

2015 INTEGRATED REPORT

# ACHIEVING OUR FULL POTENTIAL



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



His Highness  
**Sheikh Hamad Bin Khalifa Al Thani**  
Father Emir

# CAUTIONARY STATEMENT

For the purposes of this report, Qatar Petrochemical Company (QAPCO) Q.S.C. and its subsidiary company Qatofin Company Limited, will be discussed together. Where relevant and available, separate performance figures will be provided. The boundaries of this report are discussed in further detail on page 96 of Annex E.

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 effort 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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# Qatar Petrochemical Company (QAPCO) Q.S.C.

## 2015 INTEGRATED REPORT

This second annual report describes Qatar Petrochemical Company's (QAPCO) Q.S.C. activities in the financial and calendar year 2015 and provides an account of actions and performance data relating to a range of business, economic, environmental and social issues which make up our sustainability performance. Our integrated report provides a greater context for performance, underlining value creation over time, and it demonstrates how incorporating sustainability in our business management and operations creates added value for the company and our stakeholders.

Building upon last year's integrated report, we delve further into sustainability governance and we outline how our corporate strategy covers material sustainability issues.

QAPCO follows guidelines provided by the International Integrated Reporting Council (IIRC) and the report is based on the Global Reporting Initiative (GRI) G4 Guidance 'in accordance' option core. For further information and GRI G4 Content Index, please see Annex E.

Our financial balance sheets can be found on page 82.

As we continually seek to improve our reporting, we welcome your feedback.

Contact us at: **[sustainability@qapco.com.qa](mailto:sustainability@qapco.com.qa)**





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# PERFORMANCE HIGHLIGHTS 2015

QR **4**  
**BILLION**  
REVENUES

QR **1.99**  
**BILLION**  
ANNUAL PROFIT

**QFP**  
**QAPCO FULL**  
**POTENTIAL**  
**PROJECT**  
LAUNCHED IN 2015



**34%**  
**QATARIZATION**



**123**  
**COMMUNITY INITIATIVES**  
**AND PROGRAMS**



**-10%**  
**MORE THAN 10% REDUCTION**  
**IN FLARING INTENSITY**  
(2011-2015)



**-22%**  
**MORE THAN 22% REDUCTION**  
**IN NOx INTENSITY**  
(2011-2015)





**19.7**  
**MILLION**  
CUMULATIVE HOURS WITHOUT  
EMPLOYEE LOST TIME INCIDENT



**-41%**  
MORE THAN 41% REDUCTION  
IN GHG INTENSITY  
(2011-2015)



**-55%**  
MORE THAN 55% REDUCTION  
IN SO<sub>x</sub> INTENSITY  
(2011-2015)



**-37%**  
MORE THAN 37% REDUCTION  
IN TOTAL ENERGY INTENSITY  
(2011-2015)

**1.24**  
**MILLION**  
**TONNES**  
OF POLYETHYLENE  
PRODUCTION

**83%**  
GOODS AND SERVICES  
SOURCED LOCALLY



**1,202**  
**EMPLOYEES**



**Mohamed Salem Al-Marri**  
Chairman of the Board of Directors

## MESSAGE FROM THE CHAIRMAN

It is a pleasure to welcome you to QAPCO's second annual Integrated Report, documenting our economic, social and environmental performance in 2015.

Since 1974, QAPCO has been a pioneer in the petrochemical sector, known as being a catalyst for value creation in the sector and State of Qatar.

In alignment with the objectives of the Qatar National Vision 2030 (QNV2030), and under the visionary leadership of His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar, QAPCO continues on its path of innovation-investing in opportunities for the long-term growth and the success of its operations. Through this, we seek to maximize our contributions to economic, social, human and environmental development in Qatar.

Our commitment to innovation is what will enable QAPCO to drive the energy and materials industry forward. QAPCO's investments in research and development, through our collaboration with academia, is an integral aspect of our Research and Innovation Strategy. This is significant in advancing the field of polymer science, leading to the development of new and improved product applications.

Our focus on research and development will remain a key component of our strategy, with the technological advances

we create with downstream partners moving us into a new era of opportunity and growth.

The investments we have made towards increasing our production capacity are essential to meeting future consumer demand. QAPCO continues to improve its operations across the company-listening to our employees and stakeholders and unceasingly working to improve our processes.

Through the implementation of strategic programs, QAPCO has improved its operational efficiency at all levels of the company and is realizing significant cost improvements.

At QAPCO, we pride ourselves on our ability to respond and adapt to challenging market conditions. We continue to strengthen its global cost competitiveness and positioning itself for improved future growth.



**Dr. Mohammed Yousef Al-Mulla**  
Managing Director and CEO

## MESSAGE FROM THE MANAGING DIRECTOR AND CEO

With the implementation of the QAPCO Full Potential (QFP) project and the continuation of our Business Transformation Project, 2015 was a year of great transition for QAPCO.

We intensified our focus on increased efficiencies, and we worked hard to re-engineer the way in which we operate, through process optimization and resource allocation.

Resource and process optimization has played a key role in successfully realizing cost improvements for QAPCO's operations.

2015 saw the benefits of the successful and safe completion of our planned general shutdown, which took place in 2014 to enhance long-term efficiencies and improve the overall operational performance of our plants. We increased yields, and our production capacity increased beyond expectations. Through our growth in production capacity and reliability of our plant operations, we have strengthened our ability to meet expected future consumer demand.

Our QFP and Business Transformation projects have played an integral role in our ability to increase our global cost competitiveness and maintain high profitability. Through these innovative approaches, QAPCO has been able to streamline its business operations and we expect a QR 500 million recurring cost improvement as a result of the initiatives.

As epitomized by our vision, QAPCO's commitment to innovation is the true key to prosperity. More than ever, QAPCO is investing in strategic partnerships to build the human and intellectual capital needed to advance our industry.

Through our strategic partnerships with Qatari schools and universities, we are supporting education and the development of a new field of research and expertise in Science, Technology, Engineering and Mathematics (STEM) initiatives, creating a strong economic and academic contribution to Qatar.

Moreover, our sponsorship of University Professional Chairs has led to promising research in new materials for polymer manufacturing in Qatar.

With an emphasis on product differentiation and the development of new product applications, we continue to support the Qatar National Vision 2030 and are opening up new opportunities for downstream development, local supply chains and employment.

# ACHIEVING OUR FULL POTENTIAL

Despite challenging market conditions in 2015, QAPCO completed yet another year with strong performance, achieving historically high levels of production and improvement in the cost competitiveness of our operations. 2015 was a transformational year for the company with the launch of the QAPCO Full Potential (QFP) project.

The QFP project is one of the main projects being implemented at QAPCO, elevating QAPCO to 'best-in-class' levels and taking QAPCO's performance to industry global first quartile in plant operations and cost efficiency.

During its inception, 50 QAPCO experts, across a variety of departments, came together in a range of cross-functional workshops, producing more than 250 ideas for implementation. These ideas were refined and expanded into 175 initiatives. This great undertaking, which took two months, culminated with the validation and approval of 160 initiatives with an expected recurring improvement potential of QR 500 million.

The QFP project swiftly transitioned from its opportunity assessment phase and planning stages into the implementation phase. The pipeline of initiatives currently being implemented represents a major profit improvement potential for QAPCO.

## QFP KEY FOCUS AREAS

### Achieve operational excellence

- Polyethylene Units

### Achieve operational excellence

- Steam Cracker

### Improve efficiency and operational excellence of selected functions

- General and Administrative
- Support and Operational Support



Photo : Michel Labelle / TOTAL





Achieving our full potential is a journey with short-term and long-term goals. It is truly a bottom-up approach in its implementation, as it encourages all employees to increase their awareness about where improvements could be made so to devise actions plans to address those processes.

We expect that 70% of all improvements will be achieved over the next two years, with their full financial impact becoming visible in 2018. The QFP and Business Transformation projects are expected to contribute to QAPCO's success, making us a more prepared, reliable and efficient organization.

### Recovery off-grade production



QR **10** million  
Expected Savings

### Move towards CP4 pallets



QR **5.3** million  
Expected Annual Savings

## Where are the improvements coming from?

- 75%** Improving our processes, how we spend money, discovering novel ways of working
- 15%** Increasing capacity of our polymer plants
- 10%** Improving internal efficiency through Business Transformation





# 1. ABOUT QAPCO

- Our Facilities and Products
- Approach to Corporate Governance
- Approach to Sustainability



# About QAPCO

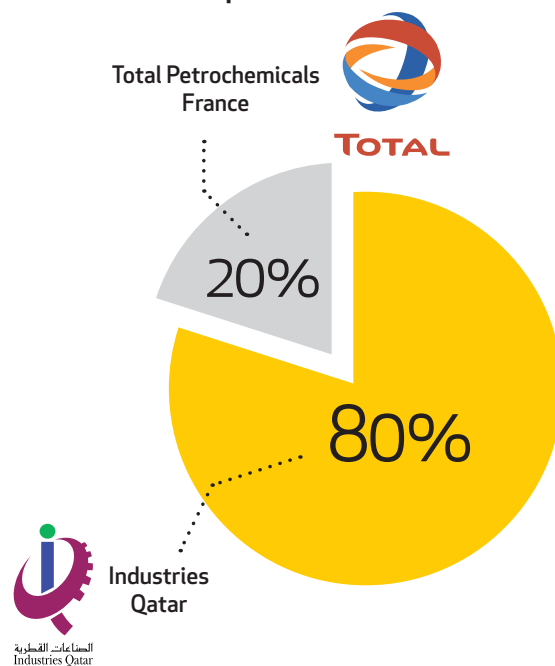
Based in the State of Qatar, Qatar Petrochemical Company (QAPCO) Q.S.C. is one of the world's largest and most successful producers of low-density polyethylene (LDPE). The company produces a wide range of LDPE grades that are suitable for all thermoplastic processing techniques, which are in turn used for various applications.

## Other products and ventures

In addition to its core business, QAPCO has invested directly and indirectly in four associated ventures that contribute to the development of Qatar's downstream petrochemicals sector, and is involved in a number of joint ventures (JVs), including; Qatar Vinyl Company (QVC), Qatofin Company Limited, and Qatar Plastic Products Company (QPPC). Thereby producing various petrochemical products and making QAPCO a regional petrochemical powerhouse.

QAPCO's shareholders are Industries Qatar (80%) and Total Petrochemicals France (20%).

## QAPCO Ownership



## QAPCO's manufacturing facilities consist:

Ethylene plant capacity of

**800** ktpa

Sulfur plant capacity of

**70** ktpa

Three LDPE plants with a total capacity of over

**700** ktpa



## QAPCO VISION

### Prosperity through innovation

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

## QAPCO MISSION

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

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

## QAPCO KEY VALUES

<b>People</b>	The heart and soul of the organization is built on the dedication of our people and their commitment to exceed the expectations of our community and customers. We seek to retain talent, and foster a collaborative and supportive environment.
<b>Safety</b>	We persistently ensure the safety of our employees, contractors, assets and communities; taking a pro-active approach to safety, we relentlessly seek ways to improve our safety performance.
<b>Integrity</b>	Acting ethically and honorably wins loyalty. Our behavior is matching our words and we take accountability and responsibility for our actions.
<b>Innovation</b>	Innovative processes, creative ideas, research and development that bring together various novel ideas in a way that shall have an impact on society.
<b>Stewardship</b>	Building a strong and durable company for future generations, meeting our commitments to stakeholders, fostering freedom to act, and helping improve communities and the environment.

# Our Products

QAPCO primarily makes low-density polyethylene (LDPE), a basic plastic polymer that is derived from oil and natural gas and used in millions of products that we encounter in our daily lives.

LDPE is considered as the most commonly used type of plastic. Thanks to its innovative applications, it makes our daily lives more practical, safer and greener.

Some of the more well-known applications include:

- food packaging
- agricultural films
- extrusion and coating lamination films
- high-clarity films
- injection moulding
- cables, wires, foam and other products.

QAPCO's food-grade polymers comply with EU and US Food and Drugs Administration (FDA) standards related to food packaging safety.

LDPE also plays a key role in the development of green building solutions.

Since July 2013, our products have been marketed and sold exclusively through Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.J.S.C. under the Lotrène brand.

**We are proud to be part of an industry that empowers the world around us and supports a modern and sustainable lifestyle.**





## THE POLYMER VALUE CHAIN

In 1974, QAPCO was established with the aim of utilizing the associated and non-associated ethane gas from petroleum production, unlocking Qatar's hydrocarbon resources potential and paving the way for a robust and highly profitable petrochemical industry in the GCC by creating a value chain through an integrated web of associated ventures. QAPCO is one of the leading producers of ethylene, and with a capacity of 800 kilotons per annum (ktpa) of ethylene from ethane coming from different sources of the oil and gas industry of Qatar, including Industries Qatar and its parent company, Qatar Petroleum.

We create value for our stakeholders and the State of Qatar by transforming inputs into higher value outputs and outcomes. It is through our holistic and integrated management approach that we are able to recognise the connections among the different levels of our operations and create synergies and action plans for improvement.

Value creation is part of our legacy of innovation on many fronts, it is tied to our corporate strategy, vision, mission and principles. Our management practices and corporate governance enables QAPCO to transform its financial, manufactured, intellectual, human, social and relationship, and natural capital into something different and more valuable.

At QAPCO, we transform ethylene into polyethylene, a product that has thousands of applications and has helped to improve the quality of lives for millions through countless ways. Specifically, QAPCO produces low-density polyethylene (LDPE), and linear low-density polyethylene (LLDPE) through its subsidiary Qatofin.

Additionally, QAPCO and two neighboring companies (NGL and QP Refinery) are extracting sulfur from their processed streams. Those different sources of sulfur are then gathered at QAPCO, treated and exported, mainly to the Indian

sub-continent. Due to its purity and low moisture content, the sulphur produced by QAPCO is in high demand. But as we have continually displayed, QAPCO does much more, by increasing the efficiency of this transformative process reducing the negative impacts on the environment.

With annual production of 1.24 million tonnes of polyethylene in 2015, QAPCO makes a strong contribution to the burgeoning chemical industry in the GCC, which achieved 8% growth in 2015, reaching 23.4 million tonnes of total polymer production (7.1 million tonnes of LDPE and LLPDE production).



**1.24** Million tonnes  
of polyethylene production  
in 2015



**8%** Growth of GCC  
Chemical Industry in 2015



**23.4** Million tonnes of  
industry polymer production  
in 2015

# Corporate Governance

Good corporate governance is a key driving force behind how QAPCO conducts its business. The Board of Directors is the highest governing body and responsible for oversight and decision making within the company and its associated ventures.

As we strive to ensure accountability, transparency and ethical business practices, our Board plays an interactive role in the strategic management and governance of the company through 12 formal corporate executive committees.

QAPCO governance model is available on page 94.



## CORPORATE EXECUTIVE COMMITTEES

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

# BOARD OF DIRECTORS

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



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10

**1. Mr. Mohamed Salem Alyan Al-Marri**  
Chairman of the Board

**2. Nabeel Mohammed Ali Al-Rashid Al-Buenain**  
Vice Chairman

**3. Dr. Mohammed Yousef Al-Mulla**  
Managing Director and CEO

**4. Sheikh Faisal Fahad Al-Thani**  
Board Director

**5. Sheikh Thani Thamer Al-Thani**  
Board Director

**6. Mr. Ahmed Abdulla Hassan Al-Khaja**  
Board Director

**7. Mr. Mohammed Jaber Ahmed Al-Sulaiti**  
Board Director

**8. Jean-Jacques Mosconi**  
Board Director

**9. Dr. Philippe Vindevoghel**  
Board Director

**10. Mr. Jean-Marc Soheir**  
Board Director

# Sustainability

## Governance

Sustainability governance is directed by our sustainability management team who regularly review the company's economic, social and environmental performance. The team, which includes the Managing Director and CEO, provides insight and oversight on sustainability issues and both risks and opportunities for the company. Sustainability management oversight at the Board level is an important demonstration of our commitment to company-wide integration of sustainability.

