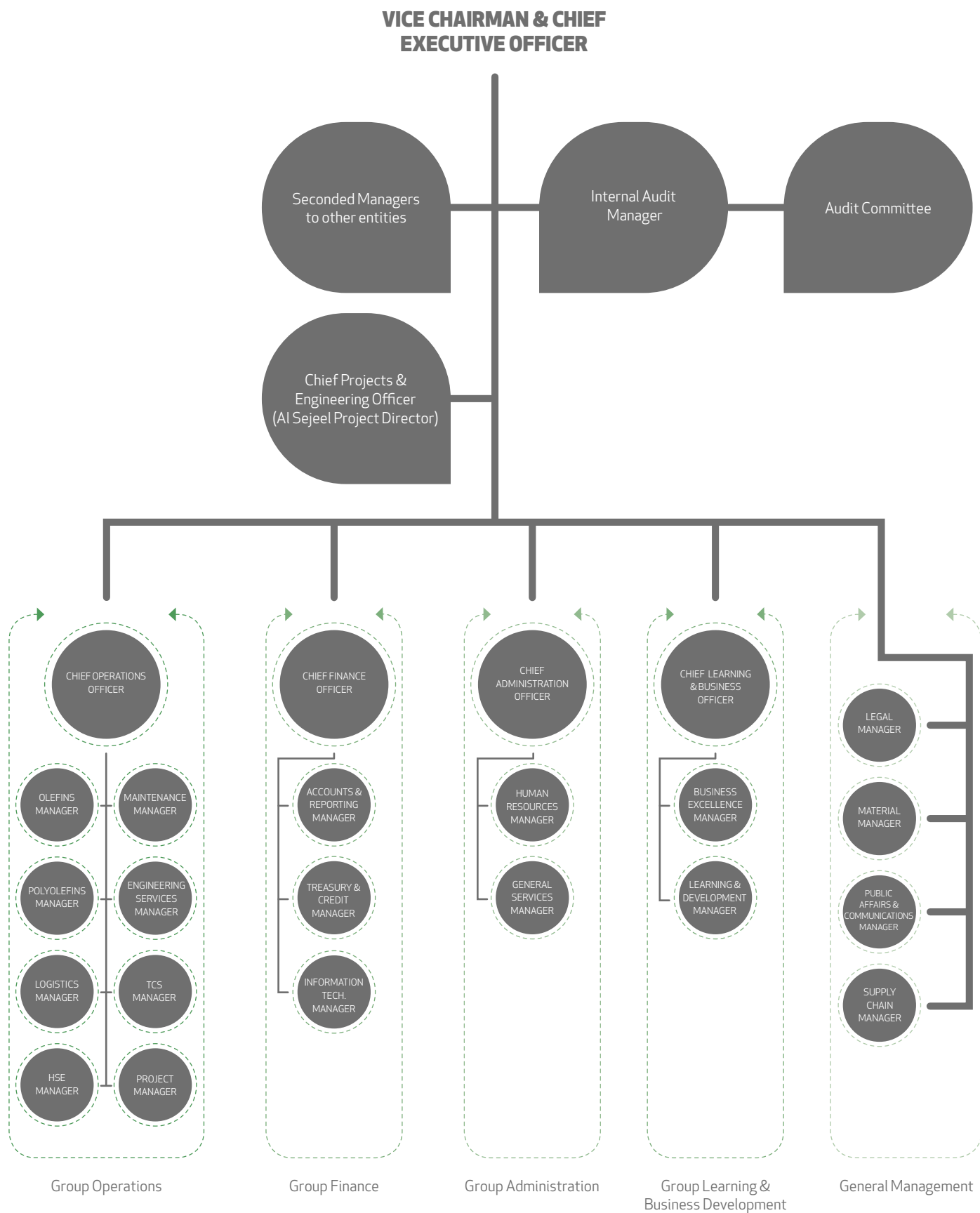
Community Partner, more than ever

- As our company grows, so does the strength of our community involvement.
- We believe in contributing to the betterment of our community and of the society.
- Making a difference is the key driver of our CSR strategy.



