



شركة راس لفان للأولفينس المحدودة



2013 SUSTAINABILITY REPORT

Welcome to Q-Chem's 2013 sustainability report. This is the Company's first such public report, which we are proud to share with you.

We are also proud of being part of the Qatar Energy and Industry's Sustainable Development Industry Reporting programme (SDIR), which represents our continued commitment to meeting the expectations of all our stakeholders.

Q-Chem is defined by deep-rooted values that drive and motivate it to operate responsibly, and to devote increased commitment to the welfare of communities within which it operates. We have no doubt that our significance as a company goes beyond financial return, and embraces the very essence of the social, economic and environmental pillars of sustainability. This is our strength.

We believe that responsibility is the foundation of our approach to sustainability; while risk management, engagement, and communication are at the heart of our responsibility as a company. This responsibility is central to Q-Chem's commitment to the Operational Excellence it strives to achieve through continuous improvement.

We are proud of our achievements as we build one performance milestone after the other. 2013 was a very successful year for Q-Chem, which was also marked by enhanced sustainability indicators such as improved safety, minimized emissions, and highest production levels.

Our journey continues as we broaden our understanding of the elements of success, and realize the opportunities that lie ahead.



RESPONSIBILITY 2013

SUSTAINABILITY

REPORT

Please join us for this review of our progress in 2013 as we look forward to realising a better future.

Dr. Mohammed bin Saleh Al-Sada

Minister of Energy & Industry, Chairman of Qatar Chemical Company Ltd.

GENERAL MANAGER'S MESSAGE

WE ARE PLEASED TO **PRESENT OUR 2013** SUSTAINABILITY REPORT IN ALIGNMENT WITH THE QATAR ENERGY AND INDUSTRY SUSTAINABLE **DEVELOPMENT INDUSTRY** REPORTING (SDIR) PROGRAM.

This report follows the Global Reporting Initiative (GRI) G4 guidelines, which are the recognized international standard for sustainability reporting. As our first GRI-aligned report, we are proud to present our achievements and challenges as part of our journey to cultivate a culture of continuous improvement.

Ten years ago, we took a decisive step to implement our own quality management system - Operational Excellence (OE). The OE has enabled us to excel in our daily operations with confidence and efficiency. This year, we established our sustainable development core team to manage and develop our sustainability management program. The team has been assigned

to establish materiality matrix, carry out assessment, analyze performance, report findings, and ultimately build long-term sustainability development strategy plan. Moreover sustainability goals have been integrated into individual goals which make all Q-Chem employees engaged and committed.

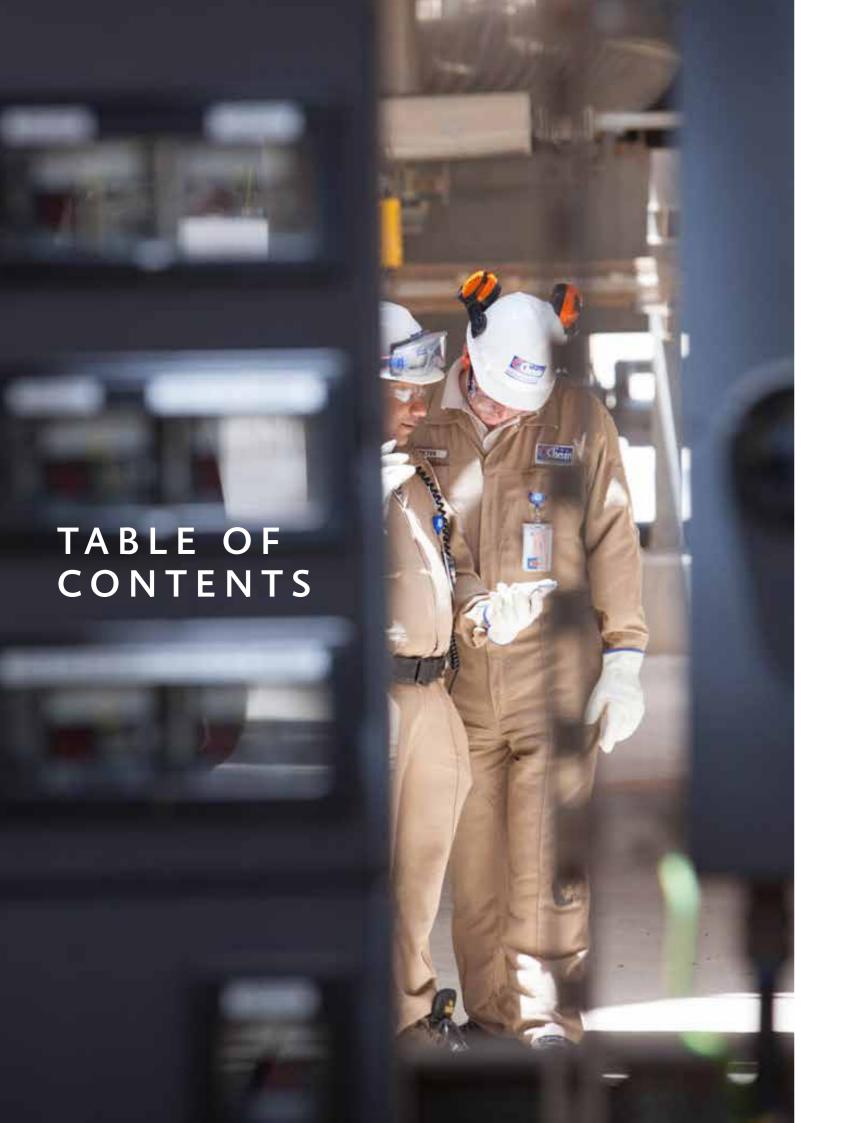
In 2013, we achieved record performance in Qatarization, process and personal safety, operations reliability, training and development, profitability and environmental management. Sustainability begins with investment in measurement and management of key issues and building a foundation of responsibility across our operations.

We are proud to have achieved certifications in quality management ISO 9001:2008, environment management ISO 14001:2004, and Responsible Care® 14001 for all three of our facilities. These achievements enable us to move forward with strategy and planning for our longterm sustainability aspirations.

We are committed to deliver products and services that meet or exceed the expectations of our customers, shareholders, employees, and the community. Our strategic goals are consistent with the bold Qatar National Vision 2030. We endeavor to satisfy the individual needs of these diverse stakeholders with a collaborative effort that helps us realize our vision of leadership in petrochemicals and success.

We welcome your feedback on our reporting as we continue to enhance our relationship with stakeholders and better understand the impacts that our operations have from economic, social, and environmental perspectives. Thank you, and welcome to our 2013 sustainability report.