### Business management and oversight

QAPCO strives to become an international best practices leader. Towards this goal we have invested considerably in corporate management systems with particular attention

paid to material areas of our business operations. The attainment of the Responsible Care accreditation is a key achievement for QAPCO and important for the downstream petrochemical sector, as it touches on material issues relevant to our core business operations.

Responsible Care is the chemical industry's global initiative to drive continuous improvement and achieve excellence in environmental, health, safety and security performance. As a Gulf Petrochemicals and Chemicals Association (GPCA) member Company, QAPCO embraces Responsible Care as a guiding force to enhance its performance and reputation, discover new business opportunities, and improve the health and safety of its employees and communities and the environment as a whole.

### Certified Management Systems

#### RC 14001

Responsible Care

#### ISO 14001

Environmental Management System

#### ISMS 27001

Information Security Management System

#### ISO 9001

Quality Management System

#### OHSAS 18001

Occupational Health and Safety Management System



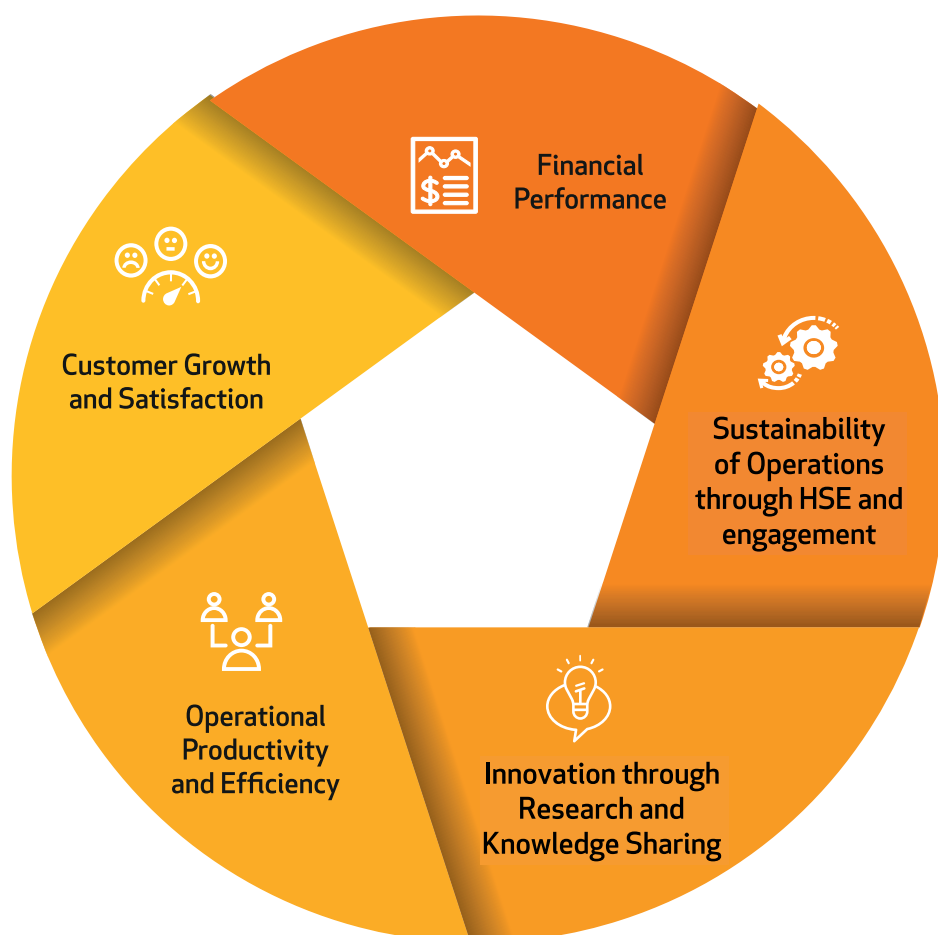
## Corporate Strategy

QAPCO's corporate strategy reflects the evolution of the company's operations and management objectives. Value creation is the foundation of our strategy as we aim to align short- and long- term actions towards our vision for prosperity through innovation. Optimization of our operations and engagement on our impacts are key parts of achieving QAPCO's full potential as a leader in Qatar's petrochemical sector. The scope of strategic management includes economic, social and environmental performance.

The strategy is directed by 11 corporate objectives and comprehensive performance management based on the Balanced Scorecard model.



## 5 Strategic Focus Areas :





## QAPCO and Sustainability

For QAPCO, sustainability is a catalyst for success as it connects our short- and long-term actions with the needs and expectations of our stakeholders. As a company, we continually seek means to improve our performance by way of our social, environment and economic impacts. We achieve this through innovation and engagement. Our viability and growth as a company is dependent upon how we listen and learn from our stakeholders to become more efficient, and through discovering new product applications and processes.

Increasingly and in a collaborative manner, the leadership of our sustainability management team is driving how we conduct and improve our business, helping to guide our decision-making and working to improve collaboration across business functions. The QFP project is an excellent example of how collaboration through engagement has been increasing and how we can generate value, not only over the long-term, but also over the short- and medium-terms. As QAPCO strives to become an international best practice leader and further integrate best sustainability practices, we are moving closer to achieving our full potential and our vision of creating “prosperity through innovation”.

For over 40 years, QAPCO has been a pioneer in Qatar’s petrochemical sector and we strive to continue this legacy, not only for our generation, but for future generations.

### QAPCO Sustainability Framework

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



**Workforce**  
that is engaged  
and committed



**Safety**  
of personnel  
and assets



**Investing**  
in infrastructure



**Contributing**  
to Qatari Society



**Compliance**  
and Environmental  
Management







## Reporting our progress

In 2015 we continued to follow the International Integrated Reporting Council (IIRC) guidelines, providing concise communication about our organization's strategy, governance, performance and prospects, in the context of our external environment, and how it leads to the creation of value.

As such, we review our performance on a longer horizon to gain a constructive understanding of our performance, focusing on material issues for our business and stakeholders, as identified in our materiality assessment on page 29. To accurately portray the scope of QAPCO's operations and impact, this report presents the performance of QAPCO and its subsidiary company, Qatofin. Further information about the scope of performance figures is included in Annex B on page 87.

## Sustainability data maturity assessment

As part of QAPCO's commitment to quality performance reporting, an internal audit was conducted on 20 key sustainability performance indicators to validate that the reported data is transparent, credible, reliable, and accurate. Maturity of information – based primarily on collection and calculation methodologies – improved to 91% from 82% in our 2014 audit, while data integrity achieved a score of 91%. A high level of accuracy and correctness was observed and reported figures were found appropriate and accurate. Full audit outcomes can be found in Appendix F on page 100.

# The Value of Engagement

QAPCO believes our stakeholder's perspectives and priorities are an important avenue to create value that extends beyond QAPCO. Balancing the needs, priorities and expectations of stakeholders is an essential part of building a better business. We have worked hard to develop strong relationships with our stakeholders and have benefitted from understanding their perspectives and priorities. As QAPCO works towards fulfilling the expectations of our stakeholders, we are simultaneously realizing our corporate mission, vision, and values. [GRI G4-25]

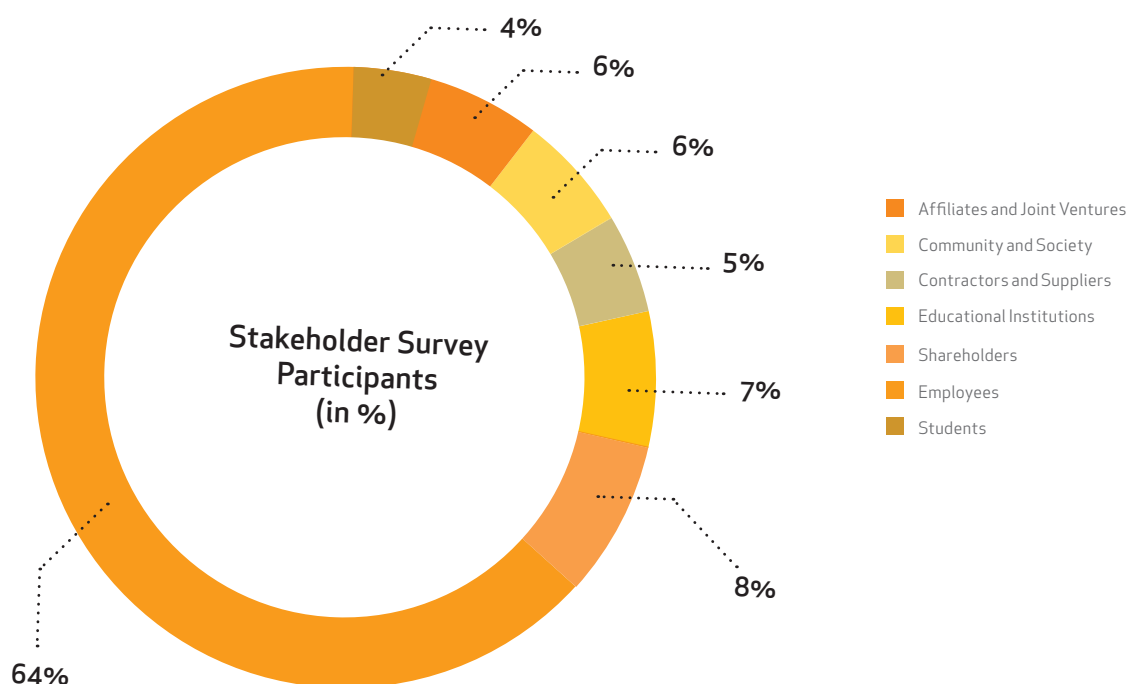
## Listening to our stakeholders

For our 2015 report, we asked our stakeholders to share their thoughts on our sustainability management.

Listening and learning from our stakeholders is not only a part of our sustainability program, but part of our core business. Effective dialogue and collective activities with our stakeholders contribute positively to the implementation of best practices and allows us to achieve sustainable results. QAPCO conducted an online stakeholder engagement survey to gain the insight of individuals from its key stakeholder groups.

A total of 73 participants completed the survey and provided us with valuable information about the issues that are the most impactful to them. The results of this survey help us determine which material areas to focus our efforts.

## Stakeholder Survey Participants



## Our Materiality Assessment

For our 2015 assessment, we mapped 26 economic, social and environmental issues, selected based on their significant impact on our business and stakeholders. Scoring and prioritization was informed by a number of internal workshops, which focused on QAPCO's sustainability management and strategy. Our assessment of stakeholder priorities is a direct outcome of our stakeholder engagement survey, conducted in March 2016 and with the participation of 73 representatives from QAPCO's key stakeholder groups.

In this third materiality assessment, the importance of economic performance is outweighed only by safety and the welfare of our workforce, as highlighted by the emphasis placed on safety training and building a safety

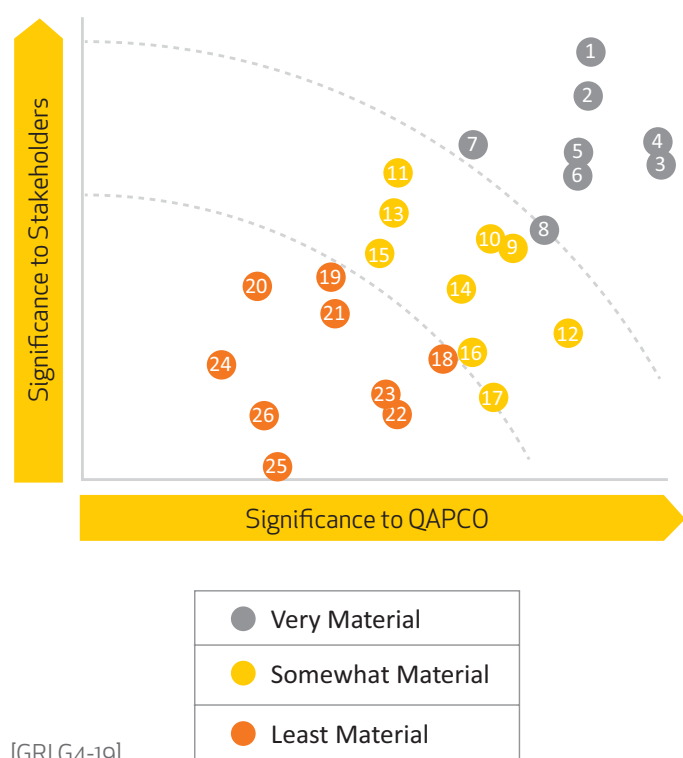
culture. Key environmental performance issues, such as flaring and emissions and water management, have moved up in order of importance, but are still not as highly prioritized as safety and operational performance. Social issues remain important for stakeholders, however their relative importance has seen a downward shift.

Materiality is a process that allows us to continually learn from our stakeholders and improve our performance to meet our Company's and stakeholder's expectations. Learning how to nurture our relationships with our stakeholders is an important outcome of this process and the process is a learning experience for us also. As we learn how to better capture and engage our stakeholders' priorities, we aim to increase the value that we contribute Qatar as a whole.

26 priorities ranked by 73 key stakeholders

## Materiality Matrix

QAPCO (2015)



Ranking	Material Issue
1	Safety training and safety culture
2	Economic performance
3	Compliance with regulations
4	Product quality and optimization
5	Occupational health and prevention
6	Contractor safety performance
7	Anti-corruption
8	Safety event investigation and resolution
Ranking	Material Issue
9	Process inspection and monitoring
10	Workforce well-being
11	Reliability and preventive maintenance
12	Contamination and spill prevention
13	Labor and contractor rights
14	Product labeling and safe usage
15	Climate change and energy management (emissions, flaring and energy efficiency)
16	Water management
17	Waste management
Ranking	Material Issue
18	Environmental management system and environmental expenditures
19	Employee engagement and retention
20	Corporate Social Responsibility (CSR)
21	Employees learning and development
22	Product packaging
23	Qatarization
24	Job creation
25	Risk management
26	Local procurement

[GRI G4-19]







## 2. HEALTH AND SAFETY

- Safety Performance
- Contractor Health and Safety
- Occupational Health

# Safety

To further improve our HSE performance in 2015, we continued to implement initiatives and undertake actions with a permanent focus on people and the environment. Sustainability starts with people and we invest in our people and their safety.

QAPCO realizes that technical approaches and procedures are only part of the formula to reach its ultimate targets of no lost-time or recordable injuries among employees and contractors. This is why QAPCO devotes serious attention to human and organizational factors.

QAPCO is convinced that developing a strong HSE culture has the single greatest impact on incident reduction of any process. Towards building a safety culture, QAPCO continuously focuses on the development of HSE leadership skills. In 2016, QAPCO is conducting HSE leadership training programs to engage staff at all levels in HSE, so that all employees become champions of safety.

Through these and other initiatives, such as the Zero Energy Checklist, 12 Golden Rules at Work and Last

Minute Risk Analysis (see the case studies opposite for detailed information), QAPCO aims to consistently lower the incidence of process accidents and achieve a total recordable injury rate (TRIR) score that is less than or equal to 1.6 by 2020.



**Safety is our way of life  
at QAPCO - its our highest  
priority. It is a core value that  
makes us QAPCO.**



Photo : Labelle Michel / TOTAL

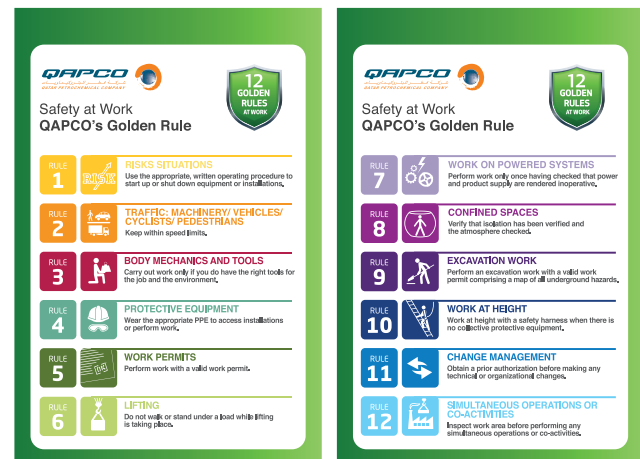


## CASE STUDY

### 12 Golden Rules at Work

QAPCO is firmly committed to the idea that all accidents are preventable. In 2015, QAPCO introduced the '12 Golden Rules at Work' to improve its safety performance.