APPENDICES

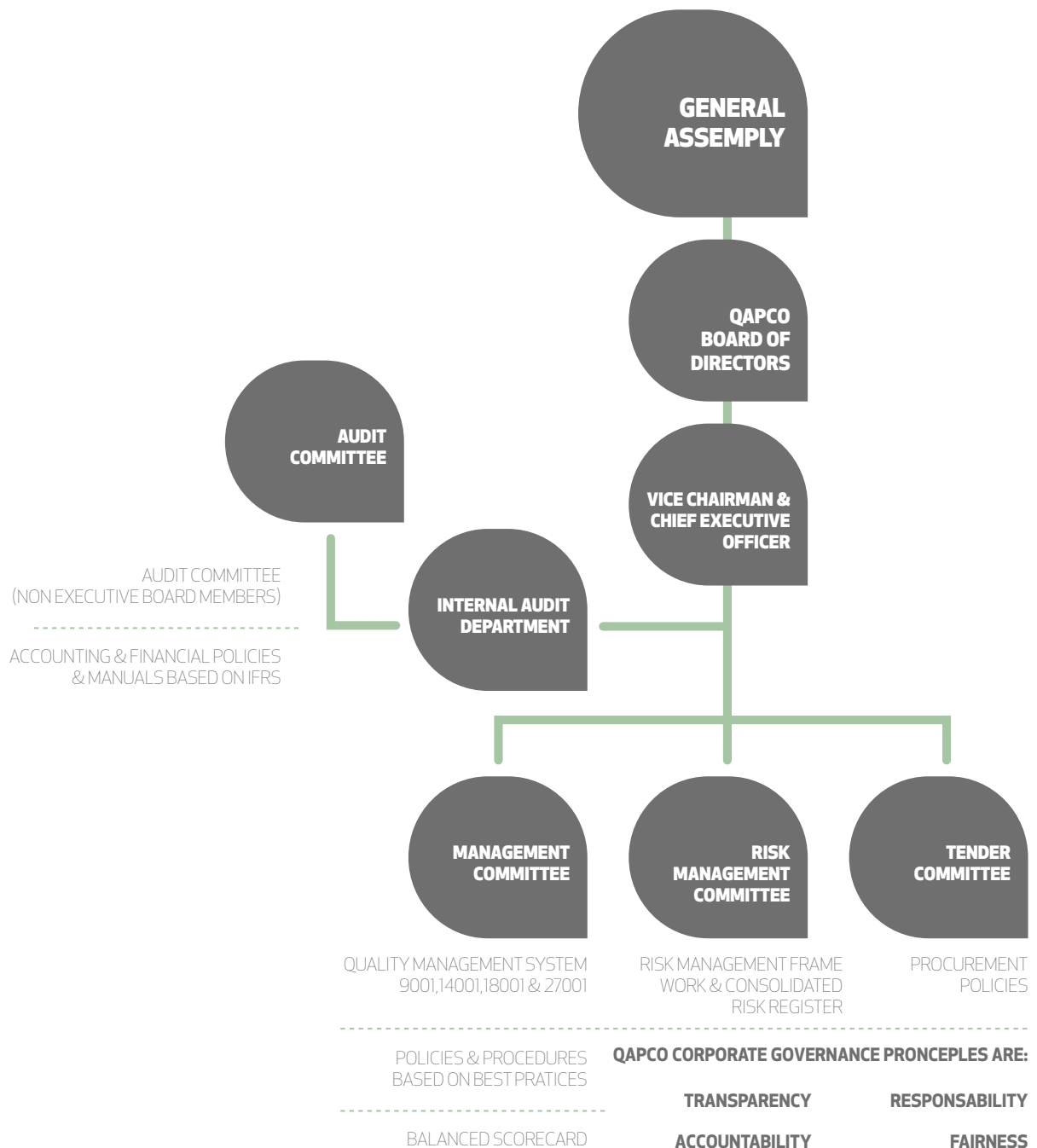
APPENDIX A: CORPORATE ORGANIZATION STRUCTURE



CORPORATE GOVERNANCE

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

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



APPENDIX B: STAKEHOLDER PRIORITIES AND ENGAGEMENT



[G4 - 24] - [G4 - 27]

