

Sustainability Report 2021



Contributing to a
Sustainable Future



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About this report

We are pleased to present our eighth annual Sustainability Report for the year 2021. Sustainability reporting allows us to engage with our stakeholders actively and transparently on the economic, social, and environmental impacts of our business. We disclose our performance at our three Q-Chem operated facilities:

- Qatar Chemical Company Ltd. (Q-Chem)
- Qatar Chemical Company II Ltd. (Q-Chem II)
- Ras Laffan Olefins Company Ltd. (RLOC)

REPORTING PERIOD

The report covers the 2021 calendar year.

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DISCLAIMER

This report contains not only past and present facts but also includes statements that may be deemed as "forward-looking statements", which express the way in which Q-Chem intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that certain actions, events or results "may", "could", "should", "might", "will", or "would" be taken or be achieved. We have made every effort to ensure the report is as accurate and truthful as possible. However, by their nature, forward-looking statements are qualified due to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond Q-Chem's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.



A message from our chairman

Welcome to Q-Chem's eighth sustainability report. Our 2021 sustainability report is an integral part of our commitment to transparency and engaging communications with all of our stakeholders, and it outlines our sustainability performance in terms of economic contributions, environmental initiatives and programs for people and communities.

The COVID-19 pandemic continued to impact lives and businesses around the world throughout 2021. However, with sustained investment into remote work and training opportunities, a comprehensive vaccination program, and by leveraging the resilience developed in 2020, Q-Chem has managed to deliver a strong performance with a minimal impact on our operations from the pandemic.

Indeed, we have seen exceptional results across the board, from economic successes to environmental achievements. Safety remains our key priority, and our robust approach to risk management has once again earned us several prestigious industry awards.

Our achievements in the face of ongoing global challenges demonstrate the importance of an integrated approach to sustainability. Only by taking a 'whole picture' view of our business, we are

able to ensure we are making positive economic, environmental, and social impacts that not only meet the growth requirements for our business, but deliver value for the whole nation in line with the Qatar National Vision 2030.

I want to thank everyone at Q-Chem for their efforts this year, and I look forward to us achieving further successes in the year ahead, with sustainability at the heart of everything we do.

ABDULRAHMAN AL-SUWAIDI
Chairman of the Board of Directors



A message from our CEO

Q-Chem has long been viewed as a sustainable leader in both the energy sector and throughout Qatar and beyond. We work hard to embed sustainability in our operations, not only because of the positive impact it has on our financial performance, but because of the role it plays in our long-term growth and ability to thrive as a future-fit business aligned with the Qatar National Vision.

This has been a great year for our environmental performance, with a marked decrease in emissions intensity and water use intensity and an increase in recycled waste and water. These achievements came to fruition in tandem with record production levels and continued cost savings, illustrating how the pursuit of sustainability can positively impact traditional performance metrics.

Our workforce plays a central role in all of our successes – whether financial or environmental – and 2021 has been a standout year for our employees. Our employee engagement survey this year saw record involvement, as did our Q-Safe program, where we witnessed the highest level of participation in company history. Meanwhile, more than 120 employees were recognized with long-service awards. We are pleased with the working environment we have created for our employees – they are our most

important asset, and we will continue to invest heavily in their training, development, and wellbeing.

We are proud to have achieved so much this year, even with the continued challenges of COVID-19. We have many plans for the future that will only build on our success, and I look forward to Q-Chem's continued sustainable growth and reliable economic performance.

KHALID SULTAN AL-KUWARI
Chief Executive Officer



Our Business

Established in 1997 and operational since 2004, Qatar Chemical Company Ltd. (Q-Chem) is a joint venture between Mesaieed Petrochemical Holding Company, Chevron Phillips Chemical International Qatar Holdings LLC and QatarEnergy.

Q-Chem is located in Mesaieed Industrial City alongside its associated company Qatar Chemical Company II Ltd. (Q-Chem II), whereas Ras Laffan Olefins Company Ltd. (RLOC) is located in Ras Laffan Industrial City. We produce polyethylene, 1-hexene, and normal alpha olefins in a safe and environmentally-conscious manner, creating opportunities for our employees, and value for our customers, shareholders and the State of Qatar.

It is our mission to become a global leader within the petrochemical industry by 2027, in line with the Qatar National Vision. This ambition is underpinned by a commitment to sustainable growth and core values of safety, respect, accountability, and excellence throughout all of our operations.

BUSINESS STRUCTURE¹



QATAR CHEMICAL COMPANY LTD. (Q-CHEM)

Products: ethylene, high and medium density polyethylene (HDPE and MDPE), 1-hexene and other by-products.

Production capacity: 675,000 metric tons per annum MTPA of ethylene, 720,000 MTPA of polyethylene and 79,000 MTPA of 1-hexene.

Complex facilities: Ethane cracker, Polyethylene and Hexene units with sulfur recovery and solidification units, a water treatment, a seawater cooling system, dock facilities and administrative buildings.



QATAR CHEMICAL COMPANY II LTD. (Q-CHEM II)

Products: HDPE, normal alpha olefins (NAO)

Production capacity: 460,000 MTPA of HDPE and 440,000 MTPA of NAO

Complex facilities: the first full-range normal alpha olefins (NAO) unit in the region, including butene, hexene, octene, decene and higher-molecular-weight olefins up to C30+.



RAS LAFFAN OLEFINS COMPANY LTD. (RLOC):

Products: ethylene, C3/C4, and Pygas

Production capacity: 1.55 million MTPA ethylene

Complex facilities: Ethane cracker plant.

Ethylene produced by RLOC is transferred via a 135 km pipeline from Ras Laffan to Q-Chem II and Qatofin derivatives units in Mesaieed. Upon arriving in Mesaieed, 53.15% of ethylene are allocated to Q-Chem II and 46.85% to Qatofin.

