

PLANNING TODAY FOR
A BETTER TOMORROW

2022

SUSTAINABILITY REPORT



شركة قطر للكيماويات المحدودة
QATAR CHEMICAL COMPANY LTD



شركة راس لفان للأوليفينس المحدودة
Ras Laffan Olefins Company Limited



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ABOUT THIS REPORT

We are proud to release our 9th Annual Sustainability Report for the year 2022. This report is an opportunity for us to foster an active dialogue with our stakeholders and demonstrate our commitment to transparency regarding our business impact on the economy, society, and the environment. Our performance is disclosed for the three facilities under our operation: Qatar Chemical Company Ltd. (Q-Chem), Qatar Chemical Company II Ltd. (Q-Chem II), and Ras Laffan Olefins Company Ltd. (RLOC).

REPORTING PERIOD

This report encompasses the duration of the calendar year 2022, running from January 1st to December 31st, and highlights the events and initiatives during this period. Relevant data from previous years are also included where needed.

REPORTING GUIDLINES

This report has been prepared following the Environmental, Social, and Governance (ESG) Reporting Guidelines provided by the Qatar Stock Exchange, while also referencing the applicable Global Reporting Initiative Standards (GRI). The report is also in line with our support for the United Nations Sustainable Development Goals (SDGs) and Qatar National Vision 2030.

CONTACT US

Q-Chem welcomes any feedback or inquiries related to this report on our email:



Publicarelations@qchem.com.qa



Amwal Tower, Omar Al Mukhtar St,
Al Dafna, Doha, Qatar
Qatar Chemical Co. Ltd. (Q-Chem)
B.O. Box 24646
Phone: (+974) 4484-7111
Fax: (+974) 4483-7379

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.



Abdulrahman Al-Suwaidi
Chairman of the Board of
Directors

A MESSAGE FROM OUR CHAIRMAN

Q-Chem is delighted to present its 9th Sustainability Report. The 2022 Sustainability Report details Q-Chem's sustainability progress in terms of financial contributions and environmental performance, as well as programs for people and communities. This report is an essential component of Q-Chem's commitment to meaningful communication with its stakeholders.

During 2022, Q-Chem continued its sustainability journey and renewed its commitment to the underlying principles of social, economic, and environmental responsibility. With the full support of its Shareholders, Q-Chem has continued investing in the future through the allocation of considerable resources into embedding sustainability into its business practices. This is not just good business; it is the right thing to do.

Through the commitment of the entire Q-Chem team, the Company has successfully achieved many notable milestones during 2022 that will support the achievement of its long-term sustainability goals. Q-Chem aspires to make positive economic, environmental, and social impacts that not only meet the growth requirements for its business but also deliver value for its community in line with the Qatar National Vision 2030.

I look forward to Q-Chem's continued sustainable growth to meet tomorrow's business needs while protecting the interests of future generations.



This is not just
good business; it is
the right thing to
do.



Khalid Sultan Al-Kuwari
Chief Executive Officer

A MESSAGE FROM OUR CEO

Sustainability represents a major part of Q-Chem's corporate strategy and planning and this is reflected in our vision, mission, and values which are strongly oriented towards sustainability. We adopt an integrated approach to sustainability management to ensure that its precepts are applied across all our business activities for the benefit of both our stakeholders as well as the local economies and communities in which we operate. In 2022, we re-evaluated our previously specified material issues and sustainability framework to account for impacts brought on by changes in our organization's activities, business partnerships, and stakeholder priorities.

2022 was a very significant year for Q-Chem at the operational level. The Q-Chem Turnaround was safely executed in February and March of 2022 and was considered the single largest ever that we have undertaken in the history of Q-Chem in terms of scope, cost, and manpower. This Turnaround enabled the organization to undertake critical and essential maintenance work, inspections, and project activities. This work also helped us to restore the Q-Chem facilities' peak operating capability, delivering safe and reliable performance for all our business units and ensuring consistent annual production levels.

On the environmental level, and during a Turnaround year, we are pleased to report reductions in our total energy consumption in 2022 as well as a fall in our total GHG emissions. Our workforce plays a critical role in all of our successes - whether financial or operations impact-related - and in 2022, we provided significantly increased levels of training to our employees and contractors. We are proud that Q-Chem has a very diverse workforce, with many different nationalities represented at all levels, reflecting the very international and welcoming population that is a feature of the Qatari community.

I would like to thank everyone at Q-Chem for their hard work this year, and I look forward to us achieving further successes in the years ahead, with sustainability at the core of everything we do. Without further ado, I am proud to present Q-Chem's 2022 Sustainability Report.