The rules are based on lessons learned from experiences at QAPCO, providing basic guidance for high-risk activities and encouraging employees and contractors to make a personal commitment to safety. To ensure full compliance and understanding, a campaign focusing on promoting one rule each month is taking place throughout 2016.



## CASE STUDY:

### Zero Energy Checklist and Last Minute Risk Analysis

During the servicing and maintenance of machines and equipment, the unexpected start-up or release of stored energy can result in serious injury or death to workers. In 2015, QAPCO developed and implemented the Zero Energy Checklist- a hazardous energy control procedure to mitigate against risks posed by energy release in electrical, mechanical, hydraulic, pneumatic, chemical and thermal systems.

The procedure involves de-energization, a process that is used to disconnect and isolate a system from a source of energy in order to prevent the release of that energy. By de-energizing the system, the chance that the system

could inadvertently, accidentally or unintentionally cause harm to a person through movement or the release of heat, light or sound is eliminated.

Also introduced in 2015 is the Last Minute Risk Analysis (LMRA), which is a brief, individual, mental hazard assessment of a task for workers to conduct verbally. It is the final check to see whether a job is safe to start and to ensure everybody knows what to do. Before work can begin, it must be ensured that all risks are under control and the necessary prevention measures have been taken. LMRA is a simple three step checklist that can ensure a safer work site for all.

#### Key purposes of the checklist are to help prevent:

contact with a hazard while performing tasks that require the removal, by-passing, or deactivation of safe guarding devices

the unintended release of hazardous, stored energy; and

the unintended start-up or motion of machinery, equipment or processes.

#### A simple 3-step checklist for a safer worksite:

- 1 Assess** the risk
- 2 Establish measures** to eliminate or reduce the risk
- 3 Take action** to ensure safe performance

# SAFETY PERFORMANCE

2015 represented a year of great progress for QAPCO in terms of its safety performance. QAPCO maintained a strong safety performance record including 19.7 million employee exposure hours without a lost time incident. Employee total reportable injury rate (TRIR) also improved to 1.96 per million hours, a sizeable drop of 27% from 2014.

Loss of containment incidents in 2015 were lower than in 2014, at five incidents compared to six; however, we are not at the level we wish to be. The persistent occurrence of process incidents is just one of driving factors for why safety training and safety measures must be continually improved upon and why we have implemented measures like the Zero Energy Checklist.

The efforts at QAPCO to do this and improve its reporting on near miss incidents and subsequent investigations are further demonstrations of how QAPCO is seeking to learn from incidents and devise ways to prevent similar occurrences in the future. In 2015, near miss incidents reported increased to 1,170. The improvement in near miss incident reporting is part of a larger effort to increase awareness about safety risks, communicate those risks, and learn from those risks to prevent them from occurring in the future.

**19.7** million  
employee exposure hours  
without lost time incident

**1.96** per million hours  
total reportable injury rate  
(TRIR)



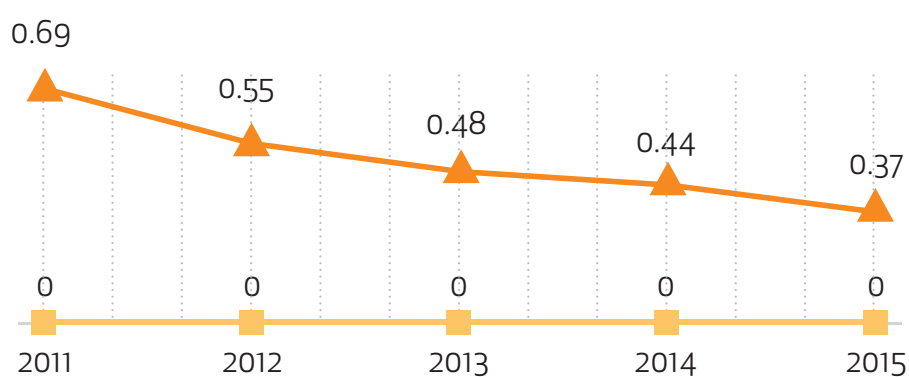
**“90% of injuries are caused by at-risk behaviors; therefore, those 90% are preventable”.**

**Jacques Guillaume**

Chief Health, Safety and Environment Officer

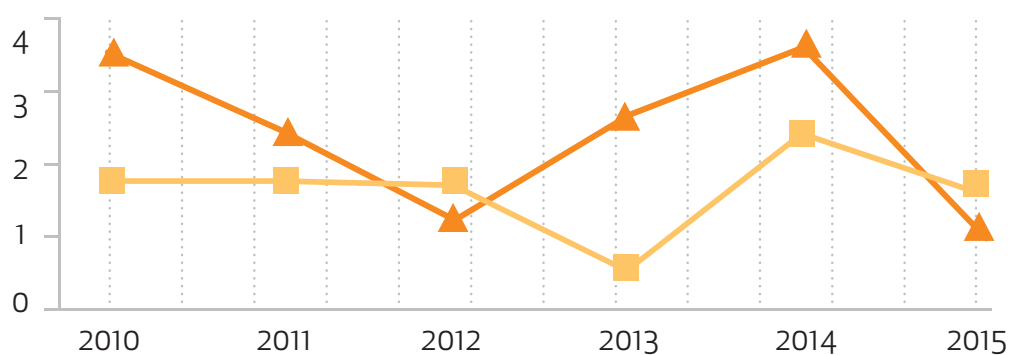
## Lost Time Injury Rate

- Employee lost time injury rate (Per 1 Mn m-h)
- Contractor lost time injury rate (Per 1 Mn m-h)



## Total Reportable Injury Rate

- Employee total reportable injury rate (Per 1 Mn m-h)
- Contractor total reportable injury rate (Per 1 Mn m-h)



# OCCUPATIONAL HEALTH

As an employer of choice, QAPCO believes that employee health and wellness is part of our responsibility. QAPCO continues to operate a 24-hour onsite medical clinic and delivers annual medical screenings for all employees.

In 2015, QAPCO continued its awareness efforts by providing a heat stress awareness training and provided industrial and office ergonomics training sessions. In total, 132 participants took part in these sessions in 2015.

For five consecutive years now, QAPCO has reported zero cases of occupational illness or heat stress, an achievement we take great pride in given the nature and locale of our operations. Additionally, as in 2014, the employee sick leave rate remained low, at 1.2%.

**For five consecutive years now, QAPCO has reported zero cases of occupational illness or heat stress.**





## CONTRACTOR HEALTH AND SAFETY

QAPCO strives for long-term partnerships with its contractors and considers top HSE work conditions as the foundation of those.

We work closely with our contractors to ensure they are well informed about rules to be followed and adequately trained, which is only possible when contractors and QAPCO employees work closely together over a long period. However, we are saddened to report that we suffered one fatality in our contractor operations in 2015. Following a detailed investigation, we have taken wide-ranging steps to prevent any such accident happening again.

These actions included, implementing a new hydro pressure water cleaning procedure (HPWC), adding more controls, and adding additional preventative safety measures, such as the Zero Energy Checklist and Last Minute Risk Analysis.

Our ultimate target of zero lost-time injuries remains. And, in 2015, despite the one fatality, our total reportable injury rate

(TRIR) for contractors decreased by 60% from 2014, and the total lost time injury rate (LTIR) for contractors decreased by 16% from 2014.

In 2015, the LTIR for contractors improved to 0.37 / million exposure hours, as did the TRIR, improving to 1.48 /million exposure hours – the lowest rates experienced at QAPCO since we began reporting in 2011, representing a reduction of 46% and 45% respectively over the entire period.

**Exposure hours were the lowest rates experienced at QAPCO since 2011.**









# **3. MAXIMIZING OUR ECONOMIC IMPACT**

- Financial Performance
- Production
- Procurement and Contracts
- Downstream Industrial Development

# Maximising our economic impact

## FINANCIAL PERFORMANCE

QAPCO closed 2015 with strong operating and financial results despite challenging market conditions. QAPCO's stand-alone net profit before tax reached QR 1.98 billion, with total sales amounting to QR 4 billion, resulting in a net profit margin of 49%. Product sale volume and profit is lower compared to the previous year due to a combination of factors from reduced demand from key markets and lower-than-average prices in 2015 compared to 2014. QAPCO consolidated net profit before tax with its share in Qatofin, QVC and QPPC reached QR 2.7 billion- 21% lower than the previous year- due in large part to a Qatofin plant shutdown which lasted for two months.

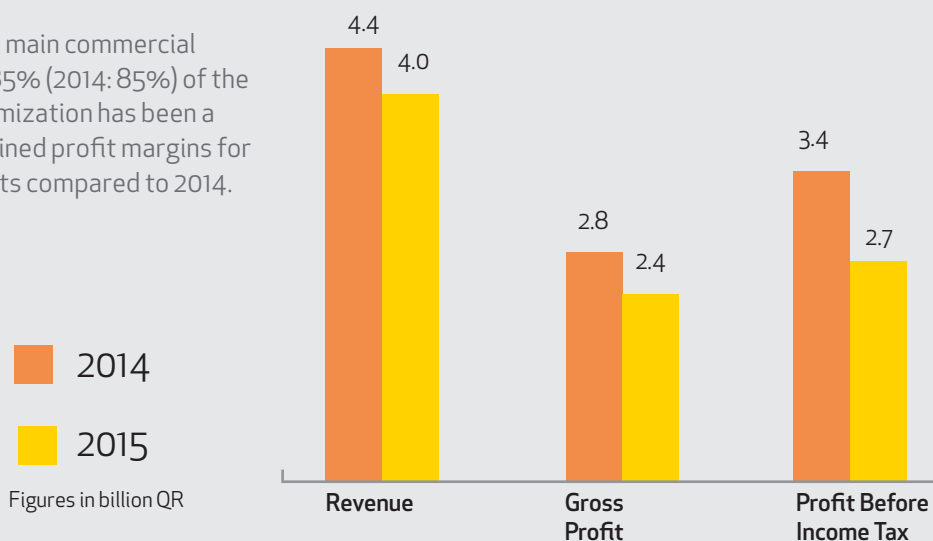
Resulting from internal improvements made within our operations and due to the nature of our value added products, we have been partially insulated from raw material price reductions and lower demand. Across the Company, QAPCO has been able to realize efficiency gains through process optimization, thus positioning itself as a strong and competitive company in the global market.



QR **1.98** Billion  
stand-alone net profit before tax

### Revenue and profit

Polymer (LDPE) is QAPCO's main commercial product which represents 85% (2014: 85%) of the total revenue. Process optimization has been a key factor in closely maintained profit margins for QAPCO's current year results compared to 2014.

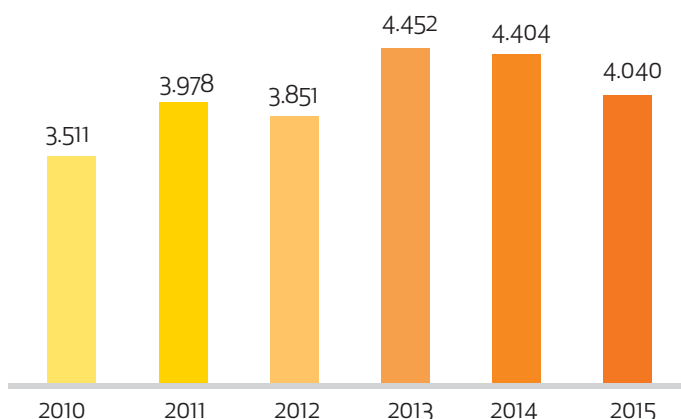


## Revenue growth

Revenue growth is a combination of volume and prices. Despite increased production, lower-than-average polymer prices in 2015 compared to 2014 resulted in lower revenue generation for the current year.

If prices continue to stabilize during 2016, we expect increased revenue generation.

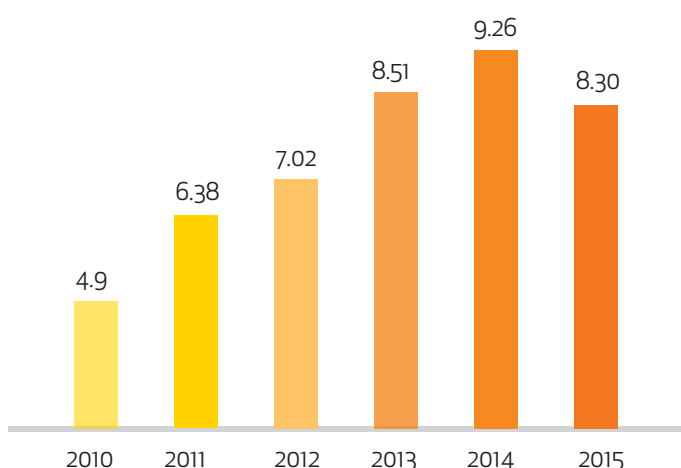
Revenue growth - billion QR



## Shareholder's equity growth

Shareholder equity growth shows the increase in the net assets. Due to our investment in the Company's physical assets we have experienced a remarkable growth trend of 69.4% from 2010 to 2015, totaling QR 3.4 billion.

Shareholder's equity growth - billion QR



**"Resulting from our investments in plant optimization and the Business Transformation project, QAPCO is maximizing the return on its assets and strengthening our global cost competitiveness, allowing us to maintain high profitability for our shareholders while positioning ourselves for continued future growth".**

**Hassan Saqr Al-Muftah**

Chief Financial Officer





**“QAPCO’s working spirit is the secret behind our success allowing us to set our targets high and achieve them. In 2015, we witnessed exceptional performance and record-breaking figures in almost all operation units, achieving our best stream factor in the past 20 years.**

**Yousef Abdulla Al-Rebeeh**  
Chief Operations Officer

## PRODUCTION

In 2015, a year after the General Shutdown (GSD), QAPCO’s polyethylene production saw renewed growth. Total polyethylene production was 6% higher than in 2014, only 3% lower than in 2013, the year of our highest production. The investments made during the GSD have already shown improvements in the efficiency of our operations and our production capacity, and have set us on track to reach our full potential. In terms of advancement and improvement,

the LDPE2 plant recently introduced with a state-of-the-art Advanced Process Control (APC) system, allowing for automatic operation of some of the main plant processes – improving plant operation, quality, consistency and load in return. As the demand for polyethylene continues to grow, our increased capacity to respond to increased market demand will allow us to grow stronger financially and continue to contribute to economic growth in Qatar.