Ahmed Ibrahim Al Emadi Q-Chem General Manager



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Q-CHEM & SUSTAINABILITY

Company Briefing

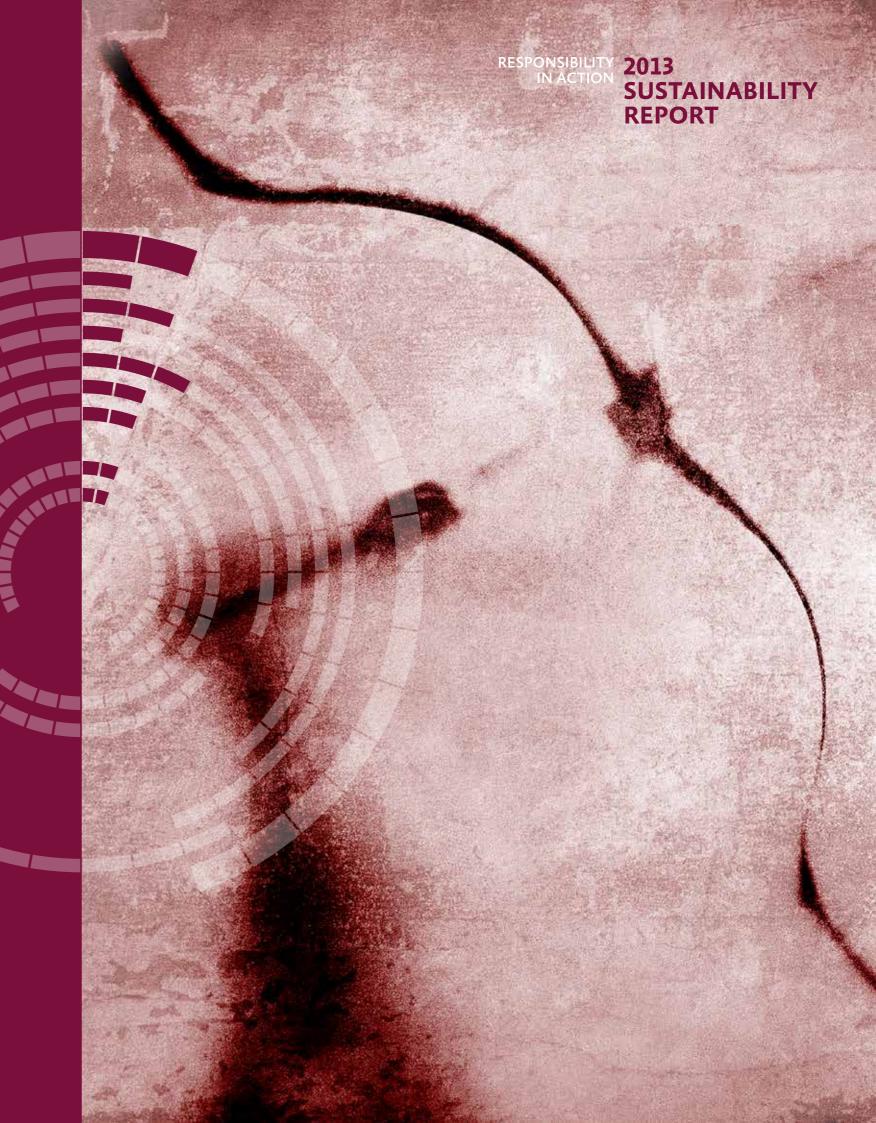
Our Core Value: Operational Excellence

What Sustainability Means to Q-Chem

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2013 Sustainability Performance Highlights



Company Briefing

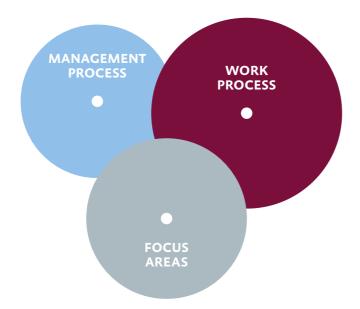
Q-Chem and its associated companies play a valuable role in Qatar's national economy by producing high value petrochemical products that are sold on global markets.

Q-Chem was established in 1997 as part of the Qatar's vision to support development through economic diversification. Since then, we have increased our production capacities by more than two and a half fold and spurred the creation of Q-Chem II and RLOC to support Qatar's booming chemicals industry. As a producer of hydrocarbon based chemicals, Q-Chem and associated companies have developed a reputation for safety and quality that continues to drive our operations.

Our Core Value: Operational Excellence

We are driven by our vision to "be the premier producer of petrochemicals in our respective markets."

As a company of 1,105 individuals, a shared commitment to operational excellence shapes our decisions at every level, from line manager to executive. Operational Excellence calls upon us to meet and exceed the expectations of our customers, shareholders, employees and community. This is our license to operate, and, as such, is core to every action, every day.





Vision, Mission & Values

VISION

 To be the premier producer of petrochemicals in our respective markets

MISSION

 To meet and exceed the expectations of our customers, shareholders, employees and community

VALUES - "We Believe in..."

- Protecting the safety of people, process assets, and the environment is our most important value and always our highest priority
- Employing and developing Qatari Nationals
- Respecting diversity and cultural differences
- Continuously improving our people's skills, processes and products
- Communicating well, empowering and engaging individuals and teams and recognizing superior performance
- Fostering a fair, interesting, enjoyable and rewarding workplace

GOALS

- Operational excellence
- Customer satisfaction
- Employee commitment
- Community partnership
- Superior financial return

RESPONSIBILITY 2013 SUSTAINABILITY REPORT

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RESPONSIBILITY 2013 SUSTAINABILITY REPORT

Q-Chem Companies: A Linear Value Chain for Qatar

Q-Chem and its associated companies have developed a linear value chain for the production of petrochemical products in the State of Qatar.

The focus of our operations are to transform Qatar's natural gas wealth into high value petrochemicals and

derivatives including high-density and medium-density polyethylene (MDPE, HDPE), Normal Alpha Olefins (NAO) and 1-Hexene for sale on global markets. Q-Chem companies are composed of three main companies: Q-Chem, Q-Chem II and RLOC.

Ownership	Company Briefing
51% Qatar Petroleum / 49% Chevron Phillips Chemical International Qatar Holdings LLC*	Qatar Chemical Company Ltd (Q-Chem) Qatar Chemical Company Ltd. (Q-Chem) is a world-class integrated petrochemical plant capable of producing HDPE & MDPE, -1Hexene and other products, using state-of-the-art technology provided by Chevron Phillips Chemical, a major integrated producer of chemicals and plastics.
51% Qatar Petroleum / 49% Chevron Phillips Chemical International Qatar Holdings LLC*	Qatar Chemical Company II Ltd (Q-Chem II) Q-Chem II is the sister plant to Q-Chem, producing HDPE and NAO adjacent to the existing Q-Chem plant in Mesaieed Industrial City. Q-Chem II has been in operation since 2010.
53.31% Q-Chem II / 45.69% Qatofin Company Limited (Q.S.C.) (Qatofin) / 1% Qatar Petroleum	Ras Laffan Olefins Company Ltd (RLOC) RLOC is one of the largest ethylene crackers in the world. The facility, located in Ras Laffan Industrial City, is operated by Q-Chem II on behalf of RLOC partners. Ethylene produced by RLOC is transported from Ras Laffan to Q-Chem II and Qatofin in Mesaieed via a 135km pipeline. In Mesaieed, 700,000 mtpa of ethylene is allocated to Q-Chem II and 600,000 mtpa is transported to Qatofin.

^{*} Until September 01,2013, when ownership changed to Mesaieed Petrochemical Holding Company (MPHC) 49%, Chevron Phillips Chemical Qatar 49%, Qatar Petroleum 2%.

What Sustainability Means to Q-Chem

RESPONSIBILITY IS THE CORE OF OUR COMMITMENT TO SUSTAINABILITY.

Sustainability is neither a new nor a novel topic for Q-Chem.
On the contrary, the principles of sustainability are integral to our Operational Excellence management system and to the core values that our employees follow each day.
Sustainability management and reporting is an evolution of our ongoing commitment to operate responsibly and with integrity.

For more than ten years, Q-Chem has used the Operational Excellence Management System from our parent company, Chevron Phillips Chemical, to guide our operations and decisions. Our singular objective has been and will always be to act responsibly and to ensure the safety and wellbeing of our workforce as our top priority.

Our commitment to Operational Excellence continues to make our business stronger by prioritizing responsibility for people, processes and our products.

Our Participation in Qatar's Sustainable Development Vision

As a part of the Qatar Energy and Industry sector, Q-Chem is proud to participate in the sector's Sustainable Development Industry Reporting Programme (SDIR).

A unique, sector wide sustainability initiative that catalyzes the uptake of sustainability within the sector through capacity building workshops, sector wide performance reporting and collaborative initiatives. This report is part of Q-Chem's continued participation in the SDIR Programme and, as such, will focus into the SDIR's key topics throughout this report. To understand our contribution

Further information on the SDIR Programme and performance can be found on the SDIR website: http://www.hse-reg-dg. com/qeisr2012/WWW/ sdir-programme/

to the Qatar Energy and Industry sector, we have developed a performance table aligned to the SDIR Programme Indicators. For comparison, we included performance for the Qatar Energy and Industry Sector representing 35 participating companies across eight sectors. We also include the petrochemical subsector performance for Qatar including Q-Chem, RLOC, QAPCO, Qatofin, QAFAC, QJet, QAFCO, QVC and SEEF.

Our Expectations for Sustainability Management

Although our commitment to Operational Excellence has included the concepts of sustainability since we began operations 10 years ago, this is our first year of dedicated sustainability management and reporting. The journey is just beginning, we are excited for the road ahead.

Some of the outcomes we expect from sustainability management include:

- Accountability for and comprehensive measurement of performance
- Understanding our company's impacts and responsibilities
- Creating a context for stakeholder dialogue on sustainability performance
- Benchmarking our performance against our peers and sector
- Identifying opportunities for improvement and supporting goal setting

Join us by reading our report and providing your feedback. As a stakeholder, your input is an essential part of our ability to grow and learn from our sustainability management and reporting program.