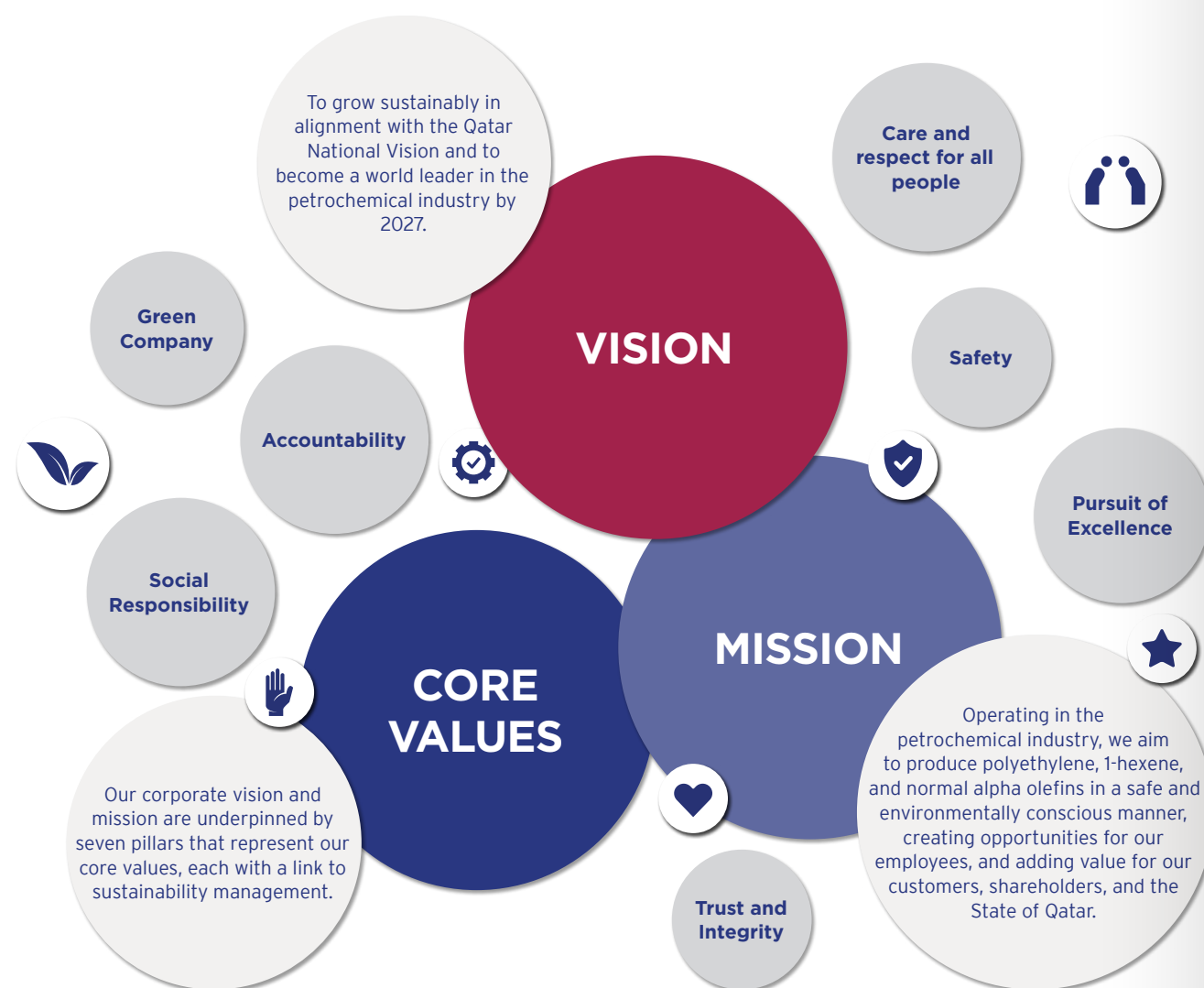


This Turnaround
enabled the
organization to
undertake critical
and essential
maintenance work,
inspections, and
project activities.

ABOUT Q-CHEM

Qatar Chemical Company Ltd. (Q-Chem) was established in 1997 and began commercial operations in 2004. It is a joint venture between Mesaieed Petrochemical Holding Company (MPHC), Chevron Phillips Chemical International Qatar Holdings LLC (Chevron Phillips Chemical Qatar), and QatarEnergy.

Q-Chem and its associated company, Qatar Chemical Company II Ltd. (Q-Chem II), are located in Mesaieed Industrial City, while Ras Laffan Olefins Company Ltd. (RLOC) is situated in Ras Laffan Industrial City. Our processes for the production of polyethylene, 1-hexene, and normal alpha olefins are conducted with a strong focus on safety and environmental responsibility, providing our employees with growth opportunities, and generating value for our customers, shareholders, and the State of Qatar.



CERTIFICATIONS

RC 14001

Re-certified on RC 14001, Responsible Care Management System



ISO 9001

Re-certified on ISO 9001, Quality Management System

ISO 14001

Re-certified on ISO 14001, Environmental Management System

ISO 45001

Re-certified on ISO 45001, Occupational Health and Safety Management System

MEMBERSHIPS

Mesaieed Industrial City (MIC) Environmental, Safety, Emergency Response & Community Outreach Working Subcommittee



Ras Laffan Community Outreach Program and Laffan Environmental Society (LES)



Gulf Petrochemicals and Chemicals Association (GPCA)



European Petrochemical Association



GPCA Industrial Waste Subcommittee and Operational Clean Sweep® (OCS) Taskforce



Responsible Care®, Supply Chain, International Trade, Research and Innovation, Procurement and Gulf Safety & Quality Assessment for Sustainability



OUR APPROACH TO SUSTAINABILITY

Sustainability is at the core of Q-Chem's vision, mission, and values and plays a critical role in its Corporate Strategy. We employ a comprehensive approach to sustainability management, integrating sustainability principles throughout all aspects of our operations to benefit our stakeholders and the local communities where we operate.

In 2022, we conducted a review of our material topics and sustainability framework to address any changes in impacts resulting from changes in our activities, business relationships, and stakeholders' priorities. As a result, we revised and prioritized thirteen material topics that are most relevant to our operations.

Q-CHEM MATERIAL TOPICS

- | | |
|---|--|
|  1 Health and safety |  7 Product Stewardship |
|  2 Energy Management and Climate Change |  8 Community Engagement |
|  3 Waste Management |  9 Sustainable Supply Chain |
|  4 Human Welfare |  10 Training and Development |
|  5 Governance, Ethics, and Compliance |  11 Economic Performance |
|  6 Water Management |  12 Risk Management |
| |  13 Information Security |

Our updated sustainability framework is based on four main pillars: Operational Excellence, Human Capital Development, Environmental Performance, and Sustainable Growth. This report details each of these pillars with a focus on transparency and accountability. Our approach to these material topics aligns with both Qatar National Vision 2030 and the United Nations' SDGs. We have identified ten SDGs that are particularly relevant to Q-Chem's operations and aligned with the pillars of our sustainability framework.



In a commitment to understanding our stakeholders' beliefs, values, and interests, reducing the environmental impact of our operations, and promoting economic opportunities, Q-Chem strives to maintain open and respectful communication with all stakeholders, including employees, shareholders, contractors, communities, customers, and government regulators.