¹ The above production figures represent the Permitted Production Capacities

CERTIFICATIONS:



- Certified on ISO 45001:2018, Occupational Safety and Health Management System
- Re-certified on RC 14001:2015, Responsible Care Management System
- Re-certified on ISO 9001:2015, Quality Management System
- Re-certified on ISO 14001:2015, Environmental Management System
- Re-certified on ISO 17025:2017, Testing and Calibration Laboratories

MEMBERSHIPS AND ASSOCIATION:



- Mesaieed Industrial City (MIC) Environmental, Safety, Emergency Response & Community Outreach Working Subcommittee
- Ras Laffan Community Outreach Program (COP) Laffan Environmental Society (LES)
- Gulf Petrochemicals and Chemicals Association (GPCA)
- European Petrochemical Association (EPCA)
- GPCA Industrial Waste Subcommittee
- Responsible Care®, Supply Chain, International Trade, Research and Innovation, Procurement and Gulf SQAS (Safety & Quality Assessment for Sustainability)

Our Approach to Sustainability

Sustainability plays a central role in the vision, mission and values of Q-Chem. It is a key theme in Q-Chem Corporate Strategy Plan. We take an integrated sustainability management approach, ensuring that its principles are integrated across the whole scope of our operations to generate value for our stakeholders and the local economies and communities where we operate.

Our sustainability strategy is built around five key pillars: Economic Performance, Environmental Performance, Human Capital, Health and Safety, and Social Enrichment – each of which are discussed in this report with transparency and accountability. Our approach to these material topics aligns with both the Qatar National Vision (QNV) and with the United Nations Sustainable Development Goals (SDGs).

We have identified ten key SDGs that are particularly relevant to Q-Chem's operations. These SDGs are also aligned with our Sustainability Framework Pillars.



Highlights

**Completed
the 6th
annual
ERM cycle**



**The lowest
Tier III and
IV numbers**



15%
decrease in water
use intensity



29%
decrease in
flaring intensity



+1.3
million tonnes of derivatives
produced and sold



10%
decrease in NO_x intensity



13
CSR projects



0.08
recordable
injury rate



Zero
fatalities



15%
increase in
recycled waste



+\$250m
for planned sustainability
and economic projects
for the next three years

79%
of employees participated
in one or more Q-Safe
observations each month
throughout 2021

+60,000
hours on HSE training for
employees and contractors



Completed the
2nd half of our
**'Care for Zero'
safety campaign**
as part of the overall
'Journey to Zero' strategy

Zero
occupational and
heat-related illnesses for
the 14th year in a row



**"TotalEnergies
Safety Award"**
for the RLOC facility



9%
decrease
in GHG
emissions
intensity



Completed the
Business Continuity
Management
(BCM) Improvement
Project



Zero
Tier I and
Tier II events



90%
increase in
training hours



~4,000
beneficiaries from
our CSR programs



2%
savings on operating
expenses against the
annual budget



**"Operational
Excellence
Initiative"
Award**



124
employees were
recognized with
long-service awards



**"Chevron Phillips
President's
Operational
Excellence"**
Award for the 3rd
consecutive year



294
volunteering
hours



Reassessed
**Process Hazard
Analysis (PHA)
studies**
in three
process units



80%
spending on local
procurement of
services and raw
material including
feedstock






Operational Excellence

HIGHLIGHTS

16 

different topics covering
Occupational Health & Safety,
Process Safety and Reliability
Practices adopted and implemented

Completed the
6th annual
ERM cycle 

Developed
BCM Framework 
aligned with ISO 22301

PILLARS



Operational Excellence

We strive each day to conduct our business in a safe, secure, injury-free, and environmentally responsible manner. Therefore, we ensure adherence to all applicable laws and regulations, while aligning to international best practices such as ISO, Responsible Care Management System (RC)®, and Operations Clean Sweep® (OCS) which is a global initiative to help plastics (polymers) manufacturers ensure that zero plastic spill or waste from their operations reach the environment outside fence lines. Q-Chem was the first in Qatar to partner and sign a pledge with Gulf Petrochemicals and Chemicals Association (GPCA) - the OCS Regional Administrator.

OPERATIONAL EXCELLENCE

Our people are our most valuable asset, which is why our primary focus of Operational Excellence (OE) is the reduction of operational risks, resulting in zero injuries and incidents within our facilities.

Beyond this central tenet, we measure our OE against a framework of 28 elements across five components, each aligned with international standards and best practice:

-  1 Policy to demonstrate commitment; approved and signed by CEO
-  2 Principles to define expectations and set priorities for improvement
-  3 Focus areas to identify specific points Q-Chem intends to target
-  4 OE expectations, global OE standards, and required manufacturing standards
-  5 Verification of compliance and management systems

As an effort to continuously improve our Management System, there were a total of sixteen different topics covering Occupational Health & Safety, Process Safety and Reliability Practices adopted and implemented in 2021.

ENTERPRISE RISK MANAGEMENT

Effective risk management is essential for Q-Chem to achieve its strategic aims. As such, we have been conducting a comprehensive Enterprise Risk Management (ERM) process since 2014. This ensures risk management is embedded throughout all of our critical business activities via a 'bottom up' operational risk management process and a 'top down' strategic risk management process. This has since been expanded to include a compliance management system, through which the company manages regulatory compliance risk with the aim of integrating compliance management into the daily routines of both management and employees.

In 2021, we completed our sixth annual ERM cycle, where we reviewed and updated the company's entire risk profile to identify new key risks and mitigation plans. These were communicated by senior leadership to the respective boards of Q-Chem/Q-Chem II and RLOC.