Stakeholder Group	Stakeholder Priority Issues	Our Priorities	What we do to address their Priorities	Result in 2013
Employees	Remuneration and company benefits	Employer of Choice	Salary benchmarking, annual bonus, special bonus, performance review, employee loyalty program (discount in stores, on services), recognition programs, allowances, employee handbook, grants, loans, education for children	Employee Satisfaction increased from 76% to 85% in 2013
	Working conditions	Safe work place	HSE programs and audits, Regular safety trainings and drills, Safety campaigns	Safety performance milestone: we reached 15 million man hours without LTI
	Personal Development	Developing Talent	Scholarship programs, external and internal training programs, LEAD program, annual training needs survey	62% of training needs fulfilled and 41k hours of training to employees (20% increase in 2013)
	Health and Well being	Healthy and Happy workforce	QAPCO Sports Club, Sports team, Health insurance scheme	Launch of the QAPCO Club, for QAPCO employees, their families, 3 major health oriented screening and campaigns for employees and contractors: diabetes, heart and blood pressure
	Company performance	Capacity Building and Skills Development	Monthly reviews and staff updates, monthly departmental KPI review, annual address from VC& CEO and Chiefs, e-bulletin, annual report, notice board, task force meetings	41k hours of training to employees
	Cohesion and Integration	Engaged workforce	Activities for families of employees, outreach programs with schools where children of employees study	
Shareholders Industries Qatar and Total	Financial Performance (profits, margins, production, ROI)	Transparency	Improving efficiency, increasing production, managing costs, close monitoring of projects, monthly meetings to review performance and advancement of projects	Production reached all time high of 1,282,000 tonnes
	Corporate Governance	Integrity	Internal and external Audits, Declaration of non conflict of interest, ISO Certifications, Risk Management Committee, Audit Committee, Corporate Code of Conduct, Annual Report, Compliance with Regulations, best practices implementation	ISO IT security certification, enhancing level of it security, ISO 27001
	Growth	Strong growth	Facilities expansion plan, focus on R&D, quality recruitment	Major progress achieved on Al Sejeel: Technology licensing and feed signing
	Sustainability	Responsible corporate citizen	Sustainability Assessment, Responsible Care, full disclosure of information	Launch of QAPCO's first public sustainability report, GRI A
Government and Regulatory Bodies: State Audit Bureau, Ministry of Environment, Ministry of Labor, Ministry of Energy & Industry,	Compliance with Regulations	Transparency	Monthly and annual review of performance	Compliance audits
	Contributing to National Targets	Translating QNV 2030 into reality	Job creation, nationalization of workforce, capacity building, supporting local SMEs	
	Sustainable Development	Responsible corporate citizen	Long term growth, supporting our communities, economic and social development	Annual Report distributed to major players in Qatar, participation in SDIR Programme

[G4 - 24] - [G4 - 27]

Stakeholder Group	Stakeholder Priority Issues	Our Priorities	What we do to address their Priorities	Result in 2013
Muntajjat and Customers	Quality of products and Services	Quality control	Audit, ISO Compliance, claim mechanism, customer feedback, surveys	Certification of Toys compliance for China, expanding our range of applications
	Reliability, flexibility and on time delivery	Reliability	Customization, integrated logistics, creations of hubs and warehouses close to clients	79% on time deliveries
	Product Safety, Compliance	Product labelling and safe usage	Product Health and Safety Certifications from US FDA, EU, China	
	Customer Experience	Customer retention and loyalty	Training of employees to increase customer experience	93% customer satisfaction, 72% customer retention
Contractors and Suppliers	Transparent and fair tender process	Anti-corruption	Tender Committee, Conflict interest declaration, code of conduct, updated supplier data base, public tenders announced	
	On-Time payment	Reliable purchasing	Payment terms stipulated in formal agreement	
	Safe working conditions	Contractor injury rate	Specific safety training, on job training	
	Welfare and Living conditions	Human rights and wellness	Site visits to camps, discussion with labors and workers, ensuring compliance with standards	Increase number of visits to labor camps, ensuring compliance
	Long term partnerships	Win-win partnerships	Continued support to local suppliers	Continued support to local suppliers, increase 78.20 %
Community & Society	Local hiring	Shaping leaders of tomorrow	Internships with most technical schools to offer access to QAPCO to most talented Qataris, number of scholarships for Qataris, 1500 career opportunities for talented Qataris to shape the future of the petrochemical industry with Al Sejeel	213 development programs, 31 internships programs, 35 Scholarships, 82 Qatarization events organized/attended
	Impact of operations	Responsible corporate citizen	Raising awareness about sustainability	
	Community development	Community partner	Volunteering and sponsorship programs, QAPCO CSR Department	45 CSR initiatives and outreach programs (23 internal and 22 external)
Affiliates and Joint Ventures	Excellent management relationship	Strong ROI		
	Transparency	Excellent communication		
Environment	Minimizing impact of operations on environment	Responsible corporate citizen	Modernization of facilities, Environmental audits, research on sustainable chemistry	271 million QR environmental expenditures
	Optimum use of natural resources	Effective environmental management	Recycling programs (water, steam), Efficiencies and optimization program	Improvement in energy, emissions and water intensities, ISO and Responsible Care certified environmental management systems
Educational Institutions	Collaboration between industry academia	Long term partnership with benefits for talent recruitment, product development, innovation, solution development	Training agreements, especially for critical skills development, internship programs, support to major events, symposium and conferences of universities and schools, partnerships with 13 schools, 31 programs	Sponsored first QAPCO R&D forum, first engineering text book in Arabic
	R&D programs	Product development	With QU and TAMUQ, for both fundamental and applied research, novel polymer nano-composite, polymer use in green building and their energy saving applications	Building internal R&D capacity and strong focus on innovation