2022 HIGHLIGHTS

CHEVRON PHILLIPS
PRESIDENT'S
OPERATIONAL
EXCELLENCE
AWARD FOR
THE 4TH
CONSECUTIVE
YEAR



EXECUTED THE
LARGEST EVER
TURNAROUND,
WITHIN Q-CHEM,
WITH ZERO
RECORDABLE
INJURIES



15 CONSECUTIVE
YEARS OF
OUTSTANDING
PERFORMANCE IN
OUR SUMMER OF
SAFETY PROGRAM.



ZERO
HEART-RELATED
INCIDENTS



0.073
RECORDABLE
INCIDENT RATE



ZERO
TIER I OR II
PROCESS SAFETY
EVENTS FOR
THE 4TH
CONSECUTIVE
YEAR



23
COMMUNITY
ENGAGEMENT
PROJECTS



955
VOLUNTEERING
HOURS



ZERO
COMPANY
RESPONSIBLE
ENVIRONMENTAL
EVENTS



ZERO
REPORTABLE
SPILLS



8%
DECREASE IN TOTAL
GREENHOUSE
GAS EMISSIONS,
COMPARED TO
THE PREVIOUS
YEAR



5%
DECREASE IN
FRESHWATER USE,
COMPARED TO
THE PREVIOUS
YEAR



4%
REDUCTION IN
TOTAL ENERGY
USE, COMPARED
TO THE
PREVIOUS YEAR



7,000
DRUMS REUSED



6,000
WOODEN PALLETS
REUSED



7%
OF THE
WORKFORCE ARE
WOMEN



4%
INCREASE IN
QATARIZATION
RATE, COMPARED
TO THE PREVIOUS
YEAR



MORE THAN 200%
INCREASE IN
TRAINING HOURS,
COMPARED TO
THE PREVIOUS
YEAR



MORE THAN 100,000 HOURS ON
HEALTH, SAFETY, AND ENVIRONMENT
TRAINING FOR EMPLOYEES AND
CONTRACTORS

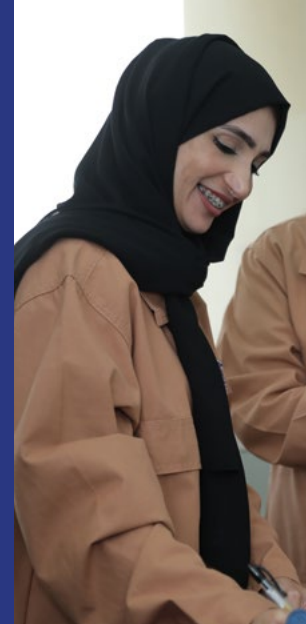


OVER 50% OF
OUR EMPLOYEES
HAVE BEEN WITH
Q-CHEM FOR
OVER 10 YEARS



MORE THAN
100% INCREASE
IN AVERAGE
TRAINING HOURS
FOR FEMALE
EMPLOYEES,
COMPARED TO
THE PREVIOUS
YEAR

77%
OF OUR
EMPLOYEES
PARTICIPATED IN
OUR BEHAVIORAL
CHANGE
OBSERVATION
PROCESS, Q-SAFE
PROGRAM, EACH
MONTH IN 2022



363
EMPLOYEES WERE
RECOGNIZED WITH
LONG-SERVICE
AWARDS



40%
INCREASE ON LOCAL
PROCUREMENT
SERVICES BUDGET,
COMPARED TO THE
PREVIOUS YEAR



OPERATIONAL EXCELLENCE

Q-Chem is dedicated to operational excellence and strives to be a leader in the industry by acting responsibly and efficiently. We follow strict governance practices to ensure transparency and accountability as well as comply with regulatory rules and guidelines to assess risk management and implement the latest measures in information security.

MATERIAL ISSUES COVERED

GOVERNANCE, ETHICS, AND COMPLIANCE
RISK MANAGEMENT
INFORMATION SECURITY

SUSTAINABLE DEVELOPMENT GOALS



GOVERNANCE, ETHICS, AND COMPLIANCE

At Q-Chem, we prioritize upholding the highest standards of integrity, ethics, and legality in all our interactions with individuals, organizations, and governments. Our reputation is crucial to our success, and we firmly adhere to our principles, refusing to compromise them for any reason, even in the pursuit of business outcomes. To support this commitment, we have established a well-defined and comprehensive governance structure to oversee Q-Chem's activities and maintain a culture of compliance with the highest standards.

BOARD OF DIRECTORS

The Boards of Directors for Q-Chem and Q-Chem II includes a chairman designated by MPHIC, a Board Secretary chosen by the members of the Board, a vice chairman who is both an appointee of the Board and a representative of MPHIC, one representative from MPHIC, and two representatives from CPCChem. The Board of Directors for RLOC is composed of a chairman appointed by QatarEnergy, and a vice chairman who is an appointee of the Board. A Board Secretary is chosen by the members of the Board, and a further four members are appointed by either Q-Chem II or Qatofin, who appoints two each.

RLOC

Chairman

Board Secretary

Vice Chairman

Board Member

Board Member

Board Member

Q-CHEM

Chairman

Board Secretary

Vice Chairman

Board Member

Board Member

Board Member

Q-CHEM II

Chairman

Board Secretary

Vice Chairman

Board Member

Board Member

Board Member

The CEO is a member of the boards of both Q-Chem and Q-Chem II and participates in their board meetings. However, the CEO does not hold the position of Chairman or serve as the acting Chairman of any board committee.

Through research and engagement with a diverse group of shareholders, we have identified main engagement channels with key shareholders.

KEY SHAREHOLDERS



MAIN ENGAGEMENT CHANNELS

- BOD meetings for Q-Chem, Q-Chem II, and RLOC.
- BOD Business Risk Committee meeting.
- Quarterly Co-ordination meeting with QatarEnergy.
- Annual Budget meeting with Shareholders.
- Quarterly Board Audit Committee Meetings.

OPERATIONAL EXCELLENCE SYSTEM

Q-Chem has implemented an Operational Excellence (OE) System to improve standardization, efficiency, and compliance in various areas such as the environment, health, safety, security, reliability, and quality. This system is in line with international standards and best practices and provides a structured approach for guiding and evaluating OE activities, planning improvements, and learning from experiences.

The OE System is based on leadership, employee engagement, regulatory compliance, and integration into business improvement. The five main components of the OE System are policy, principles, focus areas, OE expectations, and verification of compliance and management systems.

COMPLIANCE

Q-Chem established a Regulatory Compliance Program to ensure compliance with all applicable laws, regulations, and agreements. The program follows the principles outlined in ISO 37301 Compliance Management System and ensures that all necessary governance and compliance requirements are met.

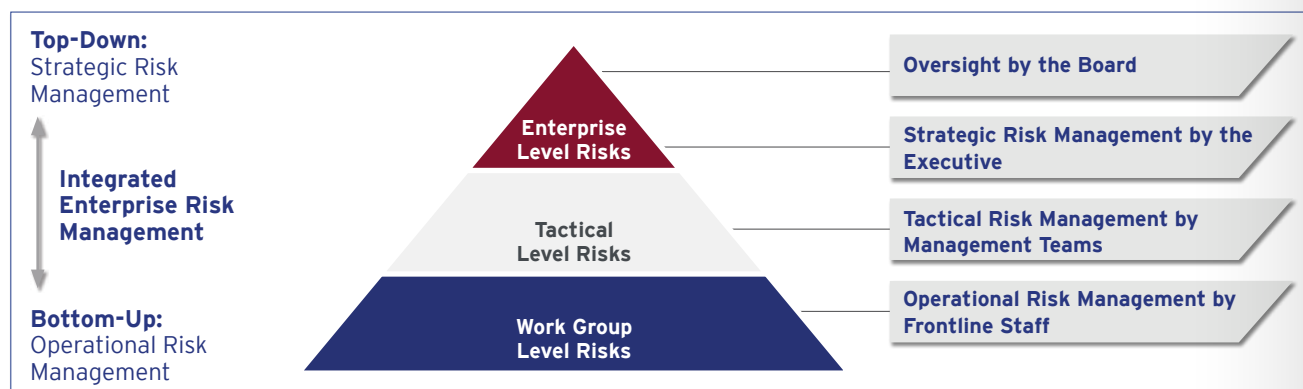
We have implemented policies and procedures, including an Anti-bribery and Corruption Procedure and a Code of Conduct that applies to all employees and contractors. The Code of Conduct outlines the core values, principles, and practices that guide Q-Chem's behavior. In addition, we have organized compliance-related training that includes computer-based and in-person training, aimed at raising awareness of the importance of ethical behavior.

RISK MANAGEMENT

In 2022, Q-Chem continued its efforts to drive effective risk management as a fundamental pillar to achieving its strategic objectives and ensuring organizational sustainability. We began implementation of an Enterprise Risk Management (ERM) process in 2014, and in 2022 we completed our seventh annual ERM cycle, in alignment with international good practice.

Risk management has been embedded in all critical business activities, functions, and processes. Central to the effective management of our risk profile is a clear and well-understood process of risk assessment and risk prioritization. To help ensure adequate coverage, Q-Chem has adopted an integrated Enterprise Risk Management process that combines a 'Bottom-Up' Operational Risk management process and a 'Top-Down' Strategic Risk management process.

The "Bottom-Up" process involves an annual assessment of risks at all levels of the organization, followed by prioritization and delegation of management to appropriate members of staff. The most significant risks are reviewed quarterly by the Senior Leadership team, the Board Business Risk and Crisis Management Committees for Q-Chem and RLOC, ensuring effective risk mitigation from bottom to top. The "Top-Down" process, on the other hand, involves embedding a strategic risk management process into the overall process of strategic planning, with a focus on identifying and managing top risks that could impact Q-Chem's future performance. Strategic risks are reviewed quarterly by the company's leadership.