Moreover, Q-Chem completed the Business Continuity Management (BCM) Improvement Project this year. The objective of the project was to develop and implement a BCM framework for Q-Chem that is consistent with the requirements of ISO 22301: Security and Resilience, whilst providing the business with a clear, accessible and practical set of business continuity plans (BCP) that can be tested at regular intervals and can readily be referred to in the event of a crisis.

All our facilities have updated BCPs that address potential impacts to time-critical processes that may result from a business disruption. Moving forward, these plans will be tested and updated on a regular basis in alignment with the company's overall crisis management philosophy.



Health and Safety

HIGHLIGHTS

0.08
recordable injury rate



Zero
fatalities



Zero
occupational and
heat-related illnesses
for the 14th year in a row



Zero
Tier I and Tier II events
and the lowest Tier III
and IV numbers

+60,000
hours on HSE training



Operational
Excellence
Initiative Award



Chevron
Phillips
President's

Operational Excellence
Award for the 3rd
consecutive year



TotalEnergies
Safety Award
for RLOC



PILLARS

3 GOOD HEALTH
AND WELL-BEING



8 DECENT WORK AND
ECONOMIC GROWTH



Health and Safety

Safety is, and always will be, a core value for Q-Chem. We will not compromise our commitment to the health and wellbeing of our employees, contractors, customers and communities, and we continually strive to improve our processes, expand our safety programs, demonstrate leadership and promote a workplace culture where safety comes first.

Our Health and Safety Management System is aligned with the best industry practices and is certified with ISO 45001: Occupational Safety and Health Management System.

In 2021, we had zero recordable employee injuries and three contractor injuries. We did not have any occupational illnesses during the year and finished the summer period with zero heat-related illnesses, marking 14 consecutive years of consistent performance. We continue to have zero employee or contractor fatalities since operations began.

COVID-19 RESPONSE

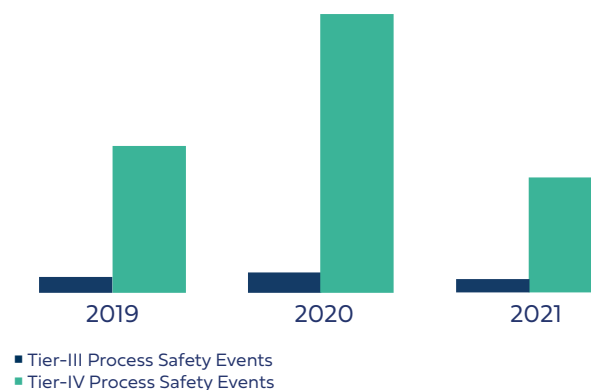
The COVID-19 control measures that were first rolled out in 2020 continued throughout 2021. Between March and April, we saw a total of 169 cases among our employees and contractors, followed by a long summer stretch where no cases were reported. Several cases were then reported towards the end of the year, in line with the global surge of the Omicron variant. In collaboration with QatarEnergy, our employees and contractors were offered double doses of the vaccine, free of charge, which helped to keep COVID-19 numbers low. As such, Q-Chem did not experience any insurmountable safety or operational issues as a result of the pandemic.

PROCESS SAFETY

Process safety is critical to the reliable operation of our plants and forms a central tenet in our operations priority hierarchy. As such, even minor loss of primary containment (LOPC) events are comprehensively reported and addressed in a timely manner to prevent escalation and to provide learning opportunities to further safeguard our people, assets and the environment.

For the third consecutive year, 2021 saw zero Tier I or II events, and the lowest Tier III and IV events in the company's history. In line with the Occupational Safety and Health Administration (OSHA) Process Safety Management (PSM) requirement, we completed process hazard analysis (PHA) studies in three process units, and quantitative risk assessment revalidation exercises at both the Q-Chem and RLOC sites. Additionally, control rooms in Mesaieed have been upgraded to meet 'safe haven' requirements, enabling occupants to safely shutdown process units during emergencies while remaining in the control room.

TIER III & TIER IV PROCESS SAFETY EVENTS





Q-SAFE PROCESS PROGRESSION

Our Q-Safe program is a behavior-based safety program designed to build and sustain a more robust safety culture through observation, reflection and continuous coaching. The program had a very successful year in 2021 with the highest level of participation in company history: an average of 79% of employees participated in one or more Q-Safe observations each month.

In March, we conducted the first of several company-wide safety campaigns focused on hazard identification and risk tolerance via a range of activities including toolbox talks and contests. We rounded out the year by celebrating Q-Safe Day on November 11 as a way to draw specific attention to the value of performing Q-Safe observations and interactions. This, along with various other initiatives, allowed us to finish the year meeting our goal of ensuring every employee completed at least two Q-Safe observations during the calendar year.