Contact us:

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Sustainability Section	Indicator (unit)	2013 Q-Chem & RLOC	2012 Qatar Petrochemical Subsector	2012 Qatar Energy & Industry Sector
Economic	Production (tonnes)	2,683,187	13,000,000	
	Goods and services sourced locally (%)	50.0	60.7	54.0
Climate Change	Total energy use (GJ)	20,129,374		201,756,219
& Energy	Total GHG emissions (tonnes Co ₂ e)	2,161,632	9,587,044	80,591,709
	Flaring (MMSCM)	6	558	4,499
	Natural gas used (m³)	478,722,192	20,089,000,000	423,183,000,000
Environment	Fresh water used (m³)	1,946,908	7,864,000	43,260,000
	SO ₂ emitted (tonnes)	1,622	11,146	523,273
	NOx emitted (tonnes)	899	8,876	145,127
	Significant oil spills	0		16
	Total waste disposed (tonnes)	33,577		370,383
Health & Safety	Employee fatalities	0		2
	Contractor fatalities	0		9
	Employee lost time injury rate (per 1 mn mh)	0.27	0.75	0.76
	Contractor lost time injury rate (per 1 mn mh)	0.00	0.17	0.24
	Employee total reportable injury rate (per 1 mn mh)	0.27	0.83	1.99
	Contractor total reportable injury rate (per 1 mn mh)	0.00	1.04	1.41
	Employee occupational illness rate (per 1 mn mh)	0.00	0.61	0.48
	Heat stress events	0		10
	Loss of containment (LOC) / process safety incidents	21	11	339
Workforce	Workforce size	1,105	4,680	34,710
	Qatarization	17.6%	18.8%	24.6%
	Female employment	6.7%	3.6%	9.5%
	Average hours of training provided per employee	118		35.17
Society	Total social investment budget (USD)	395,371	6,872,786	61,800,000
	Corruption or human rights incidents	0	0	0

Sustainability Governance

Q-Chem management for sustainability extends from employees to top management through a formal chain of communication and delegated sustainability management team. In 2013, Q-Chem established its SDIR core team composed of 11 members representing Q-Chem's main divisions and the full scope of the company's operations. This team will be responsible for integration of sustainable development and sustainability management principles within the organization.

As part of the sustainability governance process, the SDIR core team will meet quarterly and report its findings and project updates to the senior management team at Q-Chem on a biennial basis. Senior management is represented by the RLOC and Q-Chem Plant Managers and General Manager who communicate regularly with the Board of Directors.

Sustainability Risk and Opportunities Review

In 2013 and flowing into 2014, Q-Chem began a formal process for evaluating and reviewing sustainability risks and opportunities within its operations. As part of this process, Q-Chem used its existing business planning and risk matrix to draw from those sustainability topics and metrics which are already actively managed within the company.

In addition, Q-Chem engaged an external consulting firm to assist with the identification of sustainability metrics and opportunities that could be managed and further integrated within the organization's risk management metrics. This process is ongoing and will result in a five year sustainable development strategy that will encompass the company's full scope of operations and provide tangible targets and outcomes for the coming years (2014-2019).

Q-Chem has a number of existing policies and procedures that support the goals and objectives of sustainable development. Among these policies are:

- Q-Chem Tenets of Operation
- Ethics and Integrity Policy
- Supplier auditing and evaluation policy; self-audit questionnaire for suppliers
- Product safety and material safety policy
- Safety statistics and reporting policy
- Environmental monitoring and reporting plan

Q-Chem Sustainability Management Hierarchy

- Senior Management
- SDIR Core Team
- Employees



Integration of Sustainability into Strategic Planning

Integration of sustainable development concepts will be a focus of Q-Chem's 5 year sustainable development strategy. Many key sustainable development performance topics are already integrated within key management and governance performance assessments. The most tangible example is Q-Chem's company bonus performance metrics, which evaluate company performance and merit for bonuses against 6 key areas:

- Q-Chem combined Safety target (RIR)
- Q-Chem Process Safety event target
- Company responsible Environmental reportable events target
- Controllable Cost target
- Production target
- QSafe observation target of minimum of 2 behavioral observations by each eligible employee

The company bonus structure is just one example of the current evaluation and integration of sustainability concepts within policy and strategy. As our sustainability management program grows and evolves in 2014 and 2015, further integration of sustainability concepts within strategy and planning will result.

Our Sustainability Framework

As a means to organize and provide a clear representation of Q-Chem's sustainability management approach, we have developed a sustainability framework.

Our framework has a 6 pillar approach that outlines the drivers behind Q-Chem sustainability strategy of "Safe and Responsible Production of Chemicals" Each of the six focus areas are given a chapter within this report to provide context and performance information to identify and measure progress towards our sustainability goals.



Our Stakeholders

Learning from those who are engaged with our company is the most valuable means for gaining a comprehensive understanding of our impact.

Mapping and monitoring our progress with engaging our stakeholders in order to understand their priorities and expectations is an essential responsibility of corporate citizenship.

Our stakeholders represent a variety of groups and perspectives including our employees, direct customers, government agencies, and shareholders. For detailed information on our stakeholders and how they are identified and engaged, please see page 60. [G4-18]





Materiality Mapping

Sustainability management begins with identifying and defining the topics and issues that have the most significant impact on a company's operations and the influence that these topics have on stakeholders. This process is called materiality.

As part of our sustainability management program, we have developed our first sustainability materiality assessment that defines and ranks the issues and topics that have the highest impact on our company and our stakeholders.

Below, our material issues are represented on a matrix outlining each issue's significance of impact on our operations as a company and the influence that each issue has on our stakeholders.

Our initial materiality process has identified the 20 most material issues for Q-Chem and its stakeholders. Our reporting process in turn, uses the materiality of each subject to determine the level of discourse and disclosure that each topic receives in our reporting.

You will see throughout our report that our most material subjects are addressed directly and with strong quantitative and qualitative disclosures to explain our performance and the challenges and opportunities we have experienced.

Our less material issues will also be addressed, but with less disclosure and detail. As our first materiality assessment, we recognize that materiality is an evolving process that must be updated, revisited and revised on a regular basis to reflect the realities of our operations and our stakeholders. [GRI G4-18]

MATERIALITY MATRIX 2 1 54 3 8 7 6 10 13 14 12 11 20 Influence on Stakeholder Assessments and Decisions Very Material Somewhat Material Less Material

2013 Sustainability Performance Highlights

By many accounts, 2013 has been our best performance since operations began. We have reached significant milestones in economic, environmental and social performance.



1,292,151





40% reduction in NO_g emissions

86 scholarships awarded for technical studi increase in water recycling/ reuse

[G4 19-21]

Material Aspects	Q-Chem Plants	Q-Chem Offices	Contractors & Suppliers	Community & Government
1. Personnel Safety				
2. Process safety				
3. Compliance with regulation				
4. Occupational health and prevention				
5. Environmental Management				
6. Qatarization and Education				
7. Governance				
8. Workforce and Training				
9. Reliability and production optimization				
10. Quality Control				
11. Economic performance				
12. Emissions, Flaring and Venting				
13. Products, sales and marketing				
14. Indirect economic impact				
15. CSR and Community Impact				
16. Customer satisfaction and privacy				
16. Water management				
18. Labor and contractor rights				
19. Materials and Waste				
20. Energy management				

1.

PRIORITIZING HEALTH & SAFETY

10 TENETS OF OPERATION AND SAFETY AS FIRST PRIORITY

PERSONNEL SAFETY

PROCESS SAFETY

PRODUCT SAFETY



RESPONSIBILITY 2013 **SUSTAINABILITY**

Prioritizing Health and Safety

Safety is our first and foremost responsibility.

In alignment with our Operational Excellence management system, we operate under a clear set of 10 Tenets of Operation that create a simple and comprehensive action framework that is followed by our employees and contractors without compromise. We are proud of our prominent safety culture and adherence to our clear operational priorities matrix makes our business cohesive and stronger.

10 Tenets of Operation and Safety as First Priority

Our 10 Tenets of Operation serve as the foundation for every decision at every level. With safety at the forefront of every action, we have implemented a right to work policy and built a safety culture that spans our entire workforce, both employees and contractors. Our right to work policy is at the core of our safety management strategy.

This policy, which gives any employee or contractor the right to stop work at any time if they see something that is perceived as unsafe, makes our operations safer by creating a safety culture that encourages every person to look out for the safety of those around him/her. "Work safely or not at all" is the basis of every action and puts safety as the top priority for our ability to operate.

PRIORITY HIERARCHY KEY **PRINCIPLES** If it's worth doing, do it better There is always time to do it right **PRODUCTION** Work safely or not at all **ENVINROMENT PROCESS/ ASSET SAFETY PERSONNEL SAFETY**

THE KEY TO SUCCESS LIES WITHIN ITS FOUNDATION Qatar Chemical Company Ltd. (Q-Chem)

10 Tenets of Operation

Operational Excellence (OE) requires constant attention to countless details and how our work is performed. Q-Chem's OE safety culture is based on 10 Tenets of Operation, a code of conduct that employees and contractors use and that supervisors and managers reinforce.