BUSINESS CONTINUITY

In 2022, the primary objective was to ensure the organization remains resilient in the face of a challenging business environment. To that end, we continued to execute our Pandemic Response plan, in line with the energy sector and relevant government ministries in the State of Qatar, to ensure the necessary controls remained in place as we recovered from the COVID-19 pandemic. In preparation for the FIFA 2022 World Cup, we also conducted Crisis Management and Business Continuity drills to help ensure organizational readiness in the event of unforeseen business disruptions that may have arisen over the period of this historic event. This was further bolstered by our participation in the State of Qatar's Star-2022 National Cyber Drill. Lessons learned from these exercises have been incorporated into our existing management systems to help bolster our organization's resilience.

2022 TURNAROUND

In 2022, Q-Chem successfully executed the largest ever turnaround, within its facility, both in terms of scope, cost, and manpower. Turnarounds play a crucial role in Q-Chem's program for safety and dependability and are created to guarantee a stable yearly output of production. It allows us to carry out critical maintenance, inspections, and project activities that help restore the facility to peak operating capability. During the 2022 turnaround, nearly 8,000 contractors and employees were trained to meet Q-Chem's safety and execution requirements, and over three million manhours were completed with a daily peak of 6,000 personnel at the site. All personnel arrived, worked, and left safely.

INFORMATION SECURITY

Q-Chem recognizes the importance of having secure and optimized information systems and Industrial Control Systems (ICS) to maintain safe, reliable, and productive operations. To align with Qatar's regulations, the Qatar 2022 Cybersecurity Framework was adopted and implemented, which involved developing security policies and procedures, implementing security controls, and creating an incident response plan. Q-Chem also engages a consultant to ensure that our policies and practices comply with the Personal Data Privacy Protection Law of Qatar. The overall aim is to enhance business resilience and ensure the continuity of both information services and plant operations.

CYBERSECURITY

At Q-Chem, maintaining strong cybersecurity measures is vital to guaranteeing the availability of all systems and processes at our plants, which are critical to the business. These measures play a crucial role in ensuring business sustainability and continuity, as well as protecting our revenues and reputation.

The main objectives of our cybersecurity efforts are to minimize the impact of interruptions on Q-Chem's systems, processes, and plant operations and to safeguard our assets, information, and personnel from disruptions and failures. This ensures prompt recovery of essential systems for business continuity in adverse scenarios and ultimately supports the achievement of our corporate goals for sustainable production.

DIGITALIZATION

In 2022, Q-Chem successfully developed our Digital Transformation Framework. The next phase is to implement and expand the various initiatives under this digital office and adopt the framework as the operating model. This framework strengthens Q-Chem's ability to drive transformational change, navigate complexity, minimize risks, make data-driven decisions, align stakeholders towards a common vision, and leverage technology more efficiently.

The digital transformation plan comprises a roadmap that outlines the objectives and challenges ahead, including the identification and prioritization of user and stakeholder needs, the evaluation of digital technologies to enhance the user experience, the visualization of future information technology architecture, and ongoing progress monitoring with corrective actions as needed.

NURTURING HUMAN CAPITAL

At Q-Chem, our employees are our most treasurable resource, and it is our goal to foster a culture that prioritizes care, respect, and engagement. Our aim is to attract, motivate, develop, and retain top talents that align with our organizational values and vision. Our ongoing investment in human capital has proven to be a worthwhile endeavor, leading to improved operational safety, enhanced productivity, and heightened environmental responsibility.

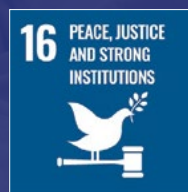
MATERIAL ISSUES COVERED

HEALTH AND SAFETY

HUMAN WELFARE

TRAINING AND DEVELOPMENT

SUSTAINABLE DEVELOPMENT GOALS



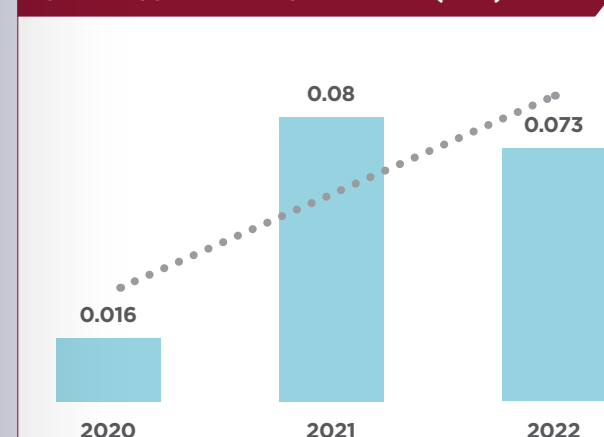
HEALTH AND SAFETY

At Q-Chem, we take the health and safety of our employees seriously. As a result, we have implemented numerous programs and procedures to ensure a safe working environment. We have continued to prioritize safety and have been committed to safe operations since our inception, resulting in zero employee or contractor fatalities. In addition, Q-Chem is certified with ISO 45001 Occupational Health and Safety Management System. In 2022, we also marked 15 consecutive years of outstanding performance in our Summer of Safety Program and ended another summer without any heat-related incidents.

Our aim is to continuously enhance our safety efforts and eliminate recordable injuries. Our latest turnaround was safely executed and we achieved zero recordable injury rate. Additionally, we completed over one million manhours without a recordable injury at the Dock Jetty Upgrade project, further demonstrating our dedication to employee well-being.

The total recordable incident rate has decreased by 9%, compared to 2021 data.

TOTAL RECORDABLE INCIDENT RATE (TRIR)



Q-SAFE PROCESS

Q-Chem's Q-Safe program is a behavior-based safety initiative that aims to foster a culture of safety among our employees and contractors. Through observation and coaching, the program helps individuals to develop and maintain safe practices in the workplace. In 2022, we conducted over 37,000 observations and prevented nearly 6,000 potential at-risk behaviors and potential incidents by addressing and correcting observed risks.

To encourage participation from all facilities, Q-Chem recognizes the "Q-Safe Observer of the Month" and showcases their achievements on our intranet homepage. On average, 77% of our employees actively participated in our behavioral change observation process each month in 2022.