34,294

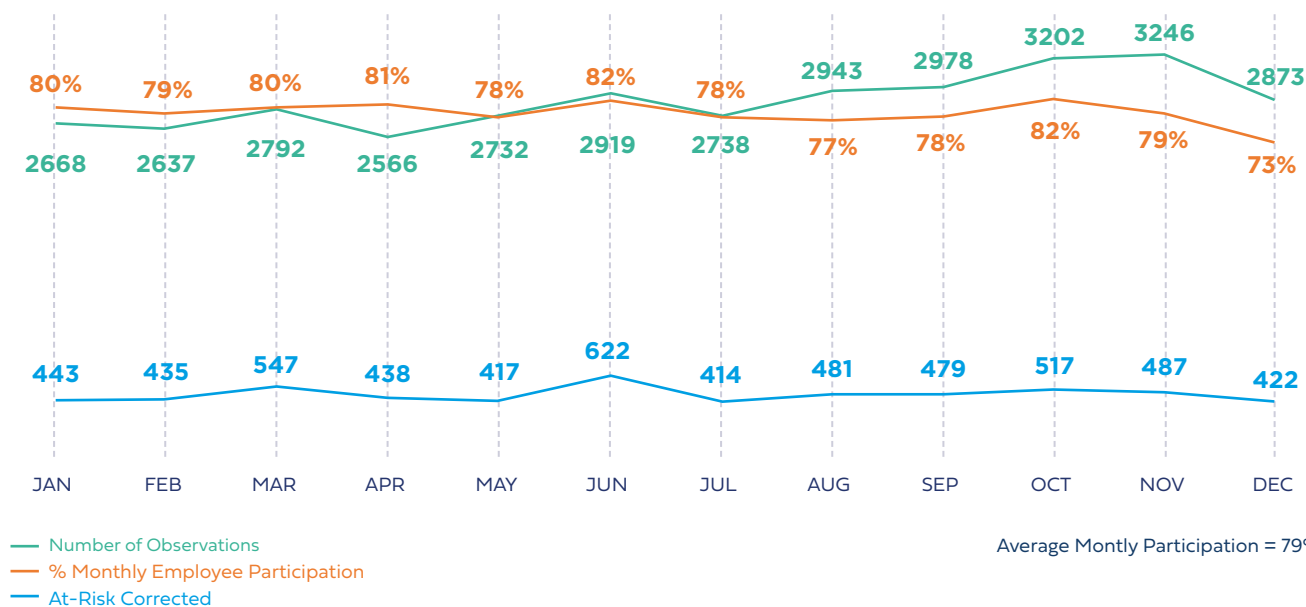


Observations

5,702



At-risks Corrected



HSE AWARENESS

The health and safety of our employees and contractors is of utmost importance to Q-Chem. We place considerable emphasis on our HSE program, which is designed to equip our workforce with the capability, skills and knowledge to handle hazardous situations in a safe and responsible manner.

This year we completed the second half of our 'Care for Zero' safety campaign as part of our overall 'Journey to Zero' strategy. This focused on a combination of stopping work responsibly, life critical procedures, tenets of operation, hazard recognition and other procedures. Our outstanding Health and Safety performance in 2020 was recognized by our shareholders "Chevron Phillips" with two awards this year; the Operational Excellence Initiative Award and; The Chevron Phillips President's Operational Excellence Award for Large Petrochemical Manufacturing Facilities, which was received for the third consecutive year. We also won the prestigious TotalEnergies Safety Award for our performance at RLOC facility.

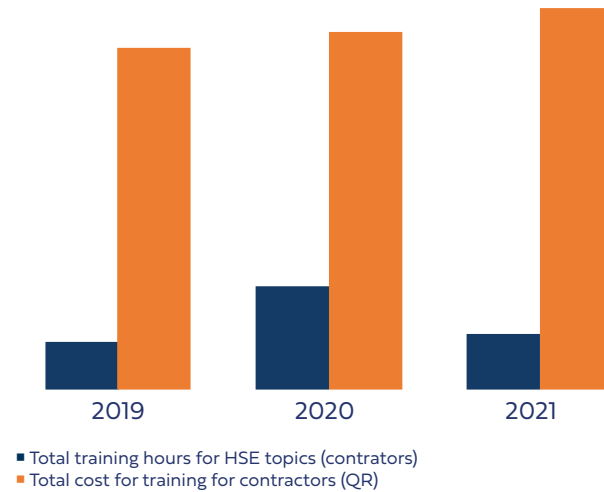
Q-Chem follows a rigorous safety compliance and training process that aligns with OSHA, OE and ISO standards. In 2021, we committed nearly 60,400 hours towards training our contractors and employees on HSE topics. We focused on compliance training through blended learning modes, with supplemental and job-specific training carried out to ensure our whole workforce is aware of, and in compliance with, our strict safety codes.

60,400 

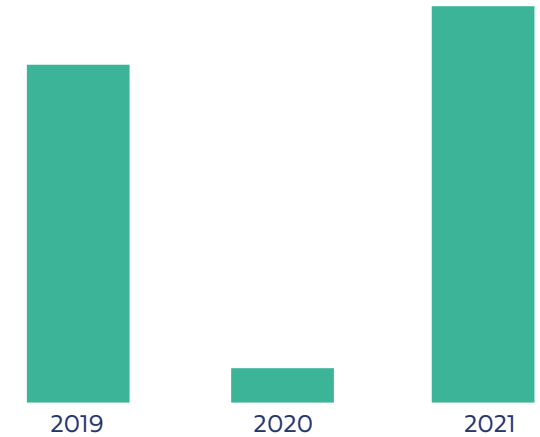
hours towards training our contractors and employees on HSE topics

We have recorded an above-target recordable injury performance (0.08 against a threshold of 0.06), and additional mitigations, including targeted safety campaigns, procedure revisions and enhancements, as well as additional training for 2022 are planned.

HSE AWARENESS TRAININGS



TOTAL RECORDABLE INCIDENT RATE (TRIR)





Environmental Stewardship


HIGHLIGHTS

29% 
decrease in Flaring intensity

15% 
decrease in Water Use intensity

10% 
decrease in NOx intensity

3% 
increase in Water Recycling intensity

9% 
decrease in GHG Emissions intensity

15% 
increase in Recycled Waste

PILLARS



Environmental Stewardship

Q-Chem puts sustainability at the heart of its pursuit of operational excellence. We work to continuously improve our environmental performance and are committed to conducting our operations in a responsible, conscious manner to reduce our potential environmental impacts.

2021 marked the second-best in company history in terms of reportable environmental events, with just three company responsible and three upstream responsible reportable events. Meanwhile, our Q-Chem II site saw zero reportable events in 2021 for the third consecutive year. Additionally, 2021 marked the start of reporting priority chemicals release.