The tenets address a wide range of behaviors. The 10 Tenets are:

- Never operate equipment outside of design or environmental limits.
- Always move to a safe, controlled condition and seek assistance when a situation is not understood.
- Always operate with safety and environmental protection devices enabled.
- Always follow safe work practices and procedures and act to stop unsafe conditions and actions.
- 5. Always produce a product that meets or exceeds your customer's requirements.
- Never contaminate or compromise a dedicated system.

- Always report environmental and safety compliance information accurately and on
- 8. Always address abnormal conditions and clarify/ understand procedures before proceeding.
- Always develop and follow written procedures for high risk or unusual situations
- 10. Always involve people with expertise and first-hand knowledge in decisions, improvements and changes that effect procedures and equipment.



SAFETY PERFORMANCE IN CONTEXT: **OUR ACHIEVEMENTS IN** SAFETY SURPASS THE **SECTOR AND SUBSECTOR** PERFORMANCE. WITH A TRIR RATE ¹ OF 0.27, WE HAVE 68% **LOWER RATES THAN THE** PETROCHEMICAL INDUSTRY AVERAGE OF 0.83 AND 89% LOWER THAN THE SECTOR **AVERAGE OF 2.47**

Personnel Safety

Strong safety performance begins with building a safety culture. Shared commitment to the operational excellence principles and our right to work policy build safety as a shared responsibility and priority. In 2013, we achieved a number of safety performance milestones. Our injury rates for employees and contractors were the lowest ever, with zero injuries for our contractors and a rate of 0.03 for our entire workforce. At the same time, we also had our highest number of exposure hours since our operations began.

We continue to work towards our goal of zero incidents through a shared commitment to safety that extends from senior management to shift workers.

Q-Chem follows a rigorous safety reporting and training mechanism that aligns with OSHA and ISO standards for reporting and measurement of safety performance. In 2013, we committed more than 114,000 hours towards training our staff on HSE topics. This year, we focused on lifecritical procedure understanding and safety leadership through our training courses, with supplemental and jobspecific trainings provided as needed.

Training Highlight: Safety **Leadership Training for Supervisors**

Supervisors are key influencers of safety performance. In 2013, we undertook a program to develop a detailed safety leadership training program for supervisors to cultivate a shared sense of responsibility for safety within our plants. Influenced by the principles in Paul Balmert's book, "Alive and Well at the End of the Day," the training includes real world examples of leadership failures and successes, along with practical application recommendations.

The success of our safety leadership training encourages us to further develop targeted leadership trainings in the future that emphasize that safety is a shared responsibility and one that can be influenced by people at all levels of our company.

Our Award Winning Summer Of Safety

Heat-related illnesses are serious concerns for personnel safety in the summer months in Qatar. As temperatures routinely reach 50 °C, Q-Chem conducts a rigorous heat safety campaign every year between May 1st and November 15th to reduce the risks associated with the severe temperature and humidity conditions. Trainings, workforce rest periods, and monitoring of environmental factors are key components of our Summer of Safety Campaign. For seven consecutive years, we have achieved zero heat stress events. In 2013, Q-Chem was named by Chevron Phillips Chemical Company as the winner of the 2013 Summer of Safety Award in the Large Facility category. The success of our Summer of Safety campaign is a marker of our strong commitment to protecting the welfare and safety of our workers.



In Focus: Contractor Safety

The safety of all people at our facilities is paramount. Our right to work policy clearly designates every person as responsible for the safety of the entire workforce. As such, we invest heavily in managing our contractors to ensure that they understand and follow our strict safety and HSE policies. Successful contractor management begins with a pre-contract

> "Increasingly, people understand that zero is possible."

- Gary Piana, Q-Chem Operations Manager

qualification checklist covering the HSE performance and policies for every contractor, regardless of job function or length of stay within our facilities. In recognition of the hazards posed by our facilities, every contractor must participate in a safety awareness briefing before entering any of our facilities, and will be monitored by a designated Q-Chem employee for the duration of their stay on site. Beyond the standard safety procedures and checks that are a part of every contractor interaction, Q-Chem holds a formal contractor safety performance and procedures meeting every month to address concerns and update all contractors on events and/or procedure changes.

Regular auditing of contractor performance and welfare is also carried out in addition to standard due diligence on contractor performance while operating in our facilities. The safety and welfare of our contractors is critical to our success and as such is a top priority. We invest heavily in training our contractors on relevant safety processes and expectations. In 2013, more than 30,000 hours of training were provided to our contractors to ensure that they are aware of and in compliance with our strict safety code. We are immensely proud to have achieved zero lost time and zero recordable injuries for contractors in 2013 during 2.6 million working hours.



Process Safety

Process safety is a combination of engineering and management practices focused on preventing incidents through disciplined operations, proactive maintenance and consistent monitoring of mechanical processes. Our Operational Excellence System includes safeguards to prevent process incidents. Safeguards include several types of protection, such as alarms, automatic shutdowns and equipment integrity procedures. Having multiple layers of protection helps to prevent a small mistake or failure from becoming a bigger incident.

As part of our process safety program, Q-Chem has a rigorous safety observation program called "QSafe" which places responsibility for safety observations and reporting in the hands of every employee. In 2013, we achieved our target of 100% QSafe observations meaning that each employee participated.

Our process safety performance continues to improve. In 2013, we had one Tier 1 process safety event and achieved a process safety event rate of 0.03, outperforming our target of less than 0.17.

Product Safety

Our products are distributed and sold globally as base ingredients for a diverse array of applications including industrial fittings, cosmetic additives, and plastic products. As such, product safety and quality control are critical to our operational success.

Product safety has two main aspects:

international standards for quality control testing to ensure that products are at the grade and specifications required by our customers. In year 2013, we earned ISO 9001:2008 certification for our Quality Management as part of our commitment to quality and safety for our products.

Safe usage is also critical to our responsibility to our customers. Product safety labels and safe handling instructions are standard practice for all of our products. In 2013, we implemented a new buyer screening program that evaluates a customer's ability to handle and use our products safely as a prerequisite to completing a sale. Our responsibility to deliver safe and high quality products is a part of our daily commitment to operational excellence.

Our onsite lab facilities follow

Safety Performance 2013-2010 2,984,666 3,407,441 3,570,152 3,703,907 Work hours (Employees) Work hours (Contractors) 1,389,480 1,782,689 3,378,208 2,695,696 0 0 0 Employee fatalities 0 0 0 0 Contractor fatalities 1 0 2 Employee lost time injuries 2 3 Contractor lost time injuries 2 0 2 3 Employee total reportable injuries 1 4 2 4 0 Contractor total reportable injuries 0.67 0.29 0.84 0.27 Employee injury rate (per million m-h) 2.88 1.22 1.18 0.00 Contractor injury rate (per million m-h) 0 0 0 0 Employee occupational illnesses 0 0 0 0 Heat stress events 4 19 21 Loss of containment 14 22 17 17 22 Emergency response drills Incident investigation completion 100% 100% 100% 100%

HSE Training				
Total training hours for HSE topics (staff)	66,900	74,700	75,300	114,710
Total training hours for HSE topics (contractors)	14,588	21,516	51,663	30,336
total training hours for HSE topics (middle management)	2,260	2,340	2,420	4,160
Total training hours for HSE topics (Senior Management)	120	120	120	120

Process Safety				
Tier 1 events	Q-Chem and Q-Chem II	1	0	3
	RLOC	0	0	0
Tier 2 events	Q-Chem and Q-Chem II	2	2	1
	RLOC	5	0	0
Tier 3 events	Q-Chem and Q-Chem II	47	96	226
	RLOC	43	154	292

Safety in Focus: QSafe Ha	azard
Recognition Program	
Q-Chem developed a comprehensive hazard recognition program named	Gravity Mechanical
"QSafe" to increase employee and contractor awareness of behavioral	Sound (((3))) Eelectrical
hazards on the job. The program, implemented since 2006, has become	Q-Chem
a keystone of our proactive safety approach. Hazard recognition not only	Radiation
improves the safety of our operations, but also builds knowledge and camaraderie amongst employees because everyone	
is responsible for the safety of every person at our facilities. In 2013, our QSafe	Biological
awareness campaign used the diagram on	
the left to illustrate potential hazards.	Chemical

2.

WORK SMART TOGETHER

WORKFORCE COMPOSITION AND SIZE

CONTRIBUTING TO QATAR'S HUMAN DEVELOPMENT

TRAINING AND EMPLOYEE ENGAGEMENT



Work Smart Together

Workforce composition and size

Collaboration and shared commitment to safety and responsibility define Q-Chem's workforce.