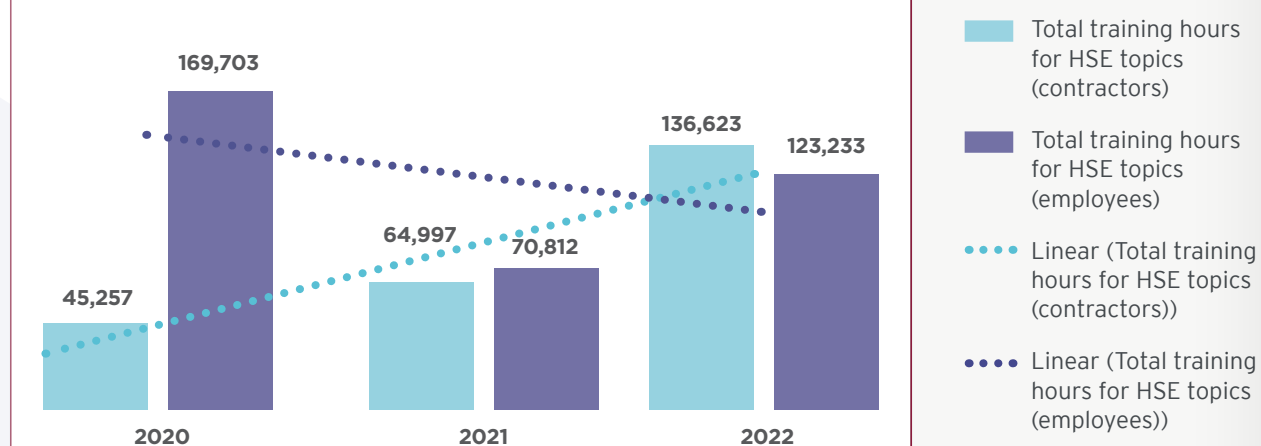
TRAINING AND AWARENESS ON HEALTH AND SAFETY

In 2022, Q-Chem continued its comprehensive safety compliance and training program, conforming to Occupational Safety and Health Administration (OSHA) and ISO standards. The program included extensive training for both employees and contractors, with a focus on successful turnaround and job-specific training to accommodate social distancing measures. Additionally, the company increased the number of training hours for contractors to ensure they are aware of and comply with our strict safety protocols.

Q-Chem first implemented its safety technical training program in 2019. This program was aimed at fostering a shared sense of responsibility for safety within the plants through the development of Computer Based Training (CBT) courses for maintenance, production, and technical processes for employees and contractors. This program was continued throughout 2022.

In 2022, the total number of training hours for health and safety topics among employees increased by 74%, while the total number of contractor training hours on these topics increased by 110% when compared to 2021 figures.

HEALTH AND SAFETY AWARENESS TRAININGS



TURNAROUND 2022 SAFETY AWARENESS PROGRAM

At the Turnaround Village in Mesaieed, Q-Chem implemented various awareness initiatives to educate the workforce and contractors on safe work practices. Upon entering the facility, workers were greeted with banners promoting safety and reminders on key rules to follow. To address potential psychological stress during the demanding turnaround schedule, a "Stress Relief Shelter" was established, and workers were encouraged to participate in recreational activities during their lunch breaks.



MIND ON TASK

The "Mind on Task" program is a safety awareness initiative that focuses on hand safety. Q-Chem leveraged this opportunity to highlight the significance of maintaining focus on task safety and being cautious about hand-related accidents. Through "toolbox meetings" and observations, Q-Chem educated employees on how personal behaviors such as rushing, frustration, fatigue, and complacency can lead to workplace accidents, and provided strategies for avoiding these behaviors to ensure a safer work environment.



D.O.H.A.

The "Dropped Object Hazard Analysis" safety program aims to raise awareness about the dangers posed by dropped objects by showcasing examples from recent incidents that occurred in the year 2022.



Q-STEP

Q-Chem is committed to addressing and preventing slip and trip hazards through the Winter of Safety program Q-Step. During the program, the leadership team shared their insights on the danger of these hazards and increased awareness of the potential consequences. Also, Q-Chem implemented the 'Walk to Win' game, which displayed guidelines for safe walking in hazardous areas, and introduced the 'Unsafe Condition Identification and Tracking' system to prevent hazardous conditions.

PROCESS SAFETY

Q-Chem has achieved zero Tier I or II process safety events for four consecutive years, demonstrating our commitment to reducing major process safety incidents. We also focused on improving leading indicators for Tiers III & IV and achieved the highest Process Safety Management (PSM) performance dashboard score in its history of 87.5%.

To enhance process safety performance, we conducted process hazards analysis revalidation studies and arranged PSM sensitization training. In 2022, Q-Chem introduced a new process safety recognition program, which recognized approximately 45 employees and contractors who made significant contributions in the area.

HUMAN WELFARE

At Q-Chem, we believe in promoting the growth and development of all employees, and are committed to fostering a diverse and inclusive workforce. Our internal selection process prioritizes existing employees for growth opportunities, and we have established a clear policy for recruitment and workforce planning to ensure that our team is representative of the communities we serve. In addition, we have formed the Talent Stewardship Committee which focuses on identifying and developing the most qualified and talented individuals, while also ensuring that all employees have access to career development opportunities.

To improve staff retention, Q-Chem invests in Qatarization and regularly conducts engagement surveys to measure progress and ensure the satisfaction and well-being of the workforce. The diversity of our workforce is one of our strengths, with the members of our workforce representing 37 nationalities and 7% of our employees are female. The compensation and benefits policies are reviewed periodically to remain competitive with industry trends.

Q-Chem takes pride in its workforce, with over 50% of our employees having been with Q-Chem for over a decade.

WORKFORCE	2020	2021	2022
Total number of employees	1,035	1,039	1,046
Total number of employees in senior management	7	8	8
Total number of employees in middle management	85	91	95
Total number of employees as senior staff	363	371	384
Total number of employees as non-senior staff	580	569	559



TAQDEER RECOGNITION PROGRAM

Q-Chem values its long-term employees and shows appreciation by recognizing their hard work with certificates of appreciation and bonuses. In 2022, 363 employees received long-service awards, and 47 Gold Taqdeer and 227 Taqdeer awards were presented. These achievements reflect employee satisfaction and Q-Chem's commitment to retaining a dedicated workforce that aligns with our culture and values.

QATARIZATION

Q-Chem is committed to the Qatar National Vision 2030 and National Development Strategy by developing and attracting Qatari nationals through its Qatarization initiative. The Qatarization Steering Committee oversees this initiative by offering capacity-building programs and individual development plans for Qatari employees, resulting in 13 successful career moves within Q-Chem this year. To promote inclusivity, Q-Chem offers opportunities for female Qatari candidates to learn about the organization and has initiatives, such as the 'My Story' program, to create a supportive and inclusive work environment for all employees.

In 2022, Q-Chem achieved a 4% increase in its Qatarization rate compared to the previous year, reaching our set target.

QATARIZATION	2020	2021	2022
Total number of Qataris in the workforce	217	224	234

TRAINING AND DEVELOPMENT

Q-Chem prioritizes training and development to drive business success and create a strong company culture. In 2022, we partnered with Skillsoft for e-learning to improve interpersonal skills development and create a Behavioral and Leadership Competency Framework to enhance Q-Chem's training processes. Q-Chem also launched a Leadership Assessment and Development Program to support employees in senior positions, as well as a Leadership Essentials Program for entry-level leaders and female employees who have not had formal management training. The program has three modules with adaptable content, tailored to Q-Chem's culture. These initiatives reflect Q-Chem's commitment to developing its workforce and promoting a diverse and inclusive workplace.

In 2022, both male and female employees received more training hours on average compared to the previous year.

TRAINING AND DEVELOPMENT	2020	2021	2022
Average hours of training per year for all employees	1.74	3.30	10.38
Average hours of training per year for female employees	5.46	8.26	19.77
Average hours of training per year for male employees	1.48	2.97	9.67



ENVIRONMENTAL PERFORMANCE

Q-Chem is committed to promoting sustainability and protecting the environment. As a petrochemical company, we understand the importance of implementing effective energy management, water management, and waste management processes. These initiatives aim to minimize the environmental impact of our operations and combat climate change. Q-Chem's commitment to responsible and conscious operations is a central part of our pursuit of operational excellence and shows our dedication to environmental sustainability.