### Five-year Production Trends

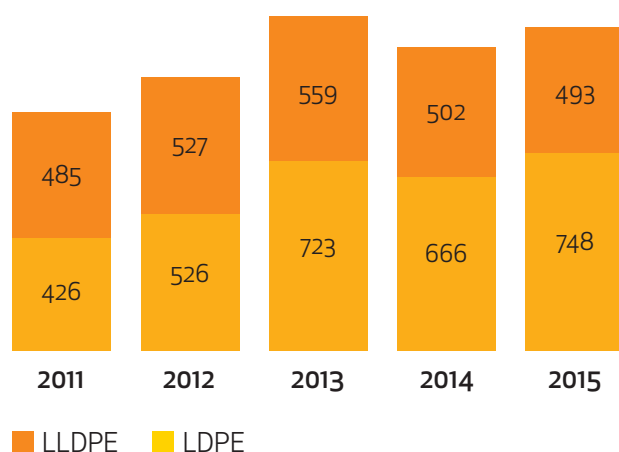
**36%** Increase in total Polyethylene Production

**5.6** Million + Tons of Polyethylene Produced\*

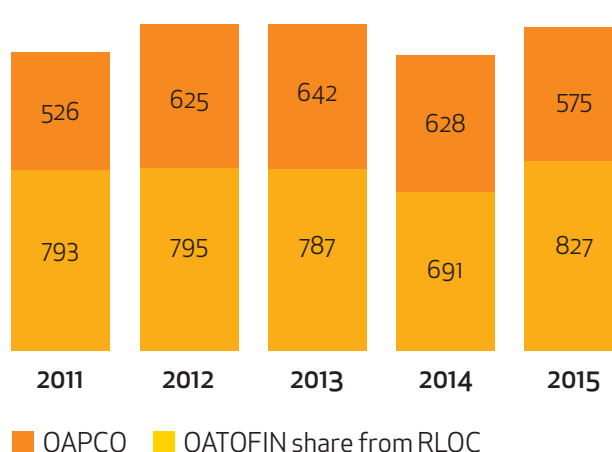
**6.8** Million + Tons of Ethylene Produced

\*This includes ethylene feed stock from RLOC.

### Polyethylene Production ('000 MT)



### Ethylene Production ('000 MT)



Since 2012, in addition to the ethylene feedstock produced by QAPCO for polyethylene production, QAPCO also relies on ethylene feedstock from Ras Laffan Olefins Company Ltd. (RLOC).



# PROCUREMENT AND CONTRACTS

QAPCO's procurement policies center on transparent, fair, cost effective and reliable supply of goods and services to fulfil the operational needs of the Company.

All contracts are managed through the procurement committee of the Board of Directors and expected to comply with QAPCO contract terms, which include specific clauses related to corruption, monopoly, competitive behaviour, bribery and fraud. Internal audit functions and whistle blower hotline augment our risk management controls for procurement and contracting.

Through our procurement excellence strategy, QAPCO aims to further increase cost improvements. Our holistic approach utilizes Life Cycle Analysis (LCA) to analyze the total cost of operation improves our decision making when it comes to where and who we procure goods and services from.

In recognition of the inherent risks associated with manpower contracts and the importance of respect for human rights, QAPCO has developed and implemented specific standards and guidelines for manpower contracts that include requirements for: safety, accommodation, meals, time off, welfare and wages and remuneration.

These contracts abide by or exceed the requirements of Qatari labor law in order to ensure that all of the contracted staff who work with QAPCO are able to perform their jobs competently, safely and without physical or mental impediments.

## Local procurement

QAPCO's commitment to local procurement stems from our goal to maximize our economic contribution to the State of Qatar. While it is still necessary to purchase some parts and equipment from foreign manufacturers, Qatari companies are given preference in procurement contracts whenever possible.

Our support of local suppliers is important for economic diversification and aligned with the Qatar National Vision 2030. In 2015, local procurement reached 83% of total purchases, 2% higher than our record setting year in 2014.



# 83%

spent on local goods and services

## Made in Qatar

In 2015, QAPCO was honored to participate in the 4th edition of the "Made in Qatar" exhibition, held at the Doha Exhibition Centre. The exhibition aimed to build local capacity and develop high quality Qatari products, strengthening our industry and nation's competitiveness.

Through our participation and sponsorship of 'Made in Qatar', we promoted local products and innovations, encouraged "home-grown" SMEs, supported value-adding industries and reinforced sustainable collaboration with local businesses.



# DOWNSTREAM INDUSTRIAL DEVELOPMENT

In alignment with the principles of the Qatar National Vision 2030, QAPCO is committed to contributing to the economic growth and diversification of the Qatari economy. Petrochemicals, as a high demand product, represent a high value opportunity for Qatar to realize wealth from their diverse applications.

Through its investments in the downstream segment of the petrochemical sector, QAPCO is creating strong links in the petrochemical value chain that help Qatar to realize the full potential of this industry. Downstream integration and synergies act as catalysts to boost the contribution of the manufacturing sector to the economy.

QAPCO is creating value by diversifying the downstream petrochemicals sector and stimulating new growth opportunities for revenue creation and employment in Qatar, not only through direct investment, but through its support for innovative collaboration and for building a knowledge based economy around petrochemicals.

## QAPCO has ownership in the following companies

<b>Qatofin Company Limited (Qatofin)</b>	63% QAPCO	36% Total Petrochemicals France	1% Qatar Petroleum
<b>Qatar Plastics Products Co.W.L.L (QPPC)</b>	34% QAPCO	33% Qatar Industrial Manufacturing Company	33% Stefano Ferreti
<b>Qatar Vinyl Company Ltd. Q.S.C. (QVC)</b>	32% QAPCO	55% Mesaieed Petrochemical Company	13% Qatar Petroleum
<b>Ras Laffan Olefins Company Ltd. (RLOC)</b>	53% Qatar Chemical Company	46% Qatofin	1% Qatar Petroleum



## QAPCO sponsors the 2nd Entrepreneurship in Economic Development Forum

QAPCO was honored to support the 2nd Entrepreneurship in Economic Development Forum, held under the theme 'Fostering the New Generation of Entrepreneurs in Qatar and the Gulf'.

The 2nd Entrepreneurship in Economic Development Forum serves as a valuable platform to stimulate the entrepreneurial spirit in Qatar and the region by bringing together academia, the private sector and

the next generation of entrepreneurs. Through our participation, we contributed towards advancing the development of entrepreneurship by fostering dialogue, encouraging innovation and discussing some of the challenges that the young entrepreneurs may face.

## VENTURE PROFILES



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

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



Qatar Plastic Products Company (QPPC) was established in 1998 and commercial production commenced in 2000. Around 95% of production is sold to the domestic market while the remainder is marketed in other Gulf countries and Europe. QPPC produces plastic film for industrial packaging such as fill form and seal and heavy duty trash bags using the blow extrusion process. QPPC recently introduced WPC (Wood-Plastic Composite) into the market, the product uses only polymers with renewable and/or re-generated properties for the compound production that is 100% recyclable. The Company is equally shared between Qatar Petrochemical Company (QAPCO) Q.S.C, Qatar Industrial Manufacturing Company (QIMC) and Stefano Ferretti (Italian partner).

QPPC produced 13,000 metric tons of plastic film in 2015. In 2016, QPPC aims to produce 65,000 m2 of WPC materials. The most common application of WPC is for outdoor decking.

QPPC is fully compliant with all applicable international and local environmental standards.

In line with the shareholders' vision for economic diversification along with the government's strong support for the development of small and medium enterprises (SMEs), QPPC expanded its operations through Qatar Wooden Products Co (QWPC). QWPC consists of a fully automatic wooden pallet production line along with heat treatment facility, able to produce 1.6 million wooden pallets a year.

QWPC production will serve the wooden pallet requirements of QAPCO, Q-CHEM, Qatofin.



The ethylene feedstock required for the LLDPE unit in Mesaieed is supplied from an ethylene cracker of 1.3 MTPA in Ras Laffan Industrial City through a 133 km pipeline. This cracker is owned by Ras Laffan Olefins Company (RLOC), which is a joint venture between Qatofin (46%), Q-Chem-II (53%) and Qatar Petroleum (1%). The RLOC cracker was established in 2010, at the same time as Qatofin, and is managed and operated by Q-Chem II.



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

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

The primary feedstock for the QVC plant is ethylene, which is primarily supplied by the adjoining QAPCO plant, while the remaining requirement is imported as required. QP supplies the fuel gas required by the QVC power plant and for QVC's other energy requirements.







## 4. ENVIRONMENTAL MANAGEMENT

- Environmental Performance
- Emissions, Climate Change and Flaring
- Waste and Water



# Environmental Management

QAPCO understands and takes responsibility for the impacts that our plant operations have on the environment, including the atmosphere, ecosystems, use of natural resources, water resources and waste management.

To minimize the environmental impacts of our operational activities, we invest in high efficiency machinery that optimizes the use of natural resources like water and energy and limits emissions and flaring. In compliance with national environmental regulation and following a good practice of environmentally conscious industrial entity, we report our

environmental performance to the Ministry of Environment and to the public through this annual report. As a result of our investments in environmental management, QAPCO has achieved significant progress in optimizing its operations to reduce its environmental footprint.



## CASE STUDY

# Paper Consumption Reduction Campaign

The type of paper used for business operations can make a significant difference in terms of its environmental impact. Thus, tree based paper production bears relatively high environmental costs in terms of the use of scarce resources, namely energy, water and, of course, trees. In 2015, QAPCO did its part to reduce the Company's environmental impact through the 'Paper Consumption Reduction' campaign. As part of the campaign, QAPCO implemented a number of initiatives, which included:



**Encouraging**  
the use of e-newsletters  
and e-communications.



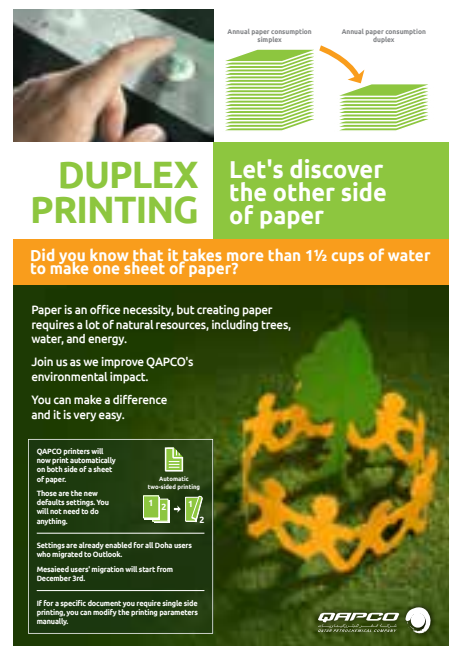
**Raising**  
employees' awareness  
about the importance of thinking  
twice before printing.



**Changing**  
the default setting on all printers to  
double sided printing across QAPCO.

QAPCO's IT strategy of digital optimization was an important aspect of QAPCO's Paper Consumption Campaign. The main objective was to reduce the number of personal printers, leaving only one to two centralized, networked printers per department. 250 printers were removed, placing us now above the industry benchmark ratio at 13.5 user per printer.

In addition to its environmental benefit, this change will greatly help us reduce our maintenance and service expenditure, representing a cost saving estimated at QR 350,000.



### In total:



**28%** Reduction  
in paper consumption  
achieved from 2014-2015



QR **27,500**  
Cost Saving



The reduction in paper  
consumption translates to  
**3.9** million liters of water



**6.9** acres of forest  
absorbing CO2 for one year

## STRATEGIC INVESTMENTS IN ENVIRONMENTAL PERFORMANCE

In 2015, QAPCO invested **QR 162.7 million** in environmental projects targeting emission reduction, water consumption reduction and waste water management, as part of a four-year plan initiated in 2013.

ENVIRONMENTAL EXPENDITURES	2013 (QR million)	2014 (QR million)	2015 (QR million)
Water Treatment and Effluents	19.5	4.2	1.7
Water Conservation	2.3	0.21	0.3
NO <sub>x</sub> (Turbine Replacement)	248.5	110.2	102.5
SO <sub>2</sub> Emissions Reduction	1.2	0.4	0.4
Emissions Reduction (General)	---	0.5	57.8
Total Environmental Expenditures	271.6	115.5	162.7



**"After 35 years, QAPCO has completed the replacement of its ethylene cracking furnaces. This accomplishment underscores our commitment to reducing our environmental impact though increased efficiency while increasing yield".**

**Saleh Al-Halki**

Chief Project and Engineering Officer



## ENVIRONMENTAL PERFORMANCE

Our analysis focuses on our long-term (5-year trends) to better reflect the progress that QAPCO has made towards improving our environmental impact through operational efficiency.

Our discussion of performance focuses on analyzing intensities of environmental parameters, as it provides our environmental performance account normalized to the changing trend of our production. Over the past five years, QAPCO has made great strides in reducing both input and output intensities within our operations, while increasing our productive capacity.

As our productive capacity continues to increase, net consumption and outputs are likely to follow; however, we are proud to see that our consumption and outputs have improved considerably relative to our production. From 2011-2015, through our investments in operational efficiency QAPCO has reduced the resource intensity of our operations

in the key areas - energy (by 37%), emissions (by 41%) and water (by 36%).

### Energy

Important investments to increase the energy efficiency of our operations will soon begin to show improvements. In 2016, a newly replaced gas turbine is scheduled to begin operation, adding 127 MWH generation capacity with increased energy efficiency. In 2015, QAPCO also finished replacing ten old furnaces with six new ones in our ethylene plant.

From 2014 to 2015, energy intensity improved by 6%. Over the long-term, energy intensity and natural gas intensity have improved significantly from 2011-2015, with reductions of 37% and 10% respectively. As part of the ongoing plant optimization projects, further energy efficiency gains are expected.





## Emissions, climate change and flaring

Due to the nature of our operations, we feel a responsibility to address one of the most pressing global challenges of our time: climate change and the greenhouse gases (GHG) that contribute to it. QAPCO works to mitigate the negative impacts our operational activities have through technical and management approaches. Comprehensive emissions management and reporting along with machinery optimization are an essential part of the Company's successes on these fronts.

In 2015, QAPCO completed maintenance and replaced the catalyst in our sulfur recovery unit (SRU). As a result, the sulfur recovery rate has now increased to over 95%, which will help to further reduce the SO<sub>x</sub> emissions intensity of our operations. 2015 also saw the replacement of furnaces in our ethylene plant, resulting in a substantial efficiency improvement. From this major improvement along with the scheduled operation of a newly replaced gas turbine in 2016, we expect a dramatic reduction in the NO<sub>x</sub> emissions

intensity of our operations over the next year. Set for implementation in 2016 is our Smart Leak Detection and Repair program directed at reducing the amount of fugitive emissions from leaks in our plants. As part of this program, pipe fittings will be inspected and repaired if needed, along with the set-up of sensors to monitor the leaks of fugitive emissions.

Over the past five years, starting from 2011, QAPCO has significantly improved its GHG emissions performance, achieving an emission intensity reduction of 41%. Resulting from the shutdown in the Polyolefins plant, flaring intensity increased by 109% from 2014 to 2015. Despite this, flaring intensity has decreased by 10% over the past five years. As a result of our investments and plant upgrades, SO<sub>x</sub> and NO<sub>x</sub> emissions have also substantially declined. Relative to 2011, SO<sub>x</sub> emissions intensity have reduced by 55% and NO<sub>x</sub> emissions intensity has reduced by 22%.



## Waste and water performance

In preparation to be compliant with Qatar's environmental regulation (that industries should generate near zero wastewater discharged into the sea after 2016), QAPCO has scheduled to revamp its wastewater treatment plant in 2016. This investment will enable QAPCO to utilize 80 – 85% of treated wastewater as process water, reducing the need for desalinated freshwater use. In terms of water-efficiency, the sewage waste water treatment plant project that began in 2015 is scheduled to begin operations in 2016. This plant will treat all of QAPCO's sewage waste, and provide graywater suitable to be used for landscaping irrigation.

Management of our materials, water and effluents is an important component of our environmental management plan. Our performance in these areas over the past five years shows significant progress towards minimizing QAPCO's environmental impact. From 2011 to 2015, QAPCO reduced the water intensity of its production by 36%, with a 15% reduction from 2014-2015 alone. Through our investment in the waste water treatment plant and the construction of the sewage water treatment plant QAPCO will further improve its water utilization.

Due to continued construction, waste generation increased in 2015 to 3,197 tons being sent to landfill. However, we managed to safely dispose of previously stored hazardous waste material, totaling 300 tons, in collaboration with newly established local waste management Company.