We continued our commitment to transparency and thorough environmental assessment with full support to the major reviews of Ras Laffan Industrial City and Mesaieed Industrial City (MIC) Environmental Regulations in 2020 and 2021 respectively. Our environmental management system is certified with ISO 14001: Environmental Management System, and RC 14001: Responsible Care Management System, and have yielded no major findings in the 2021 Integrated Management System (IMS) surveillance audit for environmental monitoring.

GHG AND AIR EMISSIONS

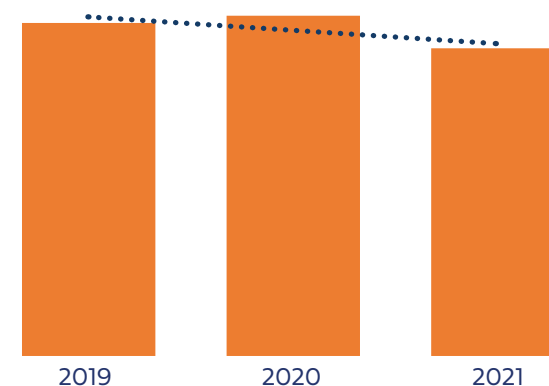
Q-Chem is committed to reducing its Greenhouse Gas (GHG) emissions and promoting efficient practices throughout its operations. A proactive approach to monitoring and management gives us full sight of our emissions picture, enabling us to effectively utilize best-in-class innovations to reduce emissions and resources consumption across the board.

Following a turnaround (TA) year in 2020, this year represented a very successful emissions management outcome for Q-Chem. We saw lower flaring intensity by 29% due to improved operational reliability of the reactors, ethylene feed pump, caustic system and booster compressor. RLOC had experienced some reliability challenges in 2021, resulting in increased Ethylene flaring compared to 2020, and these challenges have been addressed. In addition, NO_x emissions intensity and the overall GHG emission intensity dropped by 10% and 9% respectively, compared to 2020. This was largely attributable to fewer decoking cycles at RLOC and higher reliability of our Acid Gas Removal Unit (AGRU), Tail Gas Treating Unit (TGTU) and Sulfur Recovery Unit (SRU).

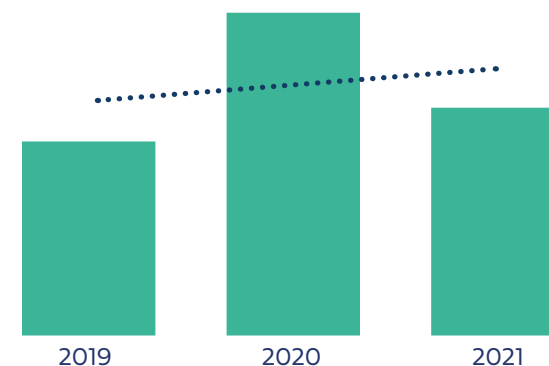
29%  reduction in Flaring intensity

Our Normal Alpha Olefins (NAO) facility had zero responsible environmental events in 2021, and we were able to make significant optimizations in hexene bottom purging. As a result, we achieved the lowest quantities to slop in NAO history. Furthermore, ethylene flaring from the Q-Chem II facility was the lowest for the last five years.

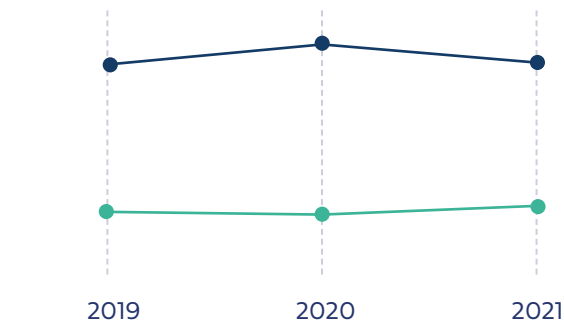
GHG EMISSIONS INTENSITY ($\text{CO}_2\text{E}/\text{TONNE OF PRODUCTION}$)



FLARING INTENSITY ($\text{M}^3/\text{TONNE OF PRODUCTION}$) (DURING NORMAL OPERATION)



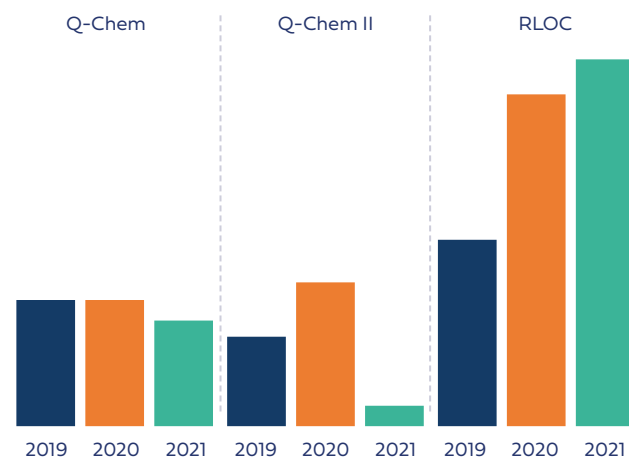
SO₂ AND NO_x EMISSIONS INTENSITY (TONNES/1000 TONNE OF PRODUCTION)



■ SO₂ emissions intensity
■ NO_x emissions intensity

* SO₂ increased in 2021 due to SRUs being attended for major reliability enhancements in late 2020 and early 2021.
* NO_x increased in 2020 due to major TA in Q-Chem II and RLOC.