MATERIAL ISSUES COVERED

ENERGY MANAGEMENT AND
CLIMATE CHANGE
WASTE MANAGEMENT
WATER MANAGEMENT

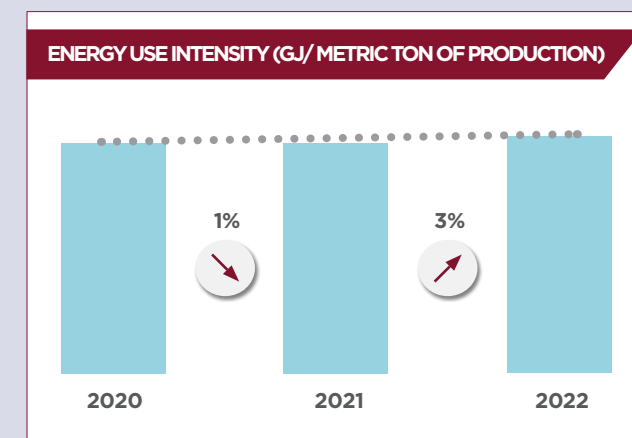
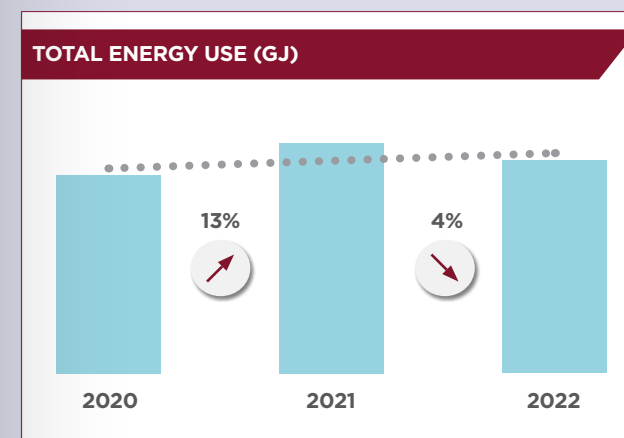
SUSTAINABLE DEVELOPMENT GOALS



ENERGY MANAGEMENT AND CLIMATE CHANGE

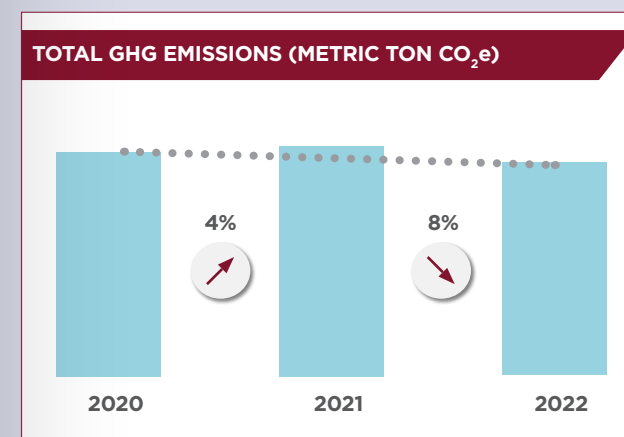
We are dedicated to maximizing resource utilization and reducing emissions to minimize our impact on the environment. Q-Chem's environmental management system has received certification from ISO 14001 Environmental Management System and RC 14001 Responsible Care Management System, which demonstrates our commitment to conducting operations in a responsible manner. To achieve this, Q-Chem employs innovative technologies and adheres to best practices to promote energy efficiency across all of our operations.

In 2022, there was an evident decrease in total energy use, a reduction of 4% compared to the previous year; mainly due to the turnaround. Q-Chem remains committed to the environmental objectives and continues to strive towards reducing energy consumption and emissions.



In 2022, Q-Chem made sustainable improvements to its transportation system by adding Compressed Natural Gas (CNG) buses to its fleet. CNG buses produce less emissions than traditional gasoline or diesel buses, resulting in a cost-effective and eco-friendly solution to reduce air pollution and carbon emissions. The CNG buses also operate more smoothly and generate less noise pollution.

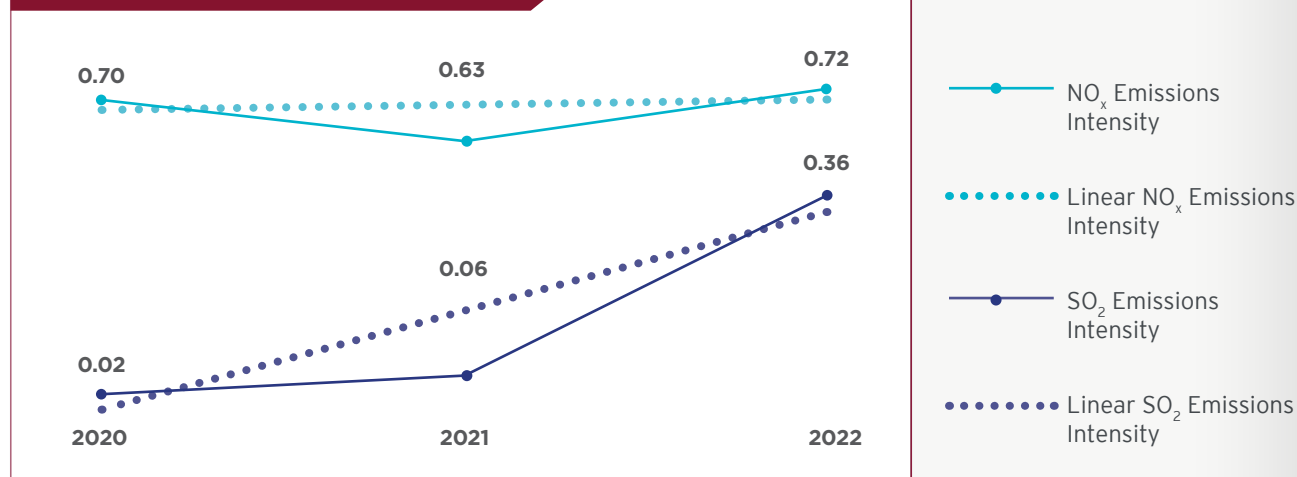
In 2022, an 8% reduction in total greenhouse gas emissions was recorded compared to the previous year, due to the turnaround.



Q-Chem upgraded its Burner Management System and Fire & Gas Detection System in 2022 to improve air quality and reduce the carbon footprint by controlling Sulfur Oxides (SO_x) emissions. Following the evaluation of various options, we decided on a plan to reduce Sulfur Dioxide (SO₂) emissions from the RLOC Thermal Oxidizer and reduce Nitrogen Oxides (NO_x) emissions from Q-Chem Catalyst Activators. RLOC and Q-Chem are currently taking action to implement these plans.

We anticipate observing the positive outcomes of these efforts in the coming years, even though the intensity of SO₂ and Nitrogen Oxide (NO_x) emissions increased in 2022 due to our major turnaround operation.