**"Thanks to strategic investments in highly efficient machinery, and through unwavering commitment to put sustainability in action every day, QAPCO has achieved significant progress on its environmental performance since 2011".**

**Dr. Mohammed Yousef Al-Mulla**  
Managing Director and CEO



In 2015, QAPCO was honored with the prestigious Emirates Energy Award (EEA) for Energy Efficiency in the Public Sector. The Emirates Energy Awards is biannually organised under the patronage of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai. The EEA is a regional prize awarded every two years to encourage the rationalized use of energy and resources.





## 5. OUR CONTRIBUTION TO QATAR

- Supporting STEM education in Qatar
- Research and Development
- Community Engagement
- Environment



# Our Contribution to Qatar

QAPCO invests strategically in society and community programs that support all four pillars of the Qatar National Vision 2030, with special focus on education, research and development.

Our programs push the field of polymer science forward, and it is through this process that we catalyze new ventures and products, generating direct and indirect value and advancing the petrochemical sector in Qatar.



## SUPPORTING STEM EDUCATION IN QATAR

As the energy and industry sector still represents the cornerstone of the Qatari economy, QAPCO seeks to ensure its continued success and contributes to innovation through its active support in the fields of science, technology, engineering and mathematics (STEM).

Now more than ever, we pride ourselves on our collaborations with academia, following QAPCO's commitment to raising the next generation of educated young professionals in Qatar. 2015 was a significant year for QAPCO in terms of its support for STEM education. In 2015, QAPCO signed a three-year agreement to support the activities of Qatar University's College of Engineering (CENG).

CENG programs such as, Life is Engineering, Engineering Week, CENG Computing Contest, Senior Design Contest, Wooden Bridge, Gasna, Digital Cube, Mechanical Design Day, and the annual training courses conducted by the Gas Processing Center, will all be supported by QAPCO in the coming years. The substantial support from QAPCO given to these programs will help to build the technical skills of young Qataris.

Also in 2015, as part of its continued support of Qatar University, QAPCO organised a CV writing and interview skills workshop for 80 students from the College of Engineering to help them successfully transition into employment following their graduation.



**"It is critically important that we support activities that promote engineering and technology to students as it will help ensure Qatar's future competitiveness and will pave the way for a new generation that share our passion for engineering. Industry-academia collaboration will play a key role in achieving sustainability and will strengthen Qatar's global competitiveness. I firmly believe that working closely with Qatar University will bring great rewards and enable us to make a real difference to the future of engineering in Qatar".**

**Dr. Mohammed Yousef Al-Mulla**  
Managing Director and CEO



## 2015 STEM HIGHLIGHTS



### The 5th Annual CNA-Q Skills Competition at the College of the North Atlantic

The competition demonstrated the value of technical education and how it translates to tangible applications.

550+

Students

35

Competitions

164

Awards



### Qatar University's College of Engineering Senior Design Contest

The contest brought together graduating students to showcase their winning projects before a panel of judges from local industry.

168

Students

60

Projects

41

Judges



### Gasna Competition

The Gas Processing Center (GCP) organised the 6th Gasna Competition for K-12 Schools in 2015. The K-12 Award category is a part of the competition that aims to increase society's awareness about the country's abundant and valuable natural resources.

300+

Students

100

Schools

80

Projects



### CENG Computing Contest

2015 saw the launch of the 8th Computing Contest organised by the Department of Computer Science and Engineering (CSE) at CENG. The competition requires students to program a robot to perform tasks within a limited time frame.

First place winner was awarded QR 10,000 and a scholarship to study at CSE. QR 6,000 and QR 4,000 were awarded to the second and third place winners respectively.



### Life is Engineering Project (LIEP) at Qatar University

A wide range of seminars and workshops focusing on leadership and technical skills and providing hands-on experience in engineering.

**Grade 10 and 11 high school students**

14

Schools

13

Winning  
Categories

5

Sponsors

### Qatar University (QU) Third Engineering Week

The four-day event is a forum to exhibit engineering projects by students from all CENG departments.

It is aimed at orientating students to the importance of science and engineering.





## QAPCO sponsors Professional Chair of Vocational Studies at CNA-Q

Professor Rupert MacLean is the QAPCO sponsored Professional Chair of Vocational Studies at the College of the North Atlantic – Qatar (CNA-Q) to assist in building a strategic roadmap for the future of vocational education in Qatar. In line with the Qatar National Vision 2030, the sponsorship of this chair is an important part of our commitment to the education sector as it will enhance understanding of the field and enable a higher appreciation of vocational training within Qatar.

Bringing a wealth of experience to this role, Professor MacLean is a widely recognized as a global authority on Technical and Vocational Education and Training (TVET). TVET is an essential to ensuring a country's workforce has the skills needed to fill its labor market needs, but it is an often overlooked component of a country's growth formula.

Together with this unique Professional Chair, we aim to strengthen the knowledge, skills and capacities of Vocational practitioners within Qatar while also reviewing, designing and implementing strategies that will improve the overall quality of future vocational graduates, equipping them with the specific competencies required in industry.

As such, the scope of the Chair is wide ranging and includes conducting a review and gap analysis of current vocational curriculum, acting as an in-house expert and champion of vocational training at CNA-Q, and to engage in research that will ensure world-wide best practices are implemented with the vocational education sector in Qatar. The support of this Chair is of paramount importance to ensure that young Qataris will be able to gain the knowledge and skills to fill the all the roles of a rapidly evolving economy.



## DEVELOPMENT AND MANUFACTURING OF QAPCO'S PRODUCTS

As part of its mission, QAPCO invests in strategic partnerships to further develop Qatar's potential in the field of polymer science and advance the energy and materials sector. In light of the global economic context. We feel that companies in the polymer industry must reinforce their competitive edge and become more efficient.

Through the development of our Research and Innovation strategy, QAPCO will fulfil its mission of creating "prosperity through innovation". Our ability to maintain our leadership in the petrochemical sector is dependent our capacity to innovate through developing new polyethylene product applications and processes.



### QAPCO Takes Part in 2nd GPCA Research and Innovation Summit

'Mastering the Research and Innovation Challenges: Learning from the Winners'

QAPCO's Head of Research and Development, Dr. Mabrouk Ouederni, chaired a session at the GPCA Research and Innovation Summit held in Dubai. The conference provides a unique opportunity for broad range of actors across the GCC petrochemical industry to share Research and Development (R&D) knowledge and best practices.

The topics of discussion included:

- R&D drivers
- Proven tools and processes to manage R&D
- Aligning R&D strategies with business objectives
- Finance and management of R&D investments.



**"Through our involvement in the Gulf Petrochemicals and Chemicals Association and events like the Research and Innovation Summit, we are opening new doors industry the industry's advancement and downstream integration".**

**Dr. Mabrouk Ouederni**

Head of Research and Development

## MATERIALS FOR A SUSTAINABLE FUTURE

As part of its participation in the National Priorities Research Program (NPRP) with local and international universities, QAPCO benefits from projects being funded by the Qatar National Research Fund (QNRF). In 2015, QAPCO recorded a number of significant initiatives that have contributed our to understanding, manufacturing and use of polymer products.

At Texas A&M University at Qatar (TAMUQ), in collaboration with the Nobel Prize Laureate, Professor Dr. Grubbs, QAPCO is engaged in research on the development of sustainable polymers from by-products.

At Qatar University (QU), in collaboration with Professor Krupa, QAPCO has helped advance research in energy saving materials during 2015. In a separate project by Prof Krupa, palm waste is the focus of innovative research at the Center for Advanced Materials (CAM) at QU.

These programs form a part of QAPCO's overarching goal of research and development for sustainability. Through collaboration on innovative research projects, QAPCO aims to develop materials that will further differentiate its products from its competitors, creating value for the Company, its stakeholders and the State of Qatar.

Also in 2015, QAPCO sponsored the 6th Annual Materials Science and Engineering Symposium in collaboration with TAMUQ and QU. Under the theme "Building Capacity, Knowledge Transfer and Education in Materials Science and Engineering". The event brought together experts from academic institutions, research centers, industry and government organizations to discuss the latest advances in materials science and engineering.

In 2015, QAPCO drafted a groundbreaking agreement with the Center for Advanced Materials (CAM) at Qatar University for the creation of a new international scientific journal.

The journal will be a multidisciplinary, peer-reviewed publication concentrating on materials science and technology. It will consider all original research papers on different aspects related to materials, polymers, energy harvesting, coating and green materials.

The benefits of this new journal are numerous and include improving scientific research in this field to enable the petrochemical community to open up discussion and debate. It also demonstrates how QAPCO and CAM are leaders in this field as there is no other journal focusing on materials related to petro-materials, making this journal unique on an international level.





## POLYMER SCIENCE RESEARCH AND DEVELOPMENT

Polymer science research is a strategic priority for QAPCO as it creates new applications for polyethylene products and stimulates the development of high-technology, skilled jobs from the laboratory to the classroom and creates new markets for the Company's products.

Through our 16 strategic partnerships with Qatari schools and universities, we are supporting the development of a new field of research and expertise in polymer science and STEM initiatives that create a strong economic and academic contribution to Qatar. As such, in 2015, it was decided to renew the QAPCO Polymer Chair at Qatar University, so to continue with our commitment to supporting research and development within the education sector. The Chair was originally implemented in 2012 and enables Professor Igor Krupa, one of the leading experts in the field, to bring a wealth of knowledge and experience to this important area of Polymer Science.

Also in 2015, QAPCO instituted the Virtual Polymer Research and Innovation Center. The initiative is a novel way to bring industry partners together in a collaborative forum, where knowledge sharing is possible and encourages to further advance the petrochemical sector and downstream development.

**16** strategic partnerships  
with Qatari schools and universities

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**QAPCO**  
**Polymer Chair**  
renewed with Qatar  
University

---

**Virtual Polymer**  
**Research and**  
**Innovation Center**  
instituted

# COMMUNITY ENGAGEMENT

As an active responsible corporate citizen, QAPCO gives back to the community through sponsoring various events and hosting activities in areas we believe can have the biggest impact and create the most value for Qatari society.

For these reasons we have strategically invested in three key areas: employee and family welfare, education and sports. QAPCO focuses heavily on developing programs that meet

the specific context and needs of the community and are aligned with the Qatar National Vision 2030.

QAPCO supported a total of :

123 activities

Engagement Area	Activities and Programs
Community Investment	<ul style="list-style-type: none"> <li>• Supporting education for current and future generations, the Omar Bin Khattab Graduation ceremony and the Texas AandM University Turbomachinery Laboratory QAPCO Internship Programs - Qatar University and Community College Qatar</li> </ul>
Creating Environmental Awareness	<ul style="list-style-type: none"> <li>• Waste Free Environment Day</li> <li>• Paper Consumption Reduction campaign</li> <li>• Supporting the Friends of the Environment Center</li> </ul>
Promoting Sports and Health	<ul style="list-style-type: none"> <li>• National Sports Day Celebration</li> <li>• Blood Donation campaign</li> <li>• Cancer Awareness campaign</li> <li>• Kulluna Campaign for a Healthy Heart</li> <li>• 'Movember'</li> <li>• Anti-smoking campaign</li> <li>• Lose to Win campaign</li> <li>• Sponsorship of the 24th World Handball Championship</li> </ul>
Special Needs	<ul style="list-style-type: none"> <li>• Supporting the Qatar Foundation for Rehabilitation of Special Needs</li> <li>• Abdulrahman Bin Jassim School and the Qatari Center of Social Cultural for the Deaf</li> </ul>
Safety	<ul style="list-style-type: none"> <li>• Road safety campaign launched at Qatar University</li> </ul>

## ENVIRONMENT

QAPCO is dedicated to minimizing its environmental impact in areas tied to our core business, which is one of the main reasons why we engage in community activities surrounding waste management and recycling.

We believe that building a conscious and responsible community that recycles creates not only benefits for the environment, but value for downstream industries as well.

### CASE STUDY

## Waste Free Environment Day

In collaboration with 35 supporting entities, QAPCO showed its dedication to encouraging the responsible use and proper disposal of plastic once again during this year's Waste Free Environment Day (WFE) campaign.

The WFE is an environmental initiative launched by the Gulf Petrochemicals and Chemicals Association (GPCA) that implements meaningful activities to increase both corporate and public awareness about the amount of plastic and other waste thrown away each year in the Gulf and to inspire everyone to reduce waste and to recycle. As one of the founding members of the GPCA, Dr. Mohammed Yousef Al Mull, QAPCO MD and CEO, has watched this initiative grow since its launch in the GCC in 2013.

In 2015, 1,500 volunteers of all ages helped collect 1,000 kilograms of waste on Al Wakra beach, with 80% of the plastic being sent to be recycled.

Education and awareness was also an integral part of the WFE campaign. 700 students participated in workshops that included lectures on environmental awareness. Other activities included, a recycling art gallery, green painting competition and performances by youth groups.



### 2015 WFE Highlights



**1,500**  
volunteers



**700**  
Students participated  
in environmental workshops



**1000** kilograms  
of waste collected



**1** goal  
To reduce the amount of waste disposed  
in nature and convey the message that  
plastic is a valuable resource that should  
be recycled to save resources and  
reduce greenhouse gas emissions



# INTERNSHIP PROGRAMS

In 2015, QAPCO hosted 69 interns (46 males and 23 females) as part of its Summer Internship Program. While the majority of the students were local, five students from abroad also participated.

During the two-month program, interns gained unparalleled exposure and significant industry knowledge. QAPCO's internship program consisted of 20 hours per week of industrial training in the plant, as well as a series of weekly workshops shaping both soft-skills like leadership and motivation, in addition to workshops addressing technical skills and knowledge pertaining specifically to the Petrochemical field.

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**69** interns in 2015

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Additionally, as part of its collaboration with Community College Qatar, QAPCO hosted five students for a four-week career development internship program, aiming to bridge the gap between theoretical study and the professional world. Rotating through various departments at QAPCO, the interns were assigned job tasks and evaluated on their performance.

**"Sharing our passion for science with talented aspiring engineers, and supporting them through the different stages of their development is important. To further this goal, our eight-week program aims to bridge the gap between theoretical study and the professional world by enabling the students to apply classroom theory to actual work situations. Therefore, the program focuses on the practical aspects of working in the petrochemical industry, and is specifically designed for students to experience and manage real-life engineering and business scenarios."**

**Eng. Abdulla Ahmad Naji**  
Learning and Development Manager



## SPORTS AND HEALTH

Since its inception in 1974, QAPCO's corporate culture has been profoundly marked by sporting events and athletic competitions. We believe it raises people's confidence and skills and improves physical health and mental well-being; It also helping build social and family cohesion by bringing people together sports have the ability to a culture that

values physical activity and healthy lifestyles. These benefits contribute towards broader outcomes such as improving general health and life expectancy, or increasing employee engagement or productivity at work for instance. Sports are an integral part of the Company's corporate culture and we aim to share this culture with our community.

### Sponsorship of 24th Men's Handball World Championship

For the first time in its history, the 24th Men's Handball World Championship was held in Lusail, Qatar across three newly constructed venues. From 15th January to 1st February, 24 national teams from around the world competed for the prestigious title of World Champion. Along with a host of leading companies, QAPCO and Qatofin provided QR 15 million in support of the event.



prominently. QAPCO shares in this vision and is committed to helping foster a culture of physically active Qataris.

France emerged as the 2015 World Champion in the close final match against Qatar. The Qatari national team made their country proud as they won their first medal here in Qatar.

This incredible level of support underpins QAPCO's commitment to promoting sports. As part of the Qatar National Vision 2030, health and wellness factor

All profits from the ticket sales, a total of QR 9 million, were donated to Education Above All Foundation's 'Educate A Child' program, a cause close to the heart of Her Highness Sheikha Moza bint Nasser that aims to increase worldwide access to education.

### National Sports Day 2015

As part of our dedication to promoting physical activity through sport in Qatar, QAPCO sponsored Qatar's National Sports Day held at Al Khor in 2015. The National Sports Day was organised by Qatar's Sports and Environment Committee, in cooperation with Friends of the Environment Center and the 'A Flower Each Spring' program. Around 800 people from schools and the community attended this year's event aimed at promoting a healthy lifestyles



and raising awareness on the importance of building a sports culture in Qatar.