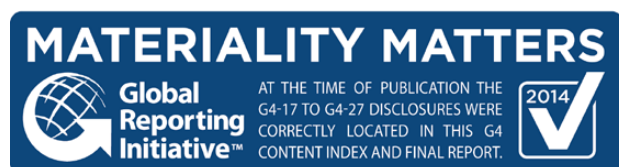
APPENDIX C: DETAILED AUDIT FINDINGS

 <p>QAPCO شركة قطر البتروكيماويات QATAR PETROCHEMICAL COMPANY</p>	<h2>20 Sustainability KPIs Verification</h2>
<p>The attached document provides a detailed verification analysis for 20 Sustainability KPIs provided by 'QAPCO 2013 SDIR', which has been set as a requirement by the Global Reporting Initiative (GRI) in its newly issued G4 Guidelines.</p> <p>The verification process is designed and conducted by QAPCO Business Excellence team of Quality and process improvement and Strategy & Corporate Planning, in accordance with what is thought to be good practice in KPI reporting.</p>	
<h3>How we conducted the KPIs verification Analysis</h3>	
<p>There are many ways to do this exercise, given the limitation of time, we have chosen a specific method based on KPI verification techniques used by consultants, there are many elements that can show the strength of a KPI, however we have selected data integrity, KPI maturity in addition to the following data management principles:</p> <ol style="list-style-type: none"> (1) Completeness (2) Consistency (3) Transparency (4) Trueness (5) Materiality <p>For data integrity this is a sole assessment of the auditor, for KPI maturity a maturity table from 1 which basic maturity to 5 which is high maturity, with 4 main criteria that is materiality, reporting regularity, usage and data source was used. However it is important to note that due to limitation any KPI that required meter measurement the meter was not checked by the auditor for calibration and QAPCO information in this regard was considered true.</p>	
<h3>Auditor comments</h3>	
<p>In reviewing the sustainability KPI we have verified 32 areas for each KPI, and have used the Data Management principles and maturity to assess the 20 KPIs validity, and found that</p> <ol style="list-style-type: none"> (1) The selected 20 KPIs are meeting data management principles by 87% which is considered to be high score. (2) The selected KPIs are having an overall maturity of 78% which is considered to be good given that some of the KPIs are not in the core reporting of the company and some are having issues in calculations. <p>I would like to thank my colleague Mr. Akram Shehata the Head of Strategy & Corporate Planning for the assistance and insights, and Mr. Arnaldo Molina the Business Excellence Manager for his trust and continuous support.</p>  <p>Rola Kafoud Asst. Head of Quality & Process Improvement</p>	