Since our operations began in 2003, we have been committed to creating a strong company culture that puts the safety and wellbeing of our employees at center of every action and decision. Today, our operations are built around the strength of our employees and contractors. In the past four years, our workforce has grown by 15% and now includes more women and Qataris than ever before.

The success of our company culture begins with strong leadership and investment in developing management and leadership skills at all levels, from line managers to senior executives.

Company commitment begins on an employee's first day of work. Every new employee meets with the plant manager to discuss their job, the expectations, safety commitments, and requirements. This meeting sets a tone for equality and horizontal management that manifests in our employees' commitment to the safety and wellness of their colleagues. Our investment in employees and company culture has paid off.

Currently, almost a quarter of our employees have been with Q-Chem for more than 5 years. This level of commitment epitomizes the value of investing in our employees, their welfare, and in building a strong company culture.

The diversity of our workforce creates strength by bringing new skills and cultural traditions to our community. Cultural diversity is one of our main attributes, with our workforce representing 32 nationalities and 73% of our employees are from Asia. Gender diversity and equality is an important part of our success.

We take pride in the fact that our company employs the first female operator in Qatar as well as the first female security guard in Qatar. Support for our female employees includes training and mentorship programs that focus on building job skills and providing opportunities for advancement.

Contributing to Qatar's Human Development

As a national company in the State of Qatar, Q-Chem is committed to providing job opportunities and career development to Qataris as part of the State's national development objectives. Our commitment to Qatarization is grounded in a conviction that investing in a person's career development over the long term and providing opportunities to build skills and leadership is the basis for employment.

As such, our focus is to create long term opportunities for growth for our employees through investment in training and management programs that reward commitment and skill building.

In the past four years, we have increased the number of Qataris in our workforce by 55%. Our success in attracting and retaining Qataris is a result of our investment in the

personal growth and development of each of our employees. The strength of our company culture and commitment to safety and responsibility in our operations is another large factor in retaining our employees over the long term.

In 2013, we continued to increase our Qatarization rate, with 27 new Qataris joining our company during the year.



COMMITTED WORKFORCE: NEARLY A QUARTER OF OUR WORKFORCE HAS BEEN WITH Q-CHEM FOR MORE THAN 5 YEARS.

Performance in Context



hours of training for our workforce in 2013

55% growth in Qatari employment since 2010



Training and Employee Engagement

Our success as a company rests in our ability to engage and retain our workforce through training, employee recognition, and investment in employee welfare.

Job skills training and capacity building are critical to the success of our employees. Our investment in training for employees has never been greater. We have increased the average training hours per employee by 78% and provided nearly 130,000 training hours for our workforce.

Our investment in employees at every level continues to pay off as we raise the bar for safety, production, and

environmental responsibility in our operations. The satisfaction of our employees is a shared responsibility that pushes us to engage more frequently and communicate directly with employees on a consistent basis. Celebrations and holidays are not the only venues for engagement, daily communication via our webportal and regular meetings between management and staff build a commitment at every level to ensuring that Q-Chem meets and exceeds the expectations of our employees and their families.



Our Workforce 2010-2013				
	2010	2011	2012	2013
Full-time employees	962	959	1,021	1,089
Part time employees	0	1	13	16
Secondees from QP*	7	8	8	7
Secondees from CPChem*	37	29	21	19
Total workforce	962	960	1,034	1,105
Employment by company				
Q-Chem Employees	599	558	608	654
Q-Chem II Employees	154	192	204	224
RLOC Employees	209	210	222	227
Employment by Function				
Senior Management	2	2	2	2
Middle Management	63	65	61	63
Staff	897	893	971	1,040
Employment by Nationality				
# of Local	125	139	167	194
# of Expatriates	837	821	867	911
Qatarization Rate	13.0%	14.5%	16.2%	17.6%
Employment by Gender				
Female employees	63	69	72	74
Male employees	899	891	962	1,031
Female Participation Rate	6.5%	7.2%	7.0%	6.7%
Workforce Age				
18-30	89	109	167	229
31-40	396	401	422	446
41-50	344	333	338	334
51-60	121	110	100	91
60+	12	7	7	5
Workforce by Nationality Region				
GCC (not including Qatar)	3	3	3	5
Qatar	125	139	167	194
MENA - non GCC	51	51	53	59
Africa	3	4	4	3
Americas	48	38	30	26
Europe / EU	8	6	7	6
Asia	719	716	767	810
Other (define)	5	3	3	2
Total	962	960	1,034	1,105
Total number of nationalities for employees	28	32	33	32
Female Participation, by Function				
% of Employees	6.5%	7.1%	7.0%	6.7%
% of Middle Management	1.5%	4.3%	4.1%	5.4%
% of Senior Management	0	0	0	0
* Secondees from QP and CPChem are included within the fo	ull time emplovee figures			



Total

34 WORK SMART TOGETHER

50

56

54

Employee Turnover				
	2010	2011	2012	2013
Turnover Rate	3.2%	5.8%	4.8%	4.9%
# of Senior Management	1	1	0	0
# of Middle Management	6	5	6	8
# of Staff	24	50	44	46
Total	31	56	50	54
Turnover, by ge	nder			
# of Female	5	4	4	7
# of Male	26	52	46	47
Total	31	56	50	54
Turnover, by natio	onality			
# of Qataris	5	7	14	17
# of Expatriates	26	49	36	37
Total	31	56	50	54
Turnover, by age	group			
18-30	3	4	9	17
31-40	8	15	19	14
41-50	10	18	11	13
51-60	8	14	10	8
60+	2	5	1	2

Employee Retention						
	2010	2011	2012	2013		
Number of employees employed with Q-Chem for more than 3 years	291	214	335	268		
Number of employees employed with Q-Chem for more than 5 years	103	310	266	266		
Number of employees employed with Q-Chem for more than 10 years	1	6	85	215		

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WORK SMART TOGETHER 35

RESPONSIBILITY IN ACTION SUSTAINABILITY

REPORT

Training						
	2010	2011	2012	2013		
Training, by Employment Level – HSE & Professional Training						
Total number of training for females (hours)	2,908	2,951	2,980	3,377		
Total number of training for males (hours)	69,052	77,195	78,334	124,771		
Total number of training for total workforce (hours) Professional and HSE	71,960	80,146	81,314	128,149		
Average hours of training per year for employee	75	84	80	118		
Training, by Employment Level – Prof	essional Traini	ng Only				
Average hours of training for senior managers	2.1	6.9	7.5	4.3		
Average hours of training for middle management	79.1	291.3	60.0	111.2		
Average hours of training for staff	83.3	135.4	50.0	129.3		
Other (Diversity, Leadership, PSM, Essential)	96.4	227.8	184.7	40.0		
Training, by Employment Level – Prof	essional Traini	ng Only				
Total training hours for Qatari employees	373	466	603	1,723		
Total training investment for Qatari employees	3,254,885	2,155,797	6,172,075	7,292,035		
Average hours of training for Qatari employees	3.0	3.4	3.6	8.8		
Training for Contrac	ctors					
Total number of training hours for contractors	14,588	21,516	51,663	30,336		
Total cost of training for contractors (QR)	1,750,560	2,581,920	6,199,560	3,640,320		
Investment in Train	ning					
Investment in Professional Training – Non Qatari	3,175,701	6,153,047	3,908,745	2,928,061		
Total investment in training Qatari and Non Qatari - Excluding Contractor Training (QR)	6,430,587	8,308,844	10,080,820	10,220,097		
Average cost of training per employee - Qatari and Non Qatari - Excluding Contractor Training (QR)	7,153	9,325	10,479	9,913		

3.

ENVIRONMENTALLY RESPONSIBLE OPERATIONS

ENVIRONMENTAL MANAGEMENT SYSTEMS

MATERIAL USE AND WASTE MANAGEMENT

WATER MANAGEMENT

AIR EMISSIONS



Environmental Management Systems

Environmental responsibility is critical to our operations and our ability to continue to operate in the future. Q-Chem is proud to be 100% compliant with Qatar national laws and mandates from the Qatar Ministry of Environment. Compliance and the value generated from improving our environmental management continues to structure our operational goals and objectives.

Through regular communication and quarterly reporting of monthly performance to the Ministry of Environment, we are learning and

teaching best practices that meet the specific needs and context of Qatar's industry sector.

2013 was a landmark year for our environmental performance: we reached the lowest number of environmental events in the history of our operations and we continued to reduce waste, energy, and water intensities. We invested 3,182,762 Qatari Riyals towards environmental management in 2013.

Environmental Management Systems

Environmental responsibility begins with strong management and reporting mechanisms that ensure our compliance with all national laws and regulations. Q-Chem has invested heavily in improving our environmental management and overall environmental performance. The outcomes of our environmental management actions continue to improve the efficiency of our operations and minimize the impact that we have through emissions, effluents and waste.