SO₂ AND NO_x EMISSIONS INTENSITY (METRIC TON/ 1000 METRIC TON PRODUCTION)



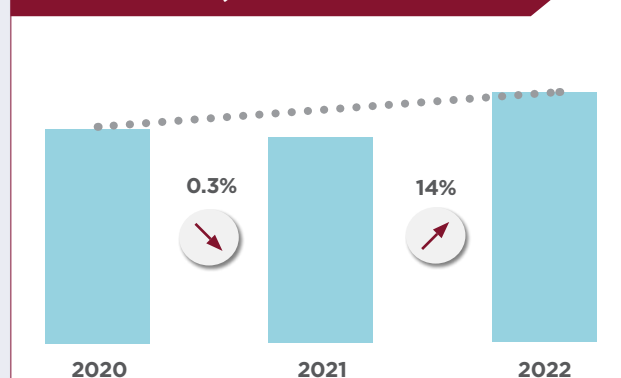
WASTE MANAGEMENT

In 2022, Q-Chem further demonstrated its commitment to sustainability through its pollution prevention programs, which encourages waste reduction, reuse, and recycling. We achieved significant progress in waste reduction by reusing 7,000 drums as hazardous waste containment, 6,000 wooden pellets, and recycling various materials including electronic waste, lubricant oil, waste containing hydrocarbons, plastic waste, used tires, and lead-acid batteries.

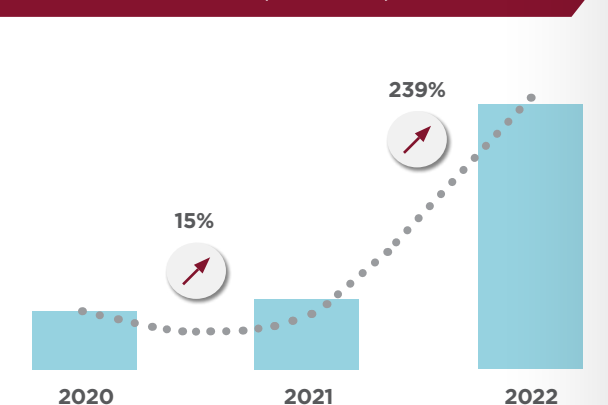
Q-Chem has also partnered with Tadweer Qatar, a sustainable waste management company, to further enhance its waste minimization efforts. Additionally, Q-Chem II has implemented the recycling of waste catalyst during sample collection, which has reduced the generation of waste catalyst. Q-Chem II has also ceased the use of medium-sized dumpsters to collect pellets and fines, instead deciding to mix these materials with the bigger pellet dumpster and sell it to customers.

The volume of waste produced increased during the necessary turnaround work, resulting in an increase in waste intensity. However, the total waste that was recycled also significantly increased during 2022.

WASTE INTENSITY (METRIC TON / 1000 METRIC TON PRODUCTION)



TOTAL WASTE RECYCLED (METRIC TON)



SPILLS

In 2022, we implemented measures to demonstrate Q-Chem's commitment to protecting the environment and minimizing its impact. The initiatives achieved to prevent spills include improving the Dock Jetty to ensure safer marine export operations, refurbishing storage tanks to eliminate the risk of leaks, and replacing the RLOC Stormwater Pond Liner to prevent any potential environmental events. Q-Chem is proud to have achieved zero reportable environmental incidents and spills in 2022.

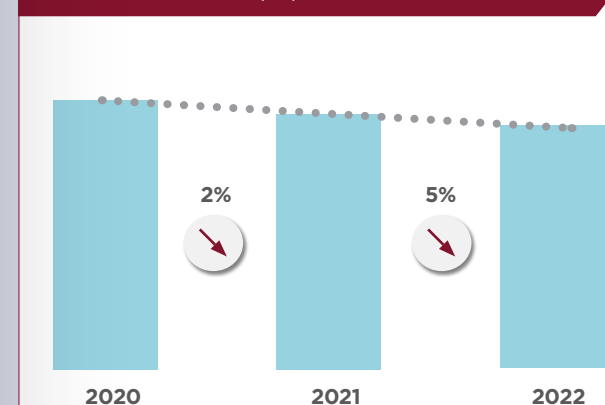
WATER MANAGEMENT

Q-Chem places a strong emphasis on environmentally mindful water usage, taking several steps to minimize wastewater and promote sustainability in water management. At the RLOC plant, facilities management has reduced freshwater usage by reprogramming the irrigation system control panel for more efficient water use and less waste. Q-Chem's recycled water is used for irrigation which also reduces the need for fertilizers.

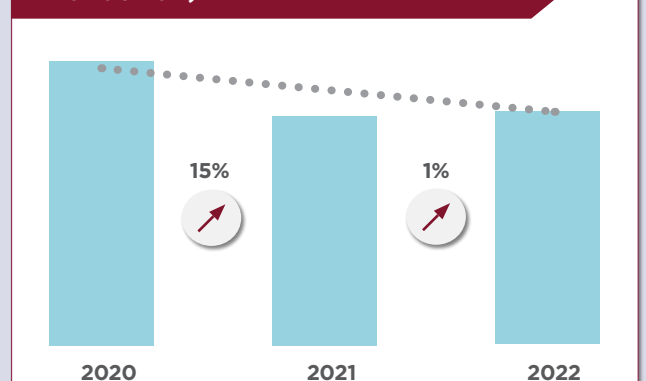
Q-Chem has launched two projects, Q-Chem Near Zero Liquid Discharge and RLOC Near Zero Liquid Discharge, aimed at minimizing wastewater discharge and maximizing recoverable fresh water. Both projects include adding facilities to treat and filter wastewater, reclaiming up to 75% of treated water. The RLOC plant is also retrofitting its process wastewater aeration system to improve the biological process and maintain steady treatment effluent parameters. By using a diffuser aeration system, the steady Dissolved Oxygen (DO) level will be maintained, leading to a consistent and efficient wastewater treatment process. Adopting this method leads to both efficient wastewater treatment and a reduction in overall water consumption.

The implementation of these various water efficiency efforts resulted in a decrease in fresh water usage by 5% in 2022 compared to the previous year's figures while the water use intensity has remained almost the same.

FRESH WATER USED (M³)



WATER USE INTENSITY (M³/METRIC TON OF PRODUCTION)



SUSTAINABLE GROWTH

At Q-Chem, we recognize the importance of sustainable growth and strive to achieve it through a balanced approach that considers our economic performance, product stewardship, sustainable supply chain, and community engagement. Our goal is to demonstrate how our focus on these interrelated areas has allowed us to achieve both financial success and sustainability, and the impact it has had on our business and the communities we serve.

MATERIAL ISSUES COVERED

ECONOMIC PERFORMANCE
PRODUCT STEWARDSHIP
SUSTAINABLE SUPPLY CHAIN
COMMUNITY ENGAGEMENT

SUSTAINABLE DEVELOPMENT GOALS



ECONOMIC PERFORMANCE

Our economic performance is a crucial aspect of our success. Our strong financial results enable us to fulfill the expectations of our shareholders and support the state of Qatar while also allowing us to make strategic investments for future growth. Our production has significantly increased since our inception in 2004, resulting in substantial revenue and contributing to Qatar's prosperity and development. In 2022, we invested in more projects to improve production, enhance safety, and comply with environmental regulations. In the coming years, we plan to continue our investment in projects aimed at ensuring our continued success and achieving our vision of sustainable and reliable economic performance.