Data Audit Findings

KPI	Data Integrity Level	Materiality	Maturity Rating
Work Hours - Employees	Low	20/ high	3/5
Work Hours – Contractors	Low	20/ high	2/5
Lost Time Injuries - Employees	Medium	25/ very high	4/5
Lost Time Injuries – Contractors	Medium	25/ very high	4/5
Emergency Response Drills	High	25/ very high	3/5
Indirect Energy Consumption	Low	6/ low	1/5
Direct GHG Emissions	High	25/ very high	5/5
Flaring	High	25 / very high	5/5
Natural Gas Consumed	High	20/ high	5/5
SO _x Emissions	High	25/ very high	5/5
NO _x Emissions	High	25/ very high	5/5
Water Discharged to Sea	High	25/ very high	5/5
Total Waste Disposed	High	16/ high	5/5
Revenues	High	25/ very high	5/5
Production	High	25/ very high	5/5
Social Investment	High	16 / medium	4/5
Training Provided to Employees	Medium	12/ medium	3/5
Qatarization	Low	20/ high	3/5
Female Employment Ratio	Low	4/ low	2/5
Employee Satisfaction	Medium	15/ high	3/5

APPENDIX D: GRI CONTENT INDEX



ASPECT BOUNDARIES [GRI G4 20-21]

QAPCO has presented relevant information available at the time of production of this report. For each of the topics discussed, we present the combined performance of QAPCO and Qatofin unless specifically designated otherwise. The performance of our contractors and associates is presented where relevant and available.

In the future, we are committed to expanding the scope of our reporting to further include stakeholders and supply chain. Our relationship with stakeholders continues to evolve and impact the content and reporting boundaries.

MATERIALITY PROCESS [GRI G4-18]

The content of our report is defined by our materiality assessment, which is presented on page 19. This assessment was conducted internally. Our stakeholder prioritizations were developed through passive feedback channels such as board meetings, public feedback, and press coverage of our operations.

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

Our primary focus in our 2013 materiality assessment was on identifying and prioritizing sustainability topics. Our business excellence team led the materiality assessment exercise with the assistance of a third party consultant. Our assessment includes the 45 specific disclosure topics from the GRI. This list was then evaluated based on stakeholder and company priorities and risks identified. In the future, we are committed to strengthening our engagement with stakeholders to increase the relevance of our materiality assessment and improve our reporting.

We recognize the value of broadening our engagement with stakeholders to improve our materiality assessment and increase the relevance of information within our report based on stakeholder priorities.

Our High Materiality Topics

Economic Performance	Contamination and Spill prevention
Safety training and safety culture	Workforce
Contractor safety performance	Qatarization
Occupational health and prevention	Products and Sales
Preventative maintenance	Water
Compliance with legal regulations for health and safety	Waste management
Quality Control	Environmental management systems and accreditation
Safety event investigation and resolution	Environmental Expenditures
Process inspections and monitoring	Injury rates
Safety drills and training	CSR
Compliance with regulation	Human rights
Anti-corruption	Compensation and remuneration
Reliability and production optimization	Employee engagement and activities
GHG emissions	Employee retention
Product labeling and Safe Usage	

[G4 - 19]

GRI INDEX

Table Key ● Reported ① Partially Reported ○ Not Reported

Indicator	Page reference (or direct response in case of omission)	External Assurance
GENERAL STANDARD DISCLOSURES		
Organizational and Analysis		
G4-1	● 6	Not Assured
G4-1	● 12-16	Not Assured
Organizational Profile		
G4-3	● 3	Not Assured
G4-4	● 36	Not Assured
G4-5	● Doha, Qatar	Not Assured
G4-6	● 12	Not Assured
G4-7	● 12	Not Assured
G4-8	● 36, 40	Not Assured
G4-9	● 12-13, 43	Not Assured
G4-10	● 51-53	Not Assured
G4-11	● Trade unions are prohibited in Qatar	Not Assured
G4-12	● 43	Not Assured
G4-13	● 38-40	Not Assured
G4-14	● 6-9	Not Assured
G4-15	● None	Not Assured
G4-16	● Gulf Petrochemicals Association	Not Assured
Identified Material Aspects and Boundaries		
G4-17	● 43, QAPCO Standalone	Not Assured
G4-18	● 15-18, 68	Not Assured
G4-19	● 19, 68	Not Assured
G4-20	● 68	Not Assured
G4-21	● 68	Not Assured
G4-22	● Limited restatements of data have been made to improve quality. All restatements are noted clearly where applicable.	Not Assured
G4-23	● No significant changes.	Not Assured