Environmental responsibility makes our business better. Recognizing, measuring, and holding ourselves accountable for our environmental impact strengthens our operations by encouraging constant improvement and prioritizing operational efficiency. Annual audits for certificate renewals help us to ensure that our environmental management systems are in line with international best practices as outlined by the ISO 14001:2004 and RC® 14001:2008 certifications that our systems hold.

2013 was a landmark

Understanding Our Historical Performance RESPONSIBILITY IS OUR As a result of Q-Chem II and **COMMITMENT TOWARDS**

performance has been inconsistent.

operations for all three plants

report to draw context into our performance and demonstrate our

Operational Management Certificates:















WASTE MANAGEMENT
IS MORE THAN 1/3 OF
OUR ENVIRONMENTAL
MANAGEMENT SPENDING

Material Use and Waste Management

As part of our production and operations, Q-Chem consumes a variety of products related to petrochemical processing and also our administrative and logistics operations.

In 2013, our focus was on improving our waste management through increased recycling and disposal of hazardous and difficult to incinerate wastes through proper waste management. The nature of some of the wastes generated by our processes such as spent catalysts necessitates advanced waste management professionals for proper disposal. In 2013, our volume of waste disposal increased due to new capacity for our waste management partners in

Mesaieed Industrial City to dispose of new types of hazardous wastes that had previously been stored in our engineered waste storage yard. Waste management represents more than a third of our annual environmental management budget.

As such, proper disposal and management of wastes from our industrial and administrative operations is a critical factor for cost savings and improving our environmental performance.

We continue to develop our own waste management capacities through expansion and upgrading of our waste management yard. In 2014, we will

begin evaluating the construction of new waste incineration preparation skid that will increase our incineration capacity while reducing the environmental impact of incineration through effluent capture.

Recycling and re-use of materials within our operations is another opportunity for us to realize savings and improve performance.

As we further develop our waste management capacities, recycling and re-use of materials will be at the forefront of our objectives.

Waste management for administrative and non-industrial capacities such as offices, canteens and accommodations

comes with different challenges than our industrial waste management. In recognition of the opportunity to improve our non-industrial waste management practices, Q-Chem implemented a recycling and waste sorting challenge in 2013.

The "housekeeping and waste segregation award" program, created a challenge and reward program for each department that assessed performance for recycling and waste sorting. In tandem with new signage and waste separation bins, the housekeeping award program was part of our efforts to improve understanding of and adherence to proper waste management.





Environmental Responsibility Impacts Everyone

As tangible evidence of our commitment to environmental management and the significance of environmental compliance to our operations, Q-Chem has included environmental events as part of its annual company bonus structure since 2010

Environmental events is a metric that is reviewed and given a performance target on an annual basis. Achievement of this target represents 5% of the annual bonus calculation that contributes to each employees' compensation.

In 2013 Q-Chem outperformed our target of 18 company responsible environmental events with only 7 company responsible events for the year. In terms of compliance, 2013 marked our best environmental performance since our operations began.

2. Environmental events are defined as a non-conformance of environmental limits set by the Qatar Ministry of Environment for discharge of water, flaring, and/or effluents and MIC/RLC Environmental Guidelines and standards.

Water Management

RESPONSIBILITY 2013

The production of petrochemicals requires significant volumes of water. Water management is key to our ability to produce efficiently and reduce overall costs of production. In 2013, we decreased our absolute water consumption by 2.3% and improved our water intensity ratio by 20 % since 2010.

SUSTAINABILITY

We improved our water efficiency by increasing the volume of water recycling within our operations and reuse of treated waste water for irrigation and as stack scrubbing. In alignment with Qatar environmental regulations, our focus for the future is towards achieving zero liquid discharge.

Our greenbelt project will increase the volume of water that is recycled for use in landscaping and improve the aesthetics of our plant. We plan to invest heavily in sodium recovery and water treatment to achieve Zero Liquid Discharge (ZLD) in the future.

Air Emissions

Air emissions, in the form of sulphur and nitrogen oxides, result from the combustion of impurities in our feedstock and catalysts. Emissions recovery units are a capital intensive, but necessary investment for our operations to continue to be within regulatory limits.

Our air emissions have decreased significantly as a result of our investment in sulphur and nitrogen recovery, with a 22% reduction in SO2 intensity and 54% improvement in NOx intensity since 2010.

Our investment in emissions improvements continues. In 2013, we invested more than 1.5 million Qatari Riyals into emissions reductions projects targeted at reducing our NOx and SO2 emissions to align with projected regulations from the Qatar Ministry of Environment. We aim to significantly reduce our sulphur emissions over the next 4 years by upgrading our sulphur recovery units to achieve 0.006% emissions.



Environmental Performance				
Water				
Fresh water used (m³)	981,266	1,216,426	1,993,610	1,946,908
Water Use Intensity ³	0.91	0.53	0.78	0.73
Water discharged to sea (m³)	304,206	307,304	618,955	738,395
Water recycled or reused (m³)	16,144	168,876	192,976	283,110
Incidents				
Environmental events (company responsible)	32	27	9	7
Environmental events (upstream responsible)	20	16	18	12
Reportable spills	1	2	1	0
Volume of spills (liters)	> 1000	4,500	14,000	0
Waste				
Total waste disposed (tonnes)	12,013	9,380	11,275	33,577
Total waste recycled (tonnes)	780	774	1,838	1,442
Waste Intensity ⁴	11.8	4.4	5.2	13.1
Air Emissions				
SO ₂ emitted (tonnes)	835	989	6,145	1,622
SO ₂ emissions intensity ⁵	0.77	0.43	2.42	0.60
NOx emitted (tonnes)	783	1,109	1,505	899
NOx emissions intensity ⁶	0.72	0.48	0.59	0.34





2007



2008



2009



2010



2011



2012

2006: Best Industrial Establishment Committed to Environmental Regulations & Standards (GCC)

2007: President's Award

2008: Harmony Award for Environmental Performance

2009: President's Award

2010: Harmony Award for Environmental Performance

2011: Harmony Award for Environmental Performance

2012: Harmony Award for Environmental Performance

NOx Emissions intensity is of NOx emissions tonne per 1,000 tonnes of production

Water Use Intensity unit is cubic meter of water / tonne production

Waste Intensity unit is tonnes waste generated per 1,000 tonnes production

SO, Emissions intensity is of SO, emissions tonne per 1,000 tonnes of production

4.

ENERGY & CLIMATE CHANGE

INVESTING IN OPERATIONAL EFFICIENCY

MEASURING AND MANAGING OUR CARBON IMPACT



Investing in Efficient Use of Energy

Operational efficiency makes good business sense and continues to drive our energy management and emissions programs. Compliance with all national emissions regulations has driven us to invest in our flaring and GHG emissions monitoring through third party verification of our emissions. In 2013 our Ras Laffan emission were externally audited and we prepared for third party audit of Mesaieed plants beginning in 2014.

As we increase our production, we have realized energy and emissions that improve our operational performance. Efficiency begins with maximizing the reliability of our operations to eliminate

operational waste through venting. Our investment in upgrading and monitoring of our operations has increased reliability over time and, as a result, improved our energy and emissions performance.

Energy use and emissions are a requisite to our operations, however we are investing more time and money than ever before to increase energy efficiency and reduce our emissions intensities. We have seen the greatest success in our flaring reduction programs which have reduced our overall flaring volumes by 80% from 2012 – 2013 as a result of improved reliability and reduction in environmental events.

80% flaring in 2013

Measuring and Managing Our Carbon Impact

Climate change, in the form of shifting weather patterns and changes in atmosphere, continues to pose a significant global challenge. As an industrial company producing hydrocarbon based products, Q-Chem recognizes a shared responsibility to measure Emission of greenhouse gases (GHG) a result of energy consumption is a necessary part of our operations. It is a testament we have improved our energy and emissions performance in

the core of our ability to improve While our gross GHG emissions continue to increase, we have significantly improved our GHG emissions intensities. From intensities improved by 37% as well as our overall energy consumption intensities improving by 42% over the same period. Energy and emissions reductions are part of our our operations team to improve us to produce more using less input.