The event highlighted the close link between sport and the environment. Referring to the importance of the optimal use of natural resources and the rational use of water and energy, Qatar's National Sports day seeks to also promote the values

and knowledge about environmental issues and the necessity to preserve the environment.





## 6. OUR WORKFORCE

- Qatarization
- Employee Engagement
- Training and Development



# Our Workforce

QAPCO has been instrumental in developing the petrochemicals sector in Qatar, and through our 40 years of operations, we have developed a workforce that epitomizes the social and economic development goals of Qatar as outlined in the Qatar National Vision 2030. Our workforce continued to increase in size in 2015, reaching 1,202 employees, meeting our business requirements and operational needs.

## Female employment

Since 2010, female employment has risen by 60%, a tremendous achievement and demonstration of our conviction that women bring added value to our organization. QAPCO aims to reach 5% female employment by 2018. The advancement of women at QAPCO represents in part our goal to ensure that we remain an employer of choice for both genders and contribute to the social and professional development of all Qatari citizens.



1,202  
Employees



34%  
Qatarization

40+  
Nationalities





## QATARIZATION

Supporting national and sector employment objectives through the direct employment of Qataris makes our company stronger, contributes to economic growth and development, and preserves our cultural identity. In line with our commitment to human resource development and the Qatar National Vision 2030, we believe it is our role to offer stimulating career paths, with world-class training and competitive remuneration. At 34% in 2015, over a third of our workforce is Qatari.

Our employees are at the heart of everything we do and enable us to reach our full potential. Every achievement of QAPCO is firmly rooted in the expertise of our highly motivated and talented human resources.

At QAPCO, we recognize that the future of our industry depends on the talents we nurture today. As part of our Quality Qatarization strategy, we balance the business requirements of QAPCO with the academic needs of students. We do this through supporting students studying mechanical, chemical and electrical engineering by providing them stimulating and rewarding opportunities that match their interests in science and technology.

Through our inspiring scholarship programs, we provide all the necessary resources to promising young men and women during their undergraduate education. Upon completing their studies, they join QAPCO as senior member of the staff and begin our award-winning National Development program to further develop their knowledge to achieve the practical competencies to succeed and move up within the Company.



### QAPCO receives its 4th Qatarization award

QAPCO was awarded the Annual Qatarization Crystal Award for Supporting Student Scholarships in 2015. As the premier Qatarization event for the Energy and Industry Sector in Qatar, this award is one of the highest accolades a company can receive. The Annual Qatarization Crystal honors companies who have successfully integrated their Qatarization strategy into their business operations.



# EMPLOYEE ENGAGEMENT

Employee engagement is an important part of how we learn from and listen to our employees. It is an essential part of our stakeholder engagement. At QAPCO, we rely on a number of channels to grow and enhance relationships with our employees, as well as the types of services we provide.

QAPCO employees are part of a community that extend beyond work. From events and celebrations to regular communication through the company intranet, to more formal mechanisms, such as employee feedback and satisfaction surveys, we are connected to the needs and concerns of our employees.

Celebrating achievers and appreciating their continuous efforts is a fundamental pillar of QAPCO's People Strategy, as it reinforces motivation and employee engagement, encourages teamwork, and further enhances performance and innovation, paving the way to business excellence.

## Wellbeing of our employees

QAPCO places the wellbeing and fitness of its employees and their knowledge of health related issues as a priority.

Throughout the year, QAPCO organises a number of health-oriented initiatives to promote healthy lifestyles for example:

- Cancer prevention and awareness campaign (See Case Study opposite)
- Lose-to-Win weight loss campaign and competition (See Case Study on page 76).



## CASE STUDY

### Cancer Prevention

As the third main cause of death in Qatar, cancer affects almost everyone, directly or indirectly. In light of this, QAPCO has worked to increase awareness about this disease through a number of campaigns during 2015.

In preparation for World Cancer Day, QAPCO welcomed a team from the Qatar Cancer Society (QCS) to raise awareness about cancer and to encourage its prevention, detection, and treatment. The team of experts from the Qatar Cancer Society delivered informative sessions and practical workshops, both in English and Arabic, to the participants. QAPCO held the day-long event under the "Show you care. Be cancer aware." theme in an effort to increase the community's understanding of cancer and to empower its employees to take control over their health.



Movember, another cancer awareness prevention initiative in 2015, focused on men's health. Men are encouraged to grow moustaches during the month of November, as a visual cue to think about medical problems that men face such as heart disease, diabetes and cancer.



**8** Workshops delivered in partnership with Qatar Cancer Society during World Cancer Day



**Breast Cancer Awareness** media campaign for October Pink Month

During the month, QAPCO held a media campaign and offered special offers at QAPCO Club to both men and women to help encourage exercise.

In support of women's health, QAPCO supported October Pink Month to raise awareness about breast cancer. During the month of October, QAPCO held a media campaign providing information to help women identify the symptoms, encourage screening and understand treatment options.

Despite broad efforts to increase smoking cessation, smoking continues to be a health concern in Qatar. Which is why on 'World No Tobacco Day' QAPCO hosts awareness workshops and provides information to its employees on how to drop the habit and the learn about the risks of smoking.



**2** Workshops delivered during the Anti-Smoking media campaign



**"Movember"** media campaign with health activities



QR **100,000** sponsorship of World Cancer Day

## CASE STUDY

### Lose to Win

As part of our efforts to motivate our employees to adopt healthier lifestyles, QAPCO launched the 'Lose to Win' program. Lose to Win sought to achieve its goals of fighting obesity, sedentary living and diabetes in an exciting way.

The competition is a fun way to get fit under the guidance of healthcare experts, through exercise, nutrition and goal-setting.

In total, 448 employees participated in the year-long competition and collectively lost 650 kg. The winner, or "biggest loser," of the event was announced during Sports Day and was able to shed 36 kg.

#### How did they do it?

- 3 awareness sessions with dieticians from HMC
- Awareness posters, flyers, and motivational messages displayed
- Personal follow-up and motivation provided to all participants
- 1 medical team fully dedicated to the program
- New healthy and diet menu offered in cafeteria
- Discounts offered on QAPCO Club membership
- Special offers on personal trainers and coaches at QAPCO Club
- Balanced menu and healthy food education and guidance all year long



#### Competition Highlights



448

Participants



650 kg  
total weight loss



36 kg  
shed by the winner  
of the competition



## TRAINING AND DEVELOPMENT

We aim to give our people challenging and rewarding careers, with opportunities to develop their professional and personal skills, and we provide a wide range of development opportunities and training courses.

In 2015, QAPCO invested more than QR 3 million in its 269 training programs and 51 long-term development programs, which were conducted to enhance the skills and knowledge of our employees, as well as improving the company's operational capabilities.

In addition, QAPCO invested heavily in leadership and soft skills training to build a more effective and highly motivated team, which enhances company maturity and improves employee morale.

In line with becoming a more efficient organisation and with a focus on optimising costs, in 2015 many courses were delivered in-house by qualified instructors and coaches.

In 2016, QAPCO will continue its focus on developing the leadership skills specifically centered on HSE management.

QR **3** million  
investment in training  
during 2015

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**269**  
training programs

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**51**  
long-term development  
programs







# 7. ANNEXES

- Financial Statements
- Sustainability Performance 2011-2015
- Stakeholder Priorities and Engagement
- Corporate Structure
- Report Parameters and GRI Content Index
- Data Verification Audit Results

## ANNEX A

### Financial Statements

[GRI G4-17]

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QR. 81529

#### INDEPENDENT AUDITOR'S REPORT

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of Qatar Petrochemical Company (QAPCO) (Q.S.C.) (the "Company"), which comprise the statement of financial position as at December 31, 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

[GRI G4-17]

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

*Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Other Legal and Regulatory Requirements**

We are also of the opinion that proper books of account were maintained by the Company and physical inventory verification has been duly carried out. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Qatar Commercial Companies Law No. 11 of 2015 and the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

Doha – Qatar  
January 28, 2016

For Deloitte & Touche  
Qatar Branch



Midhat Salha  
Partner  
License No. 257



## Statement of Financial Position

As of 31 December 2015

[GRI G4-17]

	2015 QR'000	2014 (restated) QR'000	As of 1 Jan 2014 (restated) QR'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4,534,964	4,509,346	4,172,015
Investment in joint ventures	2,691,294	2,763,525	2,884,175
Investment in an associate	28,816	28,918	27,679
Other non-current assets	-	91,427	34,328
<b>Total non-current assets</b>	<b>7,255,074</b>	<b>7,393,216</b>	<b>7,118,197</b>
<b>Current assets</b>			
Inventories	174,995	181,084	224,311
Due from related parties	935,111	1,344,825	616,787
Accounts receivable and prepayments	104,643	96,484	1,294,587
Bank balances and cash	1,144,626	1,159,360	1,212,279
<b>Total current assets</b>	<b>2,359,375</b>	<b>2,781,753</b>	<b>3,347,964</b>
<b>Total assets</b>	<b>9,614,449</b>	<b>10,174,969</b>	<b>10,466,161</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	436,000	436,000	436,000
Legal reserve	87,200	87,200	87,200
Cumulative changes in fair values	(18,684)	(35,216)	(54,855)
Retained earnings	7,795,462	7,942,593	7,617,062
<b>Total equity</b>	<b>8,299,978</b>	<b>8,430,577</b>	<b>8,085,407</b>
<b>Non current liabilities</b>			
Employees' end of service benefits	83,431	97,438	93,296
Other non-current liabilities	-	-	48,811
	83,431	97,438	142,107
<b>Current liabilities</b>			
Due to related parties	334,764	414,446	1,172,673
Accounts payable and accruals	142,440	244,324	457,412
Income tax payable	139,081	161,002	183,135
Dividend payable	614,755	827,182	425,427
<b>Total current liabilities</b>	<b>1,231,040</b>	<b>1,646,954</b>	<b>2,238,647</b>
<b>Total liabilities</b>	<b>1,314,471</b>	<b>1,744,392</b>	<b>2,380,754</b>
<b>Total equity and liabilities</b>	<b>9,614,449</b>	<b>10,174,969</b>	<b>10,466,161</b>



**Mr. Mohamed Salem Al-Marri**  
Chairman of the Board of Directors



**Dr. Mohammed Yousef A. Al-Mulla**  
Managing Director and CEO



**Mr. Hassen Saqr Al-Muftah**  
Chief Financial Officer

## Statement of Profit or Loss

For the year ended 31 December 2015

[GRI G4-17]

	2015 QR'000	2014 QR'000
Revenue	4,039,885	4,404,019
Cost of goods sold	(1,615,692)	(1,637,561)
<b>Gross profit</b>	<b>2,424,193</b>	<b>2,766,458</b>
Administration expenses	(352,661)	(339,285)
Selling expenses	(198,694)	(212,414)
Finance charges	(1,107)	(1,104)
Loss on foreign exchange	(541)	(10,629)
Finance income	13,562	11,971
Share of profit from joint ventures	706,775	1,132,913
Share of profit from an associate	2,898	3,239
Other income	89,444	43,382
Profit before income tax	2,683,869	3,394,531
Income tax expense	(695,406)	(805,012)
<b>Profit for the year</b>	<b>1,988,463</b>	<b>2,589,519</b>

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	2015 QR'000	2014 QR'000
<b>Profit for the year</b>	<b>1,988,463</b>	<b>2,589,519</b>
Other comprehensive income: Items that may be reclassified subsequently to statement of profit or loss	-	-
Share of fair value movement of interest rate swap from a joint venture	15,628	19,639
Net movement in fair value of forward contracts	904	-
<b>Other comprehensive income for the year</b>	<b>16,532</b>	<b>19,639</b>
<b>Total comprehensive income for the year</b>	<b>2,004,995</b>	<b>2,609,158</b>

## Statement of Changes in Equity

For the year ended 31 December 2015

[GRI G4-17]

	Share capital QR'000	Legal Reserve QR'000	Cumulative changes in fair values QR'000	Retained earnings QR'000	Total QR'000
Balance at 1 Jan 2014 (As previous reported)	436,000	87,200	(54,855)	8,042,489	8,510,834
Dividend payable	-	-	-	(425,427)	(425,427)
Balance at 1/01/14 (restated)	436,000	87,200	(54,855)	7,617,062	8,085,407
Profit for the year	-	-	-	2,589,519	2,589,519
Other comprehensive income for the year	-	-	19,639	-	19,639
Total comprehensive income for the year	-	-	19,639	2,589,519	2,609,158
Dividend paid	-	-	-	(1,436,806)	(1,436,806)
Dividend payable	-	-	-	(827,182)	(827,182)
Balance at 31/12/14 (restated)	436,000	87,200	(35,216)	7,942,593	8,430,577
Balance at 1/01/15 (restated)	436,000	87,200	(35,216)	7,942,593	8,430,577
Profit for the year	-	-	-	1,988,463	1,988,463
Other comprehensive income	-	-	16,532	-	16,532
Total comprehensive income for the year	-	-	16,532	1,988,463	2,004,995
Dividend paid	-	-	-	(1,520,839)	(1,520,839)
Dividend payable	-	-	-	(614,755)	(614,755)
<b>Balance at 31 December 2015</b>	<b>436,000</b>	<b>87,200</b>	<b>(18,684)</b>	<b>7,795,462</b>	<b>8,299,978</b>

## Statement of Cash Flows

For the year ended 31 December 2015

[GRI G4-17]

	2015 QR'000	2014 QR'000
<b>Cash Flows from Operating Activities</b>		
<b>Profit for the year before income tax</b>	2,683,869	3,394,531
Adjustments for:		
Depreciation	284,897	221,534
Share of profit of joint ventures	(706,775)	(1,132,913)
Share of profit of an associate	(2,898)	(3,239)
Provision for non-moving and slow moving inventories	7,735	44,504
Net provision for/(reversal of) doubtful debts	967	(315)
Provision for employees' end of service benefits	23,925	24,734
Loss on disposal of property, plant and equipment	305	635
Finance income	(13,562)	(11,971)
	2,278,463	2,537,500
Changes in:		
Inventories	(1,646)	(1,277)
Due from related parties	408,632	(728,014)
Accounts receivable and prepayments	(7,139)	1,198,393
Due to related parties	(38,905)	(742,808)
Accounts payable and accruals	(101,885)	(213,088)
	2,537,520	2,050,706
Employees' end of service benefits paid	(41,600)	(15,458)
Advances recovered from/(paid against) end of service benefits	3,668	(5,134)
Income tax paid	(161,002)	(183,149)



[GRI G4-17]

	2015 QR'000	2014 QR'000
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(310,820)	(564,501)
Dividend received from joint ventures	794,634	1,273,202
Dividend received from an associate	3,000	2,000
Movement in other non-current assets and liabilities	91,427	(105,910)
Restricted bank balance	13,165	47,879
Proceeds from disposal of property, plant and equipment	-	5,001
Finance income received	13,562	11,971
<b>Net cash from investing activities</b>	<b>604,968</b>	<b>669,642</b>

	2015 QR'000	2014 QR'000
<b>Cash Flows from Financing Activities</b>		
Dividend paid	(2,348,021)	(1,862,233)
Tax free distribution paid to local shareholder	(597,102)	(659,414)
<b>Net cash used in financing activities</b>	<b>(2,945,123)</b>	<b>(2,521,647)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,569)</b>	<b>(5,040)</b>
Cash and cash equivalents at 1 January	1,146,195	1,151,235
<b>Cash and cash equivalent at 31 December</b>	<b>1,144,626</b>	<b>1,146,195</b>