Indicator	Page reference (or direct response in case of omission)	External Assurance
GENERAL STANDARD DISCLOSURES		
Stakeholder Engagement		
G4-24	● 64-65	Not Assured
G4-25	● 64-65	Not Assured
G4-26	● 64-65	Not Assured
G4-27	● 64-65	Not Assured
Report Profile		
G4-28	● January 1 – December 31, 2013	Not Assured
G4-29	● QAPCO 2012 Sustainability Report was published in June, 2013	Not Assured
G4-30	● annual	Not Assured
G4-31	● 15	--
G4-32	● 15	Not Assured
G4-33	● This report was not checked by third-party.	Not Assured
Governance		
G4-34	● 62-63	Not Assured
Ethics and Integrity		
G4-56	● 46-50	Not Assured

Indicator	Page reference (or direct response in case of omission)	External Assurance
SPECIFIC STANDARD DISCLOSURES		
Category: Economic		
Material Aspect: Economic Performance		
G4-DMA	● 36-38	Not Assured
G4-EC1	● 43	Not Assured
Material Aspect: Procurement Practices		
G4-DMA	● 43	Not Assured
G4-EC9	● 43	Not Assured
Category: Environmental		
Material Aspect: Materials		
G4-DMA	● 28-29	Not Assured
G4-EN1	● 28, 33	Not Assured
Material Aspect: Energy		
G4-DMA	● 31	Not Assured
G4-EN3	● 33	Not Assured
G4-EN5	● 33	Not Assured
Material Aspect: Water		
G4-DMA	● 28-29	Not Assured
G4-EN8	● 33	Not Assured
G4-EN10	● 33	Not Assured
Material Aspect: Emissions		
G4-DMA	● 31-32	Not Assured
G4-EN15	● 33	Not Assured
G4-EN16	● 33	Not Assured
G4-EN18	● 33	Not Assured
G4-EN21	● 33	Not Assured
Material Aspect: Effluent and Waste		
G4-DMA	● 28-29	Not Assured
G4-EN22	● 33	Not Assured
G4-EN23	● 33	Not Assured
Material Aspect: Compliance		
G4-DMA	● 27-28	Not Assured
G4-EN29	● Zero	Not Assured
Material Aspect: Overall		
G4-DMA	● 27-29	Not Assured
G4-EN31	● 28	Not Assured

Indicator	Page reference (or direct response in case of omission)	External Assurance
Category: Social		
Sub-Category: Labor Practices and Decent Work		
Material Aspect: Employment		
G4-DMA	● 47	Not Assured
G4-LA1	● 51-53	Not Assured
Material Aspect: Occupational Health and Safety		
G4-DMA	● 22-24	Not Assured
G4-LA6	● 25	Not Assured
Material Aspect: Training and Development		
G4-DMA	● 50	Not Assured
G4-LA9	● 24, 51-53	Not Assured
Material Aspect: Diversity and Equal Opportunity		
G4-DMA	● 49	Not Assured
G4-LA14	● 43	Not Assured
Material Aspect: SUPPLIER ASSESSMENT FOR LABOR PRACTICES		
G4-DMA	● 43	Not Assured
G4-LA14	● 43	Not Assured
Material Aspect: Supplier Assessment for Human Rights		
G4-DMA	● 43	Not Assured
G4-HR10	● 43	Not Assured
Material Aspect: Anti-corruption		
G4-DMA	● 12	Not Assured
G4-HR10	● zero	Not Assured
Material Aspect: Compliance		
G4-DMA	● 27-28	Not Assured
G4-SO8	● zero	Not Assured
Material Aspect: Customer Health and Safety		
G4-DMA	● 40	Not Assured
G4-PR2	● zero	Not Assured
Material Aspect: Product Labeling		
G4-DMA	● 40	Not Assured
G4-PR4	● zero	Not Assured
Material Aspect: Marketing Communication		
G4-DMA	● 17	Not Assured
G4-PR9	● zero	Not Assured



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