Improvement inGHG emission intensity from 2010-13

Energy & Emissions Performance				
	2010	2011	2012	2013
Energy				
Direct energy use (GJ)	12,505,664	13,107,970	15,581,513	17,348,794
Indirect energy use (GJ)	1,566,366	2,703,531	2,691,351	2,780,580
Total Energy Use (GJ)	14,072,030	15,811,501	18,272,864	20,129,374
Energy Use Intensity7	13.03	6.84	7.19	7.50
GHG Emissions				
Scope 1 GHG emissions (tonnes CO ₂ e)	1,087,550	1,421,620	1,626,287	1,647,690
Scope 2 GHG emissions (tonnes CO ₂ e)	289,517	499,703	497,451	513,942
Total GHG Emissions (tonnes CO ₂ e)	1,377,067	1,921,323	2,123,739	2,161,632
GHG Emissions Intensity ⁸	1.27	0.83	0.84	0.81
Flaring & Natural Gas Consumption				
Flaring (MMSCM)	1.66	25.556	30.91	6.15
Flaring Intensity ⁹	1.5	11.1	12.2	2.3
Natural gas used (m³)	173,214,196	211,177,823	456,996,881	478,722,192
Natural gas intensity ¹⁰	160.4	91.4	179.7	178.4

Energy intensity is GJ per tonne of production

GHG emissions intensity is tonne CO2e per tonne of production

Flaring intensity is standard cubic meter flared gas per tonne of production

^{10.} Natural gas usage intensity is normal cubic meter gas consumed per tonne of production

5.

GENERATING VALUE FOR QATAR

Q-CHEM'S ROLE WITHIN ENERGY AND INDUSTRY SECTOR

ECONOMIC PERFORMANCE



Generating Value for Qatar

Q-Chem's role within Energy and Industry Sector

Representing 2 of the 9 petrochemical sector companies in Qatar, Q-Chem is part of the energy and industry sector value chain that begins with energy exploration and production and concludes with high value petrochemical exports. Strong partnerships with other Qatar energy and industry sector companies allow Q-Chem to maximize the efficiency and production potential that Qatar gains from having a linear and consolidated energy and industry

As part of our commitment to maximizing our local economic impact, we prioritize purchasing from Qatar-based suppliers within our procurement policies. As a result, our local procurement rate has increased, reaching 50% in 2013. Feedstock is provided from local processers such as Dolphin Energy and is then processed by RLOC for the input of ethylene as the raw material for our petrochemical production process.

Since operations began in 2003, Q-Chem's petrochemical and derivatives production has more than doubled to reach 1,292,151 MT in 2013. Through the sale of our products on the global market, Q-Chem generates valuable revenues that contribute to the State of Qatar's overall wealth and ability to continue its aggressive economic development. Development of downstream industries such as the petrochemical sector is the focus of Qatar's National Economic Vision 2030.

Economic Performance

Economic performance is critical to the success of Q-Chem and its operations. Economic performance is defined in three key areas:

- 1. Production, sales and marketing
- 2. Economic Impact
- 3. Fiscal Responsibility

Production and Sales

In 2013 Q-Chem reached new heights for production and sales, increasing overall production by 8% and increasing sales by 9% in 2013. We sold and distributed 1.3 million tonnes under the Marlex® brand, a landmark for Q-Chem's growth and expansion since its operations began in 2003. In 2013 Q-Chem and Q-Chem II operating facilities set a company record for production, with record setting in derivative production volumes of 1,292KMT versus our prior best of 1,196KMT.

Q-Chem has established a global marketing network for the sales and distribution of its products. While Asia region represents the majority of our sales, Q-Chem products are sold in more than 85 countries around the world with support of strategically selected distribution warehouses around the globe. Our global footprint allows us to increase the profitability of our operations and generates new business opportunities from the use of our HDPE, MDPE and NAO products for industry and consumer goods.

Production (Tonnes)				
Ethylene Production	952,086	1,693,988	1,822,889	1,962,909
Polyethylene Production	597,624	828,967	874,753	914,851
1-Hexene Production	56,561	39,482	40,633	36,326
NAO Production	11,675	297,632	280,825	340,974
Total Production ¹¹	1,080,191	2,310,008	2,542,505	2,683,187
Local procurement	29.0%	48.4%	49.5%	50.0%

11. Total production excludes internal consumption of ethylene to avoid double counting of material production

Economic Impact

Q-Chem's economic impact extend deep into the Qatar economy and society. As an employer of 1,105 individuals and a company with an operating budget above 1.5 billion QR, Q-Chem creates many economic opportunities for Qatar through employment and purchasing. In 2013, Q-Chem surpassed 50% local purchasing, contributing more than 750 million QR into the direct economy through local purchasing. Recognizing the risk reduction and economic impact opportunities of its purchasing, Q-Chem has implemented a procurement policy which gives preferential weighting to Qatarbased suppliers. In addition, Q-Chem is a part of the Mesaieed Strategic Procurement Forum that works collaboratively to develop sustainable, locally-preferential procurement practices for MIC based companies.

Fiscal Responsibility

Fiscal responsibility is at the core of Q-Chem's operations as is demonstrated by the inclusion of controllable costs within the company bonus calculation. In 2013, Q-Chem continued its record for cost reductions and achieved 6% below controllable cost budget. As well, Q-Chem conducts regular audits and analysis of fiscal performance in alignment with best practices and regulatory requirements of the State

Fiscal responsibility extends to our ability to increase revenues while also decreasing overhead and expenditures. Q-Chem has a strong record of profitability, relying on the high value and high quality chemical and polymer products produced and their sales and distribution on the global markets.

2013 marked another year of strong financial returns for Q-Chem with revenues increasing by 9% and profits following a similar trend of 22% change from 2012 - 2013. [GRI G4 – 17]



6.
CONTRIBUTING
TO QATARI SOCIETY

COMMITMENT TO GOVERNANCE AND SOCIAL RESPONSIBILITY

COMMUNITY ENGAGEMENT AND SOCIAL IMPACT



Contributing to Qatari Society

Responsibility is our commitment to stakeholders

Governance is fundamental to corporate responsibility and as such governance is the foundation of our success. Our responsibilities as a Qatari company begin with our commitment to acting as a true citizen. Citizenship takes many forms, beginning with our unrelenting commitment to transparency and accountability. Good governance starts from the top and extends to each and every employee. To make that a reality for us, we focus on maintaining communication



channels and implementing thorough reporting and audit mechanisms. In accordance with industry best practices, our governance bodies and operations are subject to regular internal and third party audits. Our

Board of Directors provides oversight and decision making for company operations. Board members meet annually to review performance and address relevant concerns.

Chairman

Vice Chairman

Board Member

Board Member

Organization	Member since	Relationship to our operations
European Petrochemical Association (EPCA)	2012	The European Petrochemical Association is a Brussels based international non-profit association that serves a global network for the chemical business community consisting of producers of petrochemicals, their suppliers, customers and service providers.
Ras Laffan Environmental Association	2005	Established jointly by RLC and industries to monitor and provide services in the area of environmental management.
Gulf Petrochemicals & Chemicals Association (GPCA)	2006	A dedicated non-profit association serving its members with industry data and information resources. It is the first such association to represent the interests of the petrochemicals and chemicals industries in the Arabian Gulf.

Community Engagement and Social Impact

As a Qatari company operating in three locations in the State of Qatar, Q-Chem has a strong social responsibility to support and give back to our communities. Our social investment programs target two main areas: education and health. Through or support via direct donations and involvement in events, we have impacted the lives of thousands of Qataris and residents.

Our flagship education initiative is our partnership with the Qatar Technical School to support and mentor engineering students. In 2013 we supported 10 students through funding and mentorship.

We will continue to develop our relationship with technical institutions as a means of promoting the most critical skills for petrochemical sector and to attract students to join our team. Our responsibility to citizenship and community building continues to expand. Engagement, through volunteering and community programming is a venue for our social responsibilities to be realized for the betterment of Qatar.

In 2014, we plan to double our investment in the community by increasing funding for our existing programs and expanding into new focus areas. Safety, health and education will be our focus for the coming year.