ETHYLENE FLARING (%)



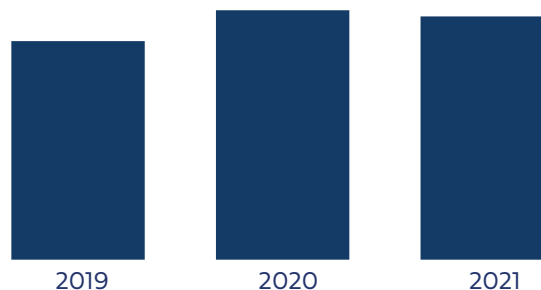
* Ethylene flaring figures for Q-Chem II and RLOC includes 2020 Turnarounds.

ENERGY

In line with our commitment to OE and in pursuit of continued environmental sustainability, Q-Chem utilizes innovative technologies and best practice behaviors to reduce energy consumption and sustain energy efficiency throughout all of its operations.

We have set a target of reducing energy intensity (GJ/100 tonne of product) by 1% every year. Our energy management team, as part of the Pollution Prevention Program, achieved this in 2021 through a variety of measures, including enhanced dilution steam generation and water recovery, tail gas optimization and a liquid fuel exportation in collaboration with QAPCO.

ENERGY USE INTENSITY (GJ/TONNE OF PRODUCTION)



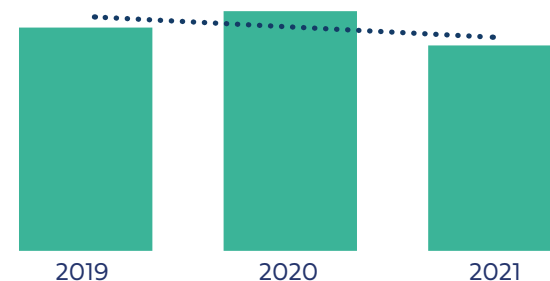
* The increase in energy use intensity in 2020 was due to major TA in Q-Chem II and RLOC facilities.

WATER

Water scarcity is a significant issue in the Middle East, and we recognize the responsibility all businesses in the region have to efficiently manage and conserve water sources wherever possible. Q-Chem is committed to ensuring we use water in a responsible and environmentally-conscious manner at all times.

This year saw a 15% decrease in water use intensity, largely due to reduced steam usage and enhanced enhanced dilution steam generation and water recovery at RLOC site. Wastewater recycling is limited for irrigation and scrubbing at Q-Chem and Q-Chem II facilities, and we recorded a 3% increase in the volume of water recycled in 2021.

WATER USE INTENSITY (M³/TONNE PRODUCTION)



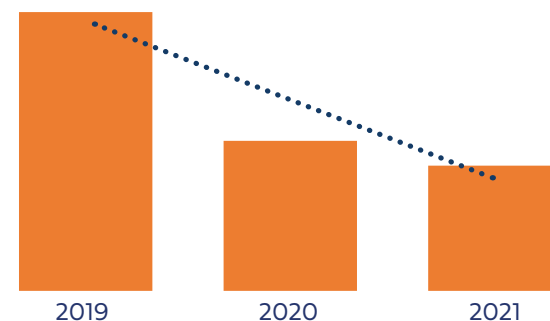
* The increase in water use intensity in 2020 was due to major TA in Q-Chem II and RLOC facilities.

WASTE

Q-Chem is committed to reducing waste across all of our operations. For the third consecutive year, we saw a significant improvement in our overall waste generation.

In 2021, we had a step-change in our waste management system, resulting in a drop in waste intensity and a 15% increase in recycled waste compared to 2020. We plan on driving our recycling efforts further throughout 2022 and have been building a stock of catalysts and mole sieves to be recycled and help in this activity.

WASTE GENERATION INTENSITY (TONNE/1000 TONNE PRODUCTION)





Human Capital

HIGHLIGHTS

1,039 
total workforce

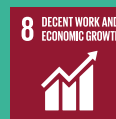
34 
different nationalities
among the workforce

124 
employees were recognized
with long-service awards

90% 
increase in training hours

10 
were promoted pursuing their IDP goals

PILLARS



Human Capital

Our employees are integral to the success of our business, and Q-Chem is committed to attracting and retaining the very best talents. By investing in employee welfare and development and by creating a safe, nurturing environment, our employees have the opportunity to grow and thrive while playing an active role in the success of our company.

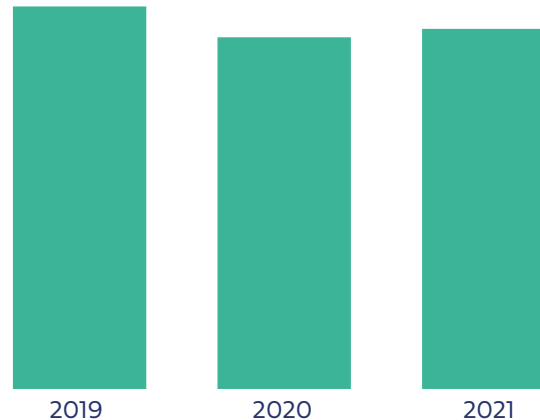
NURTURING THE BEST TALENT

Q-Chem realizes that it is important that our employees feel valued and respected. For that, we take a proactive approach to recruitment, with clearly defined policy and processes. We pay close attention to market trends to ensure compensation is rewarding and competitive.

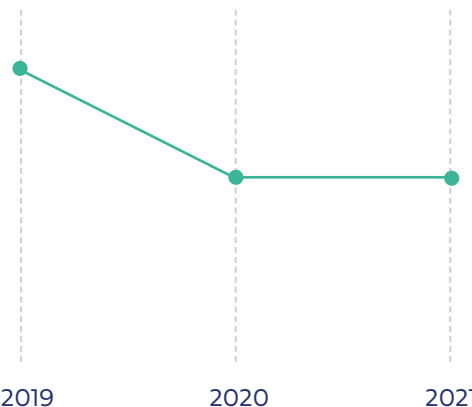
Our dedicated Talent Stewardship Committee is focused on attracting and promoting the most exceptional candidates, ensuring that the right people with the right skills are positioned throughout the business to meet corporate objectives most effectively. This employee-centric focus has ensured consistently low staff turnover rates.