	2011	2012	2013	2014	2015
LDPE	426,440	525,965	723,283	666,420	748,131
LLDPE	485,434	527,396	559,166	502,436	492,900

Total: 5.6

	2011	2012	2013	2014	2015	Total	Shares	Grand Total
QAPCO	793	795	787	691	827	3,894	57%	6,889
Qatofin share from RLOC	526	625	642	628	575	2,996	43%	
	<b>1,319</b>	<b>1,420</b>	<b>1,429</b>	<b>1,319</b>	<b>1,403</b>	<b>6,889</b>		

Total: 6.8

## ANNEX B

## Sustainability Performance

## 2011 -2015

## Health and Safety Performance

Personnel Safety	2011	2012	2013	2014	2015
Exposure hours (Employees)	1,900,700	1,932,829	2,044,757	2,243,730	2,037,335
Exposure hours (Contractors)	1,444,097	1,829,654	2,072,354	4,543,256	2,703,046
Employee lost time injuries	0	0	0	0	0
Contractor lost time injuries	1	1	1	2	0
Employee total reportable injuries	4	4	2	6	4
Contractor total reportable injuries	3	3	6	17	3
Employee lost time injury rate (Per 1 Mn m-h)	0	0	0	0	0
Contractor lost time injury rate (Per 1 Mn m-h)	0.69	0.55	0.48	0.44	0.37
Employee total reportable injury rate (Per 1 Mn m-h)	2.1	2.05	0.98	2.67	1.96
Contractor total reportable injury rate (Per 1 Mn m-h)	2.71	1.64	2.9	3.74	1.48
Fatalities (Employee and Contractor)	0	0	0	0	1
<b>Occupational Health</b>					
% of sick/hospitalisation days to total working days	--	1	1	1.2	1.2
Average total sick leaves / employee/ year (days)	3	2	3	2.5	3
Restricted work cases (number)	0	1	3	0	0
Heat stress events (resulting in medical treatment)	0	0	0	0	0
Employee occupational illness rate (per 1 Mn m-h)	0	0	0	0	0
Contractor occupational illness rate (per 1 Mn m-h)	--	0	0	0	0
<b>HSE Training</b>					
Training hours for health and safety (QAPCO employees)	--	5,132	5,367	4,356	5,018
HSE Training hours (Contractors) *delivered by QAPCO	--	--	7,320	15,114	8,055
<b>Process Safety</b>					
Loss of containment (LOC) incidents	4	4	2	6	5
Emergency response drills (number)	48	48	49	51	2
Incident Investigation completion	100%	100%	100%	91%	100%
Near miss incidents reported (number)	466	240	778	873	1170

## Economic Impact

Production (tonnes)	2011	2012	2013	2014	2015
LDPE	426,440	525,965	723,283	666,420	748,131
LLDPE	485,434	527,396	559,166	502,436	492,900
Total Polyethylene	911,874	1,053,361	1,282,449	1,168,856	1,241,031
Ethylene	793,071	794,736	787,234	691,452	827,171
Sulphur (sold as by-product)	52,519	52,594	47,613	35,566	35,711
Revenues (standalone)	--	3,851	4,452	4,404	4,040
<b>Economic Value Distributed</b>					
EBIDTA	3,898	3,713	3,989	3,395	2,684
Employee Wages and Benefits	-	373	424	485	488
Payments to local shareholder	1,996	1,957	2,194	2,455	2,945
Gross taxes	--	157	148	183	139
National Developpee Investment	64	82	92	106	122
<b>Financial Performance (QR Million)</b>					
Sales (FOB)	3,978	3,851	4,452	4,404	4,040
Profit before tax	2,943	3,543	3,778	3,394	2,684
Shareholder's equity growth	6,383	7,021	8,511	9,258	8,300
Gross profit	2,985	2,745	2,983	2,766	2,424
<b>Local Procurement</b>					
QAPCO Local Procurement %	74%	75%	78%	81%	83%
QATOFIN Local Procurement %	82%	84%	84%	90%	90%

## Environmental and Energy Performance

[GRI G4-22]

	2011	2012	2013	2014	2015
<b>Energy</b>					
<b>Direct Energy</b>					
Natural gas used (million normal m3)	592	654	588	496	582
Natural Gas Intensity (nm3/tonne)	649.8	621.1	458.4	424.3	584.8
Natural Gas (GJ)	20,784,646	22,962,232	20,632,517	17,581,443	20,124,707
Diesel (GJ)	19,214	22,204	18,484	28,764	23,991
Petrol (GJ)	2,972	2,972	1,624	1,608	1,668
Total Direct Energy	20,806,832	22,987,408	20,652,625	17,611,815	20,150,366
<b>Indirect Energy</b>					
Electricity purchased (GJ)	247,842	218,192	269,118	236,988	351,500
Electricity exported (GJ)	162,958	113,872	96,552	138,773	102,841
Total Indirect Energy (GJ)	84,884	104,320	172,566	98,215	248,659
<b>Total Energy Consumption</b>					
Total energy consumption (GJ)	20,891,716	23,091,728	20,825,191	17,710,030	20,399,025
Energy intensity (GJ/Tonne)*	22.9	21.9	16.2	13.8	14.5
<b>Emissions and Flaring</b>					
Direct GHG emissions (tonnes CO2e)	1,561,948	1,577,439	1,744,211	1,599,053	1,270,347
Indirect GHG emissions (tonnes CO2e)	20,340	24,997	41,350	45,393	67,327
Total GHG (tonnes CO2e)	1,582,288	1,602,436	1,785,561	1,644,446	1,405,001
GHG Intensity (Tonne CO2/Tonne)	1.7	1.5	1.4	1.4	1.0
Flaring (MMSCM)	78.1	93.6	21.6	43.2	140.4
Flaring Intensity (SCM/Tonne)	85.7	88.9	16.8	36.9	77.05
<b>Water</b>					
Fresh water used, purchased (m3)	519,261	887,199	966,410	1,120,163	932,907
Fresh water used, company generated (m3)	1,237,428	1,263,908	1,136,612	1,052,087	1,080,552
Total fresh Water Use (m3)	2,036,805	2,237,872	2,380,793	2,172,250	2,013,459
Water Intensity (m3/tonne)*	2.24	2.13	1.86	1.69	1.43
Water discharged, to sea (m3)	1,006,926	1,140,166	1,232,421	975,410	1,169,665
Water discharged, other than sea (m3)	131,723	183,477	187,953	5,643	NA
Water recycled or reused (m3)	1,450,100	1,391,915	1,589,082	1,273,623	1,052,087
<b>SOx and NOx</b>					
SOx emitted (tonne)	567	297	617	321	287
Sox Intensity (tonne SOx/tonne)	0.62	0.28	0.48	0.28	0.28
NOx emitted (tonne)	3,370	3,919	4,239	3,033	2,974
Nox Intensity (tonne NOx/tonne)*	3.7	3.72	3.31	2.59	2.88
<b>Spills</b>					
Significant oil spills (> one barrel)	0	0	1	0	0
Volume of spills (million litres)	0	0	3	0	0
<b>Waste Management</b>					
Total waste sent to landfill (tonne) <sup>1</sup>	202	246	278	652	3197
Total waste recycled (tonne)	122	136	181	210	127
Total waste disposed (tonne) <sup>2</sup>	324	382	459	862	530

\* Figures were revised for past year to improve accuracy.

<sup>1</sup> Including Garbage (1752 Tons), Construction Waste (711.75 Tons) & Non-Hazardous Waste (732.89 Tons).<sup>2</sup> Including incinerable waste disposed to Al Haya Waste Management & Projects Company.

Workforce	2010	2011	2012	2013	2014	2015
Full-time employees	1,058	1,141	1,124	1,196	1,168	1,096
Developees (temporary position)	38	30	39	45	43	36
Scholarships (temporary positions)	39	52	58	83	82	59
Secondment from QAPCO (QVC, QPPC, QATOFIN)	3	3	3	1	1	1
Total confirmed full time positions <sup>1</sup>	1,101	1,111	1,176	1,146	1,126	964
Total work force	1,138	1,226	1,224	1,325	1,294	1,192
Qatofin Workforce	17	17	18	15	11	10
<b>Employment by level (Number of Individuals)</b>						
Senior Management	23	28	32	33	30	30
Middle Management	346	369	381	439	446	417
Staff	769	829	811	853	818	745
<b>Qatarization</b>						
QAPCO Qatarization*	26%	29%	28%	30%	31%	34%
Qatofin Qatarization*	29%	35%	35%	33%	36%	40%
# of Qatari nationals	290	323	325	346	348	326
# of Expatriates	848	903	899	979	946	866
Investment in sponsorships and scholarships for Qatarization (QR)	8,010,000	8,356,000	6,275,000	8,757,000	11,318,654	-
Number of scholarships and students sponsored	35	52	58	78	80	59
Number of University/educational institutes Partnerships	-	-	13	20	16	16
<b>Female Employment</b> [GRI G4-22]						
Female employees, QAPCO	25	33	35	43	45	40
Female participation (%)	2%	3%	3%	3.25%	3.50%	3%
Female participation, employee level	2%	2%	3%	3%	3%	3%
Female participation, middle management**	7%	7%	6%	5%	5%	6%
Female participation, senior management	0%	0%	0%	0%	0%	0%
Female Qatofin Female Employment	5	5	6	5	4	4
<b>Total # of workforce by Age Group</b>						
18-30	164	238	261	296	260	208
31-40	396	402	394	416	443	421
41-50	354	351	322	352	346	353
51-60	224	235	247	261	245	210
<b>Total number of employees left the organization</b>						
# of Senior Management	5	5	4	4	5	38
# of Middle Management	24	20	36	28	44	50
# of Staff	22	18	44	57	80	49
<b># of employees left the organization by gender</b>						
# of Female	3	5	4	2	6	4
# of Male	48	38	80	87	123	133



# of employees left the organization by age group	2010	2011	2012	2013	2014	2015
18-30	8	2	24	36	32	33
31-40	18	11	31	29	26	25
41-50	10	17	18	8	23	22
51-60	15	13	11	16	48	57
<b>Long-Term Employment</b>						
Employees working at QAPCO for more than 10 years	-	-	401	346	308	295
Employees working at QAPCO for more than 20 years	-	-	132	197	204	176
<b>Employee Satisfaction</b>						
Employees satisfaction	72%	75%	76%	85%	91%	N/A
<b>Training Company-Wide</b>						
Total number of Trainings and Education	406	344	324	435	430	269
Total Number of Days	5,014	6,614	4,334	5,185	6,689	3,059
Total number of Training for females (hours)	920	944	672	1,664	3,088	1,568
Total number of Training for males (hours)	39,192	51,968	34,000	39,816	50,424	22,904
Total number of Training for total workforce (hours)	40,112	52,912	34,672	41,480	53,512	24,472
Qatofin Training hours	416	440	720	224	320	280
Total Training hours	40,528	53,352	35,392	41,704	53,832	24,752
Total Number of Employees Trained: Female	17	19	20	19	24	26
Total Number of Employees Trained: Male	775	967	872	1,224	912	786
Total Number of Employees Trained	792	986	892	1,243	936	812
Average hours of training per year per female employee	54	50	34	88	128	55
Average hours of training per year per male employee	51	54	39	33	55	29
Average hours of training per year per employee	41	50	33	33	57	30
Total Cost of Training (QR)	3,831,338	5,052,951	3,995,041	4,922,642	5,109,576	3,148,611
Average Cost of Training per Individual (QR)	4,838	5,125	4,479	3,960	5,459	3,878
<b>Average hours of training per employee by employee category</b>						
Senior managers	63.3	76.7	60.6	57.4	39.2	29.6
Middle management	68.5	60.9	49.8	46.9	75.2	35.1
Staff	49.8	42.2	38.2	31.6	46.1	27.2
<b>Long Term Learning Programming</b>						
Number of programs		13	19	17	5	14
Number of employees participating in programs	--	--	41	44	37	35
Number of employees participating in programs to obtain a Master's degree	--	--	8	4	6	2

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

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

\*\* Figures revised from previous years to improve accuracy.

## ANNEX C

## Stakeholder Priorities

## And Engagement

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

Stakeholder Group	Stakeholder Priority Issues	Our Priorities	What we do to address their priorities
Employees 1,202 employees	Remuneration and company benefits	Employer of choice	Salary benchmarking, Annual bonus, Special bonus, Performance review, Employee loyalty program (discount in stores, on services), Recognition programs, Allowances, Employee handbook, Grants, Loans, Education for children
	Working conditions	Safe work place	HSE programs and audits, Regular safety trainings and drills, Safety campaigns
	Personal development	Developing talent	Scholarship programs, External and internal training programs, LEAD program, Annual training needs survey
	Health and wellbeing	Health and happy work-force	QAPCO Sports Club, Sports team, Health insurance scheme
	Company performance	Capacity building and skills development	Monthly reviews and staff updates, Monthly departmental KPI review, Annual address from VC & CEO and Chiefs, E-bulletin, Annual Report, Notice board, Task force meetings
	Cohesion and integration	Engaged workforce	Activities for families of employees, Outreach programs with schools where employee's children 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 advance projects
	Corporate governance	Integrity	Internal and external audits, Conflict of Interest Declaration, ISO certifications, Risk Management Committee, Audit Committee, Corporate Code of Conduct, Annual Report, Compliance with regulations, Best practices implementation
	Growth	Strong growth	Facilities expansion plan, Focus on R&D, Quality recruitment
	Sustainability	Responsible corporate citizen	Sustainability assessment, Responsible Care, Full disclosure of information
Government and Regulatory Bodies State Audit Bureau, Ministry of Environment, Ministry of Labor, Ministry of Energy & Industry	Compliance with regulations	Transparency	Monthly and annual review of performance
	Contributing to national targets	Translating QNV 2030 into reality	Job creation, Nationalization of workforce, Capacity building, Supporting local SMEs
	Sustainable development	Responsible corporate citizen	Long-term growth, Supporting our communities, Economic and social development

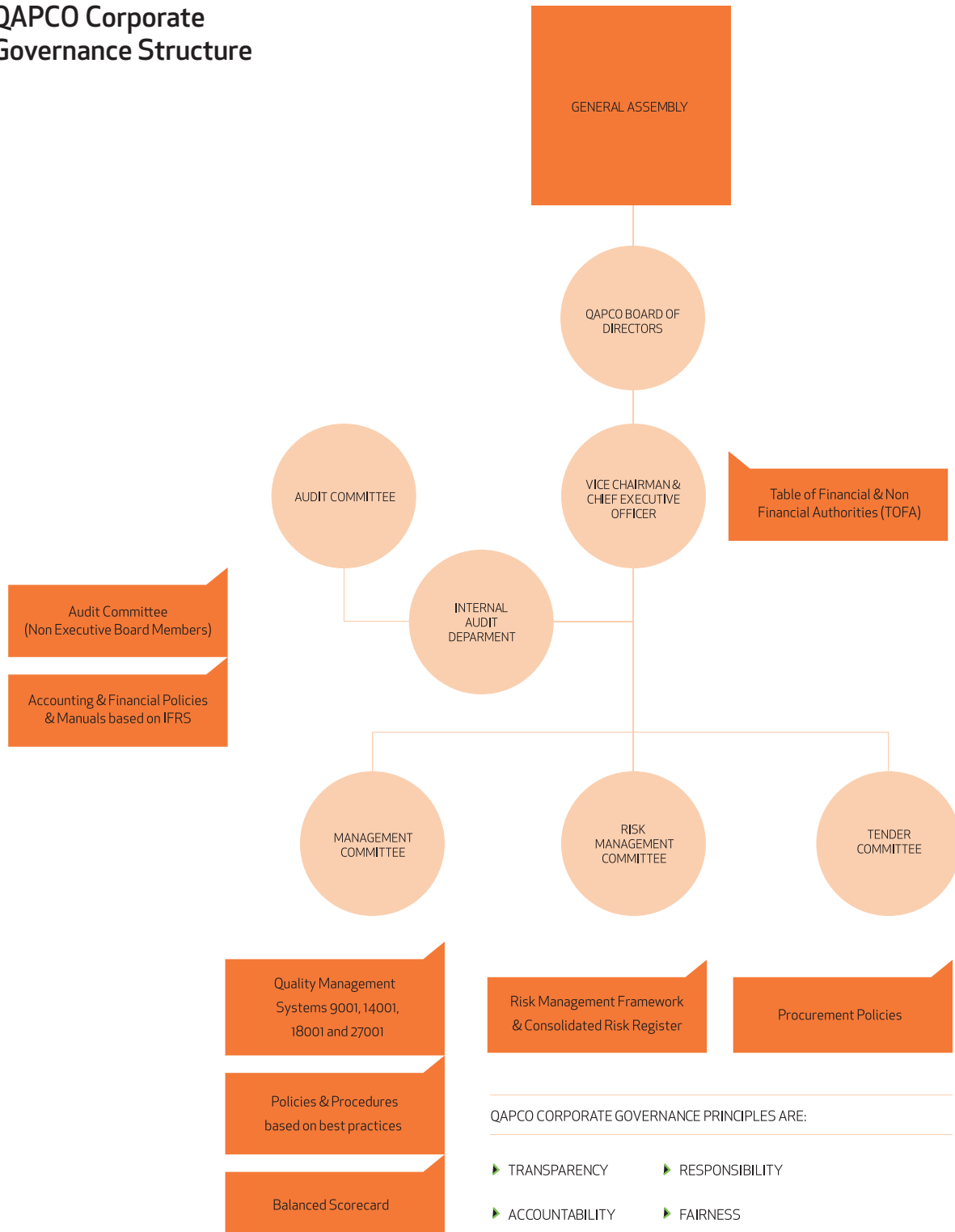
[GRI G4-24, GRI G4-26, GRI G4-27]