Making an Impact: Mobile Library to Bring Learning

and Eid Charity to launch a

	2010	2011	2012	2013
Total number of initiatives or sponsorships	14	17	18	23
Educational initiatives	10	11	11	9
Environmental initiatives	2	2	2	8
Safety initiatives	1	2	2	1
Health initiatives	1	1	3	5
Total volunteering hours provided to community	108	91	91	2,799
Community Investment Spending (USD)				
Total amount spent on community investment and sponsorships	127,711	102,663	293,894	395,371
Total spent on educational initiatives	78,866	42,691	228,399	120,973
Total spent on environmental initiatives	48,845	43,478	31,647	221,997
Total spent on safety initiatives	0	13,746	20,103	0
Total spent on health initiatives	0	2,749	13,746	52,401



7. APPENDICES

GOVERNANCE STRUCTURE: Q-CHEM, Q-CHEM II AND RLOC

REPORT PARAMETERS

STAKEHOLDER MAPPING

GRI CONTENT INDEX



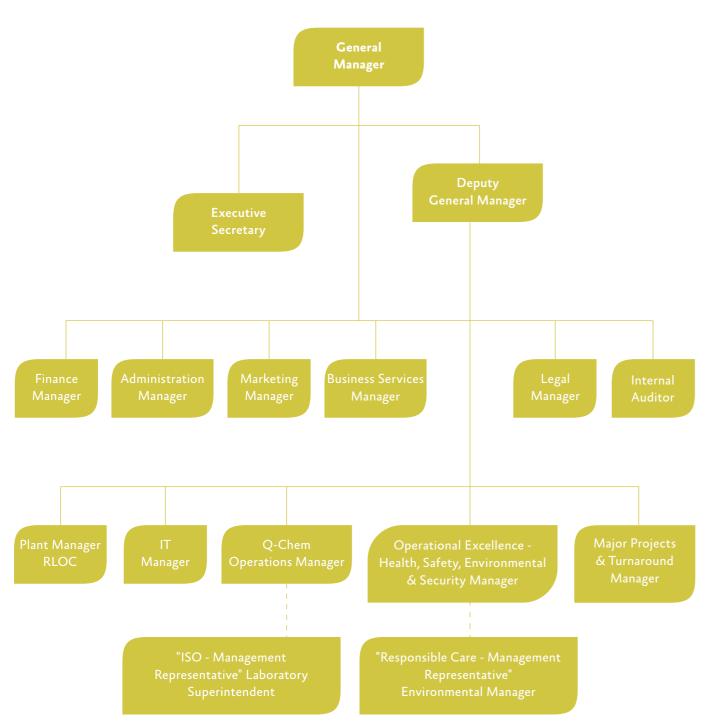
Appendices

SUSTAINABILITY

REPORT

Governance Structure

RESPONSIBILITY 2013



Report Parameters

Aspect Boundaries [GRI G4-20]

The scope and aspect boundaries defined in this report reflect the information that is available to Q-Chem at the time of production. For each of the topics discussed, we present the combined performance of Q-Chem, Q-Chem II and RLOC unless specifically designated otherwise. Where possible, we include the performance of our contractors and associates.

We are committed to extending our reporting scope to include further information on stakeholders, supply chain and contractors in the future based on availability and relevance of data. Further engagement with our stakeholders, both external and internal will influence how we define report content and boundaries in the future.

Materiality Process [GRI G4-18]

As noted in our sustainability section on page 18 - 19, the content in our report is influenced and defined by our materiality assessment. We have conducted this assessment internally with consideration of external parties and stakeholders through passive channels such as board meetings, public feedback, and press coverage of our operations.

In alignment with the principles of the GRI G4 reporting guidelines, 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 primary focus in our 2013 materiality assessment was on steps 1 and 2 for identifying and prioritizing sustainability topics to align with our operations and context. Our identification process was led by our SDIR team with the assistance of a third party consultant. Initial assessments included the 46 specific disclosure topics from the GRI. This list was then consolidated to the 20 topics that are presented in our materiality framework on page 18.

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





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Stakeholder Mapping

Stakeholder Group	Group Composition	Priorities	Engagement
National Authorities	Government of Qatar, Qatar Energy and Industry Sector	Compliance with regulation, economic and social development, national growth and employment	Board of Directors, public events and media, national campaigns and programs
Employees	Shift workers, managers and all employees	Safety, compensation, wellness, community engagement	Daily operations, annual performance reviews, feedback through management chain, events and workplace programs
Regulatory Agencies	Qatar Ministry of Environment, Qatar Petroleum Directorate General HSE Division, Economic Regulatory Agency	Compliance with laws, participation in industry initiatives, reporting and monitoring of performance	Annual/ monthly performance reporting, Board of Directors, participation in events and programs
Customers	Product shipping agents, sales agents, distributors	Reliable and on-time delivery of product, product quality, bagging and shipment security	Sales contracts, direct marketing, customer feedback survey
Suppliers	Manufacturers of raw materials, lenders, insurers, distributors	Payment of invoices, cost and sales, delivery and inventory control	Tendering, contracts, supplier audit questionnaire, procurement and finance department, invoicing
Contractors	Catering, maintenance, and security service providers	Payment of invoices, manpower requirements, safety and security, cost	Tendering contracts, safety orientation, contractor audit questionnaire, employee engagement on-site, trainings
Shareholders	Qatar Petroleum, Chevron Phillips Chemical, Qatofin, MPHC (since September 2013)	Safety, economic return on investment, risk reduction	Annual Board of Directors report, monthly performance reporting, annual sustainability reporting
Communities in which we Operate	Mesaieed, Doha, Ras Laffan, general public	Safety, infrastructure development, mitigation of environmental impact, education, employment	Community events, employee programs, grievance hotline, press releases

[GRI G4 24-27]

GRI Content Index

General			
General Standard Disclosures	Page Reference	Externally Assured	
G4-1	2	no	
G4-3	2 - 4	no	
G4-4	50	no	
G4-5	Doha, Qatar	no	
G4-6	State of Qatar	no	
G4-7	12	no	
G4-8	50	no	
G4-9	14	no	
G4-10	35 - 35	no	
G4-11	Collective bargaining is not legal in the State of Qatar.	no	
G4-12	51	no	
G4-13	There were no significant changes in scope and operations in 2013.	no	
G4-14	2 - 4	no	
G4-15	Q-Chem is a participant in the Qatar Energy & Industry Sustainable Development Industry Reporting (SDIR) Programme.	no	
G4-16	54	no	
G4-17	51, financial Financial statements include the performance of Q-Chem, Q-Chem II & RLOC unless specifically designated otherwise.	no	
G4-18	17 - 18, 59	no	
G4-19	19	no	
G4-20	19, 59	no	
G4-21	19	no	
G4-22	There are no restatements made.	no	
G4-23	This is Q-Chem's first public sustainability report, as such there are no changes to aspects and boundaries.	no	
G4-24	60	no	
G4-25	60	no	
G4-26	60	no	
G4-27	60	no	
G4-28	January 1, 2013 - December 31, 2013	no	

	Specific Standard Disclosures	
DMA and Indicators	Page Number	External Assurance
G4-DMA	50	no
G4 EC1	50-51 [partially reported] net revenue figures are not disclosed on the basis of confidentiality as Q-Chem is a privately held company.	
G4 DMA	50 - 51	
GR EC7	14,15	
G4-EC8	50 - 51	no
G4-DMA	51	no
G4-EN1	The primary inputs of products produced are water, natural gas and energy. Further information is found on page 43.	no
G4-DMA	46	no
G4-EN3	47	no
G4-DMA	42	no
G4-EN8	43	no
G4-EN10	43	no
G4-DMA	46	no
G4-EN15	47	no
G4-EN16	47	no
G4-EN18	47	no
G4-EN21	47	no
G4-DMA	41 - 42	no
G4-EN22	43	no
G4-EN23	43	no
G4-EN24	43	no
G4-DMA	38 - 40	no
G4-EN29	zero monetary fines were assessed to Q-Chem during the reporting period related to environmental compliance.	no
G4-DMA	38-40	no
G4-EN31	38	no
G4-DMA	51	no
G4-EN32	100% of suppliers are assessed for HSE performance	no
G4-DMA	38-40	no
G4-EN34	6 grievances were reported, 100% have been resolved.	no

General			
G4-29	This is Q-Chem's first public sustainability report.	no	
G4-30	Q-Chem reports annually.	no	
G4-31	13	no	
G4-32	Q-Chem has developed this report to be in accordance with core for the GRI G4 guidelines	no	
G4-33	Q-Chem is committed to improving the accuracy and validity of its performance reporting. All of the indicators reported in this document receive internal verification. The information in this report is not audited by a third party.	no	
G4-34	58	no	
G4-56	54	no	

	Specific Standard Disclosures	
G4-DMA	30	no
G4-LA1	33-35, all injured parties were male.	no
G4-DMA	22	no
G4-LA6	27, all injured parties were male.	no
G4-DMA	31-32	no
G4-LA9	33-35	no
G4-DMA	30-32	no
G4-LA12	33-35	no
G4-DMA	54-55	no
G4-SO2	55	no
G4-DMA	54	no
G4-SO5	Q-Chem is not aware of any instances of corruption during the reporting period.	no
G4-DMA	54	no
G4-SO8	No fines were assessed on Q-Chem during the reporting period with relation to compliance.	no
G4-DMA	50	no
G4-PR2	Q-Chem is not aware of any instances of non-compliance related to its products and usage of products.	no
G4-DMA	50, 54	no
G4-PR9	No fines were assessed on Q-Chem during the reporting period with relation to compliance.	no