In 2021, our total workforce comprised of employees from 34 different nationalities, reaffirming our belief that diversity is integral to an enriched working environment. This year we also attracted new employees from the local, regional and international marketplace, ensuring our staff turnover rate remained consistent with 2020.

TOTAL WORKFORCE



TURNOVER RATE

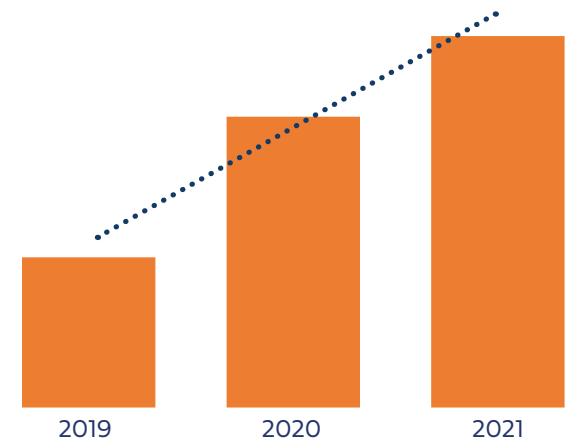


QATARIZATION

In alignment with the Qatar National Vision 2030 and in support of the national development strategy, Qatarization continues to be one of Q-Chem's key commitments. We have introduced a dedicated Qatarization Steering Committee, which is responsible for preparing, attracting and developing Qatari nationals for careers at Q-Chem, as well as providing training, support and youth-focused programs to create a dynamic and dedicated team of professionals who pursue a common goal.

The retention of Qatari nationals has always been a priority at Q-Chem. This is achieved through a comprehensive program of academic sponsorship, tailor-made development solutions, mentoring and career advancement opportunities. In 2021, we increased our Qatarization against 2020, reaching the corporate target.

QATARIZATION RATE



EMPLOYEE ENGAGEMENT

Our continued and future success is dependent on our ability to engage and retain our workforce through training, recognition and investment in employee welfare. It is important to us that our workforce feels heard and is involved in the wider scope of our operations.

In 2021, the company conducted its second employee engagement and enablement survey, designed to measure each employee's sentiment in relation to Q-Chem. Engagement is linked to various business metrics such as productivity, turnover and client satisfaction. 90% of employees participated in the survey, demonstrating a strong commitment to corporate initiatives.

90%  of employees participated in the employee engagement survey

Long-standing employees are key contributors to Q-Chem's prosperity and sustainability. We are proud to state that 55% of our entire workforce has been with Q-Chem for over 10 years, and nearly 89% for more than three years. This is a testament to our employees' satisfaction and our continued efforts to retain a loyal workforce that fits well with Q-Chem's culture and values. To demonstrate our gratitude for employee contributions and company loyalty, we award appreciation certificates and long-service bonuses every year. A total of 124 employees were recognized this year with long-service awards. These awards are to recognize employees who have completed 5, 10, 15, or 20 years of work in Q-Chem companies.

124  employees recognized with long service award

Additionally, the company's Taqdeer recognition program is designed to acknowledge contribution of individuals and teams in their work environment in a meaningful, consistent and sustainable manner. Through immediate recognition for outstanding performance and behaviors, we motivate our


employees and reinforce their loyalty to Q-Chem, which leads to further business successes.

TRAINING AND DEVELOPMENT

Skills, training and capacity building are critical to the success of our employees, and by extension, our business. In 2021, for example, our improved e-learning courses, which had increased during the COVID-19 pandemic, were extended to include both technical and soft skills training. We also introduced a new knowledge sharing program, ensuring skills and expertise are shared and a culture of innovation is maintained within the company. We have increased the training hours this year by 90% over 2020.

90%  increase in training hours over 2020

Our internal selection process provides strong career paths for both national and expatriate employees, and we will always prioritize existing employees as potential candidates for career development. This year, 10 employees took advantage of their Individual Development Plans (IDPs) to progress within the company, successfully moving to new positions with exceptional performance results.

10  employees took advantage of their Individual Development Plans (IDPs)





Social Enrichment

HIGHLIGHTS

13 
CSR projects

294 
volunteering hours

91 
units of blood donated

~4,000 
beneficiaries from
our CSR programs

PILLARS

3 
GOOD HEALTH
AND WELL-BEING

4 
QUALITY
EDUCATION

17 
PARTNERSHIPS
FOR THE GOALS

Social Enrichment

Q-Chem has developed a solid corporate social responsibility (CSR) strategy and is committed to initiatives that help build a healthy society, give back to the community and nation, and improve engagement with all our stakeholders.

The number of CSR activities throughout 2021 was slightly reduced due to the COVID-19 pandemic. However, many activities were conducted online, and the amount we invested in our CSR strategy remained almost the same as in previous years. Our CSR strategy focuses on the following key areas: Community, Education, Health, Environment, and Sport.

EDUCATION



Following the Ministry of Public Health and QatarEnergy's guidelines on pandemic health precautions, Q-Chem participated for the first time in virtual career fairs held by Qatar University, and conducted an open day for recruitment. More than 100 students showed interest in Q-Chem activities and demonstrated a willingness to join the petrochemical industry.

ENVIRONMENT



As a proud member of Operation Clean Sweep (OCS), Q-Chem started in 2021 a year-long Plastic Management awareness campaign for employees and contractors at Q-Chem and Q-Chem II. Additionally, representatives of the company gave a lecture at Qatar University on Environmental Impacts Assessment for graduating students to use in the assessment of their graduating projects.