Stakeholder Group	Stakeholder Priority Issues	Our Priorities	What we do to address their priorities
Muntajat and Customers	Quality of products and services	Quality control	Audit, ISO certifications, Claim mechanism, Customer feedback, surveys
	Reliability, flexibility and on time delivery	Reliability	Customization, Integrated logistics, Creation of hubs and warehouses close to clients
	Product safety, Compliance	Product labelling and safe usage	Product health and safety certifications from US FDA, EU, China
	Customer Experience	Customer retention and loyalty	Training of employees to increase customer experience
Contractors and Suppliers	Transparent and fair tender process	Anti-corruption	Tender Committee, Conflict of Interest Declaration, Code of Conduct, Updated supplier data base, Public tenders announced
	On-Time payment	Reliable purchasing	Payment terms stipulated in formal agreements
	Safe working conditions	Contractor low injury rate	Specific safety training, On the job training
	Welfare and Living conditions	Human rights and wellness	Site visits to camps, Discussion with labors and workers, Ensuring compliance with standards
	Long term partnerships	Win-win partnerships	Continued support to local suppliers
Community & Society	Local hiring	Shaping leaders of tomorrow	Internships with most technical schools to offer access to QAPCO to most talented Qataris, Number of scholarships for Qataris
	Impact of operations	Responsible corporate citizen	Raising awareness about sustainability
	Community development	Community partner	Volunteering and sponsorship programs, QAPCO CSR Department
Affiliates and Joint Ventures	Excellent management relationship	Strong ROI	
	Transparency	Excellent communication	
Environment	Minimizing impact of operations on environment	Responsible corporate citizen	Modernization of facilities, Environmental audits, Research on sustainable chemistry
	Optimum use of natural resources	Effective environmental management	Recycling programs (water, steam), Efficiencies and optimization program
Educational Institutions	Collaboration between industry academia	Long term partnership with benefits for talent recruitment, product development, innovation and solution development	Training agreements, especially for critical skills development, Internship programs, Support to major events, Symposium and conferences at universities and schools, Partnerships with 16 schools
	R&D programs	Product development	QU and TAMUQ, both fundamental and applied research, Novel polymer nano-composites, Polymer use in green building and their energy saving applications

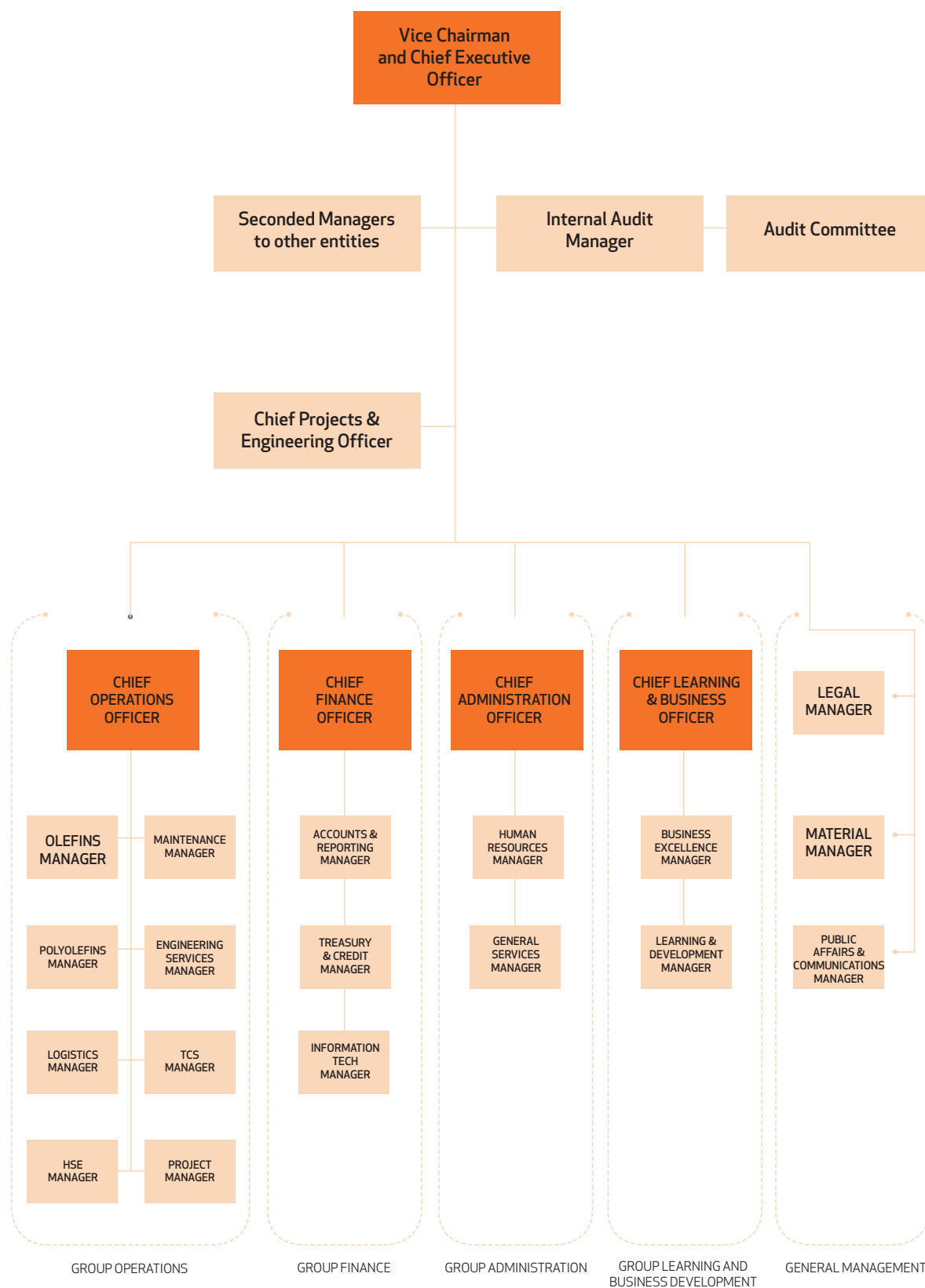
## ANNEX D

### Corporate Structure

#### QAPCO Corporate Governance Structure



## Organizational Structure



\* Please note that a new structure was implemented in 2016



## ANNEX E

### Report Parameters and

### GRI G4 Content Index



#### Aspect Boundaries

QAPCO has presented relevant information available at the time of production of this report. For each of the topics discussed, we present the combined performance of QAPCO and Qatofin unless specifically designated otherwise. For the purposes of this report, we present relevant performance figures for only our majority owned venture, Qatofin, and rely on the majority venture partners to present performance for the remaining companies. The performance of our contractors and associates is presented where relevant and available. In the future, we are committed to expanding the scope of our reporting to further include stakeholders and supply chain. Our relationship with stakeholders continues to evolve and impact the content and reporting boundaries. For the 2015 report, we included student beneficiaries as a new stakeholder group in our materiality assessment.

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

#### Materiality Process

The content of our report is defined by our materiality assessment, which is presented on page 29. 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.

General Standard Disclosures	Page	External Assurance
<b>GENERAL STANDARD DISCLOSURES</b>		
<b>Strategy and Analysis</b>		Not Assured
G4-1	11	Not Assured
G4-2	24-29	Not Assured
<b>Organizational Profile</b>		Not Assured
G4-3	5	Not Assured
G4-4	20-21	Not Assured
G4-5	Doha, Qatar	Not Assured
G4-6	18	Not Assured
G4-7	18, 44	Not Assured
G4-8	20-21	Not Assured
G4-9	8-9	Not Assured
G4-10	90-91	Not Assured
G4-11	Trade unions are prohibited in Qatar	Not Assured
G4-12	21, 43	Not Assured
G4-13	23	Not Assured
G4-14	24-26	Not Assured
G4-15	11	Not Assured
G4-16	Gulf Petrochemicals & Chemicals Association	Not Assured

General Standard Disclosures	Page	External Assurance
<b>Identified Material Aspects &amp; Boundaries</b>		
G4-17	80-86	Not Assured
G4-18	96	Not Assured
G4-19	29	Not Assured
G4-20	96	Not Assured
G4-21	96	Not Assured
G4-22	89, 90 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
<b>Stakeholder Engagement</b>		Not Assured
G4-24	92-93	Not Assured
G4-25	28	Not Assured
G4-26	92-93	Not Assured
G4-27	92-93	Not Assured
<b>Report Profile</b>		
G4-28	January 1 - December 31, 2015	Not Assured
G4-29	QAPCO 2014 Integrated Report was published in June 2015	Not Assured
G4-30	Annual	Not Assured
G4-31	5	--
G4-32	'In accordance'- Core option	Not Assured
G4-33	This report was not checked by a third-party.	Not Assured
<b>Governance</b>		
G4-34	22, 94, 95	Not Assured
<b>Ethics and Integrity</b>		
G4-56	19, 25	Not Assured

DMA Indicator	Page Reference	Omissions	External Assurance
<b>SPECIFIC STANDARD DISCLOSURES</b>			
<b>Category: Economic</b>			
<b>Material Aspect: Economic Performance</b>			
G4-DMA	40-41	none	Not Assured
G4-EC1	82-86, 88	none	Not Assured
<b>Material Aspect: Procurement Practices</b>			
G4-DMA	43	none	Not Assured
G4-EC9	43, 88	none	Not Assured
<b>Category : Environmental</b>			
<b>Material Aspect: Energy</b>			
G4-DMA	50, 52	none	Not Assured
G4-EN3	89	none	Not Assured
G4-EN5	89	none	Not Assured
<b>Material Aspect: Water</b>			
G4-DMA	55, 89	none	Not Assured
G4-EN8	89, purchased water is sourced from Karhamaa, Qatar's national water distribution company.	none	Not Assured
G4-EN10	89, 52% recycled from total freshwater use	none	Not Assured
<b>Material Aspect: Emissions</b>			
G4-DMA	54	none	Not Assured
G4-15	89	none	Not Assured
G4-16	89	none	Not Assured
G4-18	89	none	Not Assured
G4-21	89	none	Not Assured
<b>Material Aspect: Effluent and Waste</b>			
G4-DMA	55	none	Not Assured
G4-EN29	Zero	none	Not Assured
<b>Material Aspect: Overall</b>			
G4-DMA	52	none	Not Assured
G4-EN31	52	none	Not Assured
<b>Category: Social</b>			
<b>Sub-Category: Labor Practices and Decent Work</b>			
<b>Material Aspect: Employment</b>			
G4-DMA	72	none	Not Assured
G4-LA1	90-91	none	Not Assured
<b>Material Aspect: Occupational Health and Safety</b>			
G4-DMA	32-37	none	Not Assured
G4-LA6	87	none	Not Assured

DMA Indicator	Page Reference	Omissions	External Assurance
<b>Material Aspect: Training and Development</b>			
G4-DMA	77	none	Not Assured
G4-LA9	91	none	Not Assured
<b>Material Aspect: Diversity and Equal Opportunity</b>			
G4-DMA	72, 74	none	Not Assured
G4-LA12	90	none	Not Assured
<b>Material Aspect: Supplier Assessment For Labor Practices</b>			
G4-DMA	72, 43, 29	none	Not Assured
G4-LA14	100% in 2015	none	Not Assured
<b>Sub-Category: Human Rights</b>			
<b>Material Aspect: Supplier Assessment For Human Rights</b>			
G4-DMA	72, 43, 29	none	Not Assured
G4-HR10	100% in 2015	none	Not Assured
<b>Sub-Category: Society</b>			
<b>Material Aspect: Anti-corruption</b>		none	Not Assured
G4-DMA	22, 29	none	Not Assured
G4-S05	Zero incidents in 2015	none	Not Assured
<b>Material Aspect: Compliance</b>			
G4-DMA	22, 29	none	Not Assured
G4-S08	Zero incidents in 2015	none	Not Assured
<b>Sub-Category: Product Responsibility</b>			
<b>Material Aspect: Customer Health and Safety</b>			
G4-DMA	22, 29	none	Not Assured
G4-PR2	Zero incidents in 2015	none	Not Assured
<b>Material Aspect: Marketing Communication</b>			
G4-DMA	22, 29	none	Not Assured
G4-PR9	Zero incidents in 2015	none	Not Assured

## ANNEX F

### Data Verification

### Audit Results



#### BUSINESS EXCELLENCE

#### Sustainability data verification report June 2016

##### Objective and Scope:

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

##### Executive Summary:

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

##### Data verification at the source:

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

- Strategy and Corporate Excellence / Finance,
- HSE - Environment, HSE support and Medical sections
- Operations - Utilities, Olefins and Polyolefins,
- Learning & Development - Corporate Learning / Qatarization

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

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

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

##### Methodology:

20 sustainability indicators / KPIs were selected based on the materiality for Qapco Processes and their importance to the business. These indicators were verified at the source of data generation and validated the methods employed for calculation. The reported figures were compared with corporate dashboard and MOE reporting. In selected cases, the integrated data was traced to the source and found acceptable.

##### Result of the data verification

The selected data meets the Data management principles by 91% and an overall maturity of 91%.

**S. Balasubramaya**  
Quality Assurance Analyst



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

#	KPI	Data Integrity Level	Maturity Rating (91%)
1	Revenues	High	5/5
2	% sick / hospitalization days to total work	Medium	4/5
3	Employees total reportable injury rate (per 1 Mn m-h)	Medium	4/5
4	Lost time Injuries – Contractors	Medium	4/5
5	Incident investigation completion	High	4/5
6	LDPE production (Tonnes)	High	5/5
7	LLDPE production (Tonnes)	High	5/5
8	Direct GHG Emissions	High	5/5
9	SOx Emissions	High	5/5
10	NOx Emissions	High	5/5
11	Total waste sent to landfill in the year	Medium	4/5
12	Qatarization	Medium	4/5
13	Total number of training days	Medium	4/5
14	Total numbers of training & education	Medium	4/5
15	Fresh water used, purchased	High	5/5
16	Water discharged to Sea	High	5/5
17	Flaring	High	5/5
18	Natural gas used (million normal m3)	High	5/5
19	Natural gas in GJ	Medium	4/5
20	Electricity purchased	High	5/5



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