COMMUNITY



Q-Chem's efforts in social engagements have comprised 294 volunteering hours and impacted around 4,000 people. We partnered with Qatar Charity to donate more than 94 hardware devices, including a series of switches and routers, to help those in need benefit from faster connectivity and security in their network operations, as well as contribute to a circular economy that allows for the reuse of materials and the preservation of the environment. We also held a community outreach open day to connect with and attract more Qataris to Q-Chem, in an effort to contribute to the development and growth of local talents.

HEALTH



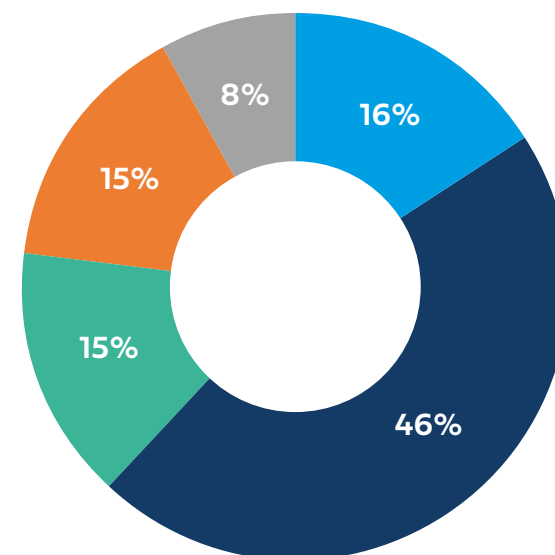
Q-Chem holds the blood donation campaign annually, where all employees get the opportunity to contribute to a noble cause. This year, we reached out to our neighbors and engaged them in this humanitarian drive, collecting a total of 91 units of blood from our employees, including people from other companies in Q-Chem Headquarter, Amwal Tower.

SPORT



Due to COVID-19 we did not conduct any interactive sports activities this year, but rather held a National Sports Day online campaign. We maintained our commitment to employee wellness through internal communications, sharing healthy exercise plans to inspire and motivate employees to get active. This also included specific exercises for mothers and their children, as well as activities for the entire family.

COMMUNITY OUTREACH



Education



Community



Environment



Health



Sport

The percentages above represent the initiatives in each CSR area out of the total number of CSR initiatives.



Economic Performance and Product Responsibility

HIGHLIGHTS

+1.3m 
tons of derivatives
produced and sold

80% 
spending on local procurement of services
and raw material including feedstock

2% 
savings on operating expenses
against the annual budget

+\$250m 
for planned sustainability and economic
projects for the next three years

PILLARS



Economic Performance and Product Responsibility

Strong economic performance is a central metric of Q-Chem's success, allowing us to meet the expectations of shareholders, plan for strategic reinvestment that will ensure our long-term growth and become a global leader in the petrochemical industry by 2027, in line with the Qatar National Vision.

To maintain a profitable business that generates long-lasting value, Q-Chem is continuously exploring opportunities to boost operational and cost efficiencies. We take an integrated approach to performance monitoring and management, focusing on three main areas: Production and Sales, Fiscal Responsibility, and Economic Impact.

PRODUCTION AND SALES

A global trend toward higher oil prices in 2021, combined with improving product demand, reflected positively on pricing and our sales revenues. This year marked the best for production in company history, with more than 1.3 million tons of derivatives produced and sold. Over the last 10 years, Q-Chem consistently produced and sold, on a normalized basis, more than 1.2 million tons of derivatives annually. This consistent performance is a key factor in Q-Chem's economic success and a testament to our commitment to operational excellence.

1.3m  tons of derivatives produced and sold in 2021

FISCAL RESPONSIBILITY

Fiscal responsibility through robust budgetary and reporting processes enhances Q-Chem's ability to deliver maximum financial returns to its shareholders. We conduct regular audits and analyses of our financial performance in alignment with best practices and the regulatory requirements of the State of Qatar. In 2021, Q-Chem achieved savings of 2% on operating expenses against our annual budget.

2%  savings on operating expenses against our annual budget

ECONOMIC IMPACT

Q-Chem generates valuable revenue that strongly contributes to the State of Qatar's overall wealth and economic and industrial development, creating many economic opportunities for Qatar through employment and procurement. By growing and nurturing our relationships with local contractors, we are helping to stimulate the local market and contribute to a strong and sustainable economy for both the energy sector and the nation overall, in line with the Qatar National Vision 2030.

Local procurement accounted for 80% of total spending on services and raw materials including feedstock in 2021. Total capital expenditure for 2021 approximated \$90 million. This spend focused on projects to optimize production, enhance the safety of our people and assets and ensure compliance with environmental regulatory requirements. Looking forward, Q-Chem has in excess of \$250 million of planned projects for the next three years, focused on

helping maintain our vision of sustainable and reliable economic performance. We are also implementing an In Country Value (ICV) initiative which is part of the supply chain localization program "Tawteen" which is launched and led by QatarEnergy.

\$250m  of planned projects for the next three years

PRODUCT RESPONSIBILITY

As committed members of the GPCA Responsible Care® and Gulf SQAS initiatives, we have developed an internal Product Risk Management Team to support Q-Chem's efforts to proactively manage the safety and handling of our products both inside and outside the boundaries of our facilities. All of our facilities are accredited with ISO 9001, ISO 14001, ISO 45001 management and RC 14001® Responsible Care standards. Customers can access and download the product Safety Data Sheets and Product Stewardship Summaries from our website as and when required.

Q-Chem requires all suppliers complete a self-audit questionnaire. This is a valuable tool to ensure that only companies that are continuously working to protect the safety, health and welfare of their employees are allowed to work inside Q-Chem sites. This is a key tenet of our commitment to a responsible supply chain.