PRODUCTION AND SALES

In 2022, Q-Chem experienced minimal changes in product prices compared to the previous year. Despite a 40-day planned maintenance shutdown, our derivative production remained consistent with historical trends. We also entered the final stage of our project to install an additional furnace at Q-Chem, which is designed to meet the environmental standards set by the State of Qatar. The additional furnace will increase production capacity and optimize feedstock consumption, contributing to the facility's continued success.

COST OPTIMIZATION

At Q-Chem, we are committed to meeting the expectations of our shareholders by improving our productivity and managing costs without sacrificing safety and reliability. We achieve this through functional cost analysis and identification of operational efficiency. Our operational excellence and continuous improvement programs support our efforts to foster a culture of efficiency.

PRODUCT STEWARDSHIP

Q-Chem is a leading producer of top-quality Polyethylene Resins, Normal Alpha Olefins (NAO), and 1-Hexene in the Middle East, serving both local and international markets, including Asia, Africa, and Europe. As a member of the Gulf Petrochemicals and Chemicals Association (GPCA), we are committed to responsible product stewardship. Q-Chem fully supports the GPCA Responsible Care® and Gulf SQAS programs, which are focused on product safety, health and environmental protection. In addition, Q-Chem has implemented best practices through its commitment to Operation Clean Sweep® (OCS) to implement systems to prevent plastic loss and reduce product environmental impact. We have a Product Risk Management Team that manages and ensures product safety. Q-Chem has also earned international accreditation for ISO 9001 Quality Management Standard and RC 14001 Responsible Care standards. Our customers can easily access our safety data sheets and product stewardship summaries for all our products on our website.

SUSTAINABLE SUPPLY CHAIN

Q-Chem uses a supplier qualification self-audit questionnaire to ensure that only companies that prioritize employee safety, health, and well-being are allowed to work on our plant sites. All bidders are required to complete the questionnaire prior to any site activities. This ensures that all bidders are aware of Q-Chem's high standards for safety, quality, social, and environmental responsibility.

We believe that working with local contractors will stimulate the local economy, encourage sustainable business practices, and support Qatar's goal of economic growth and development as outlined in the Qatar National Vision 2030. In 2022, the actual spending for local services procurement increased by 40% from the previous year. This was due to the significant turnaround activities at the Q-Chem plant site, which were supported by local contractors and demonstrated Q-Chem's commitment to supporting the local market.

COMMUNITY ENGAGEMENT

Q-Chem continued to prioritize the efforts in supporting local entities and enhancing community engagement. Recognizing our significant role in the community, we remain dedicated to implementing socially responsible initiatives that have a positive impact on the people of Qatar. With a strong focus on corporate social responsibility (CSR), Q-Chem's strategy aims to promote a healthy society, give back to the community, and improve engagement with all stakeholders.

Q-Chem remains committed to our CSR initiatives and while this is not reflected in the 26.9% decrease in spending in 2022, this decrease was due to the impacts of Covid-19 restrictions and the World Cup, which caused several planned events to be postponed. Despite these challenges, Q-Chem continued to prioritize community engagement by increasing our participation in internal initiatives that required less spending and more utilization of our own resources.

In 2022, the total number of initiatives and sponsorships increased by 77% compared to the previous year, resulting in a rise in total volunteer hours.

COMMUNITY ENGAGEMENT	2020	2021	2022
Total number of initiatives or sponsorship	8	13	23
Total volunteering hours provided to community	242	223	955



EDUCATIONAL INITIATIVES

Qatar University approached Q-Chem to deliver a lecture on "Process Safety in Chemical Industries" and one on "Environmental Impact Assessment" to their chemical engineering students. Our Head of Process Safety and Environmental Manager at Q-Chem took the opportunity to educate future graduates and aid in their ability to contribute to the safe operation of chemical industries in the region.



COMMUNITY INITIATIVES

Q-Chem has generously donated 53 refurbished desktops to 5 local charity organizations and educational institutions. These desktops have been cleaned and sanitized by our technicians to ensure they are in optimal working condition. This donation helps local charities, including Qatar Charity, Eid Charity, Quodorat Center, Lulua Center, and Al-Khor Primary School, to provide valuable resources to young people and support their education and development.



HEALTH INITIATIVES

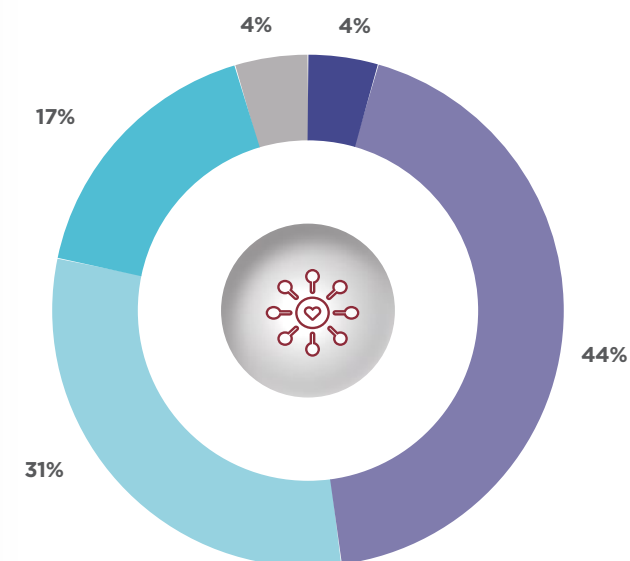
Q-Chem organized a blood donation drive in which employees from all locations had the opportunity to contribute. A total of 139 units of blood were collected from Q-Chem employees as well as employees from different companies in Amwal Tower, Q-Chem's headquarters. This annual event is a commitment for Q-Chem that showcases the critical impact of donations.



ENVIRONMENTAL INITIATIVES

Q-Chem is committed to promoting environmental sustainability and protecting natural resources through various initiatives. We participated in the "Turtle Beach Clean-up Day" in collaboration with RLIC, where 700 volunteers worked to protect Hawksbill Turtles during nesting season and remove pollutants from the beach. Q-Chem also supported the "Waste-Free Environment" campaign, promoting the 3Rs concept of Reduce, Reuse, and Recycle and working with stakeholders to find sustainable solutions. Additionally, Q-Chem planted 100 trees in line with the Ministry of Environment and Climate Change (MOECC)'s Plant Million Tree campaign to reduce emissions and promote environmental sustainability.

COMMUNITY OUTREACH



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



Educational Initiatives



Sport Initiatives



Health Initiatives



Environmental Initiatives



Community Initiatives



APPENDIX

APPENDIX A. QATAR STOCK EXCHANGE (QSE) ESG GUIDELINES

QSE KPI #	ESG KEY PERFORMANCE INDICATORS	MEASUREMENT ANNUAL, UNLESS INDICATED OTHERWISE	QNV PILLAR	PAGE #
ENVIRONMENTAL				
1	Environmental Policy	Does the company publish and follow an environmental policy?	Environment	N/A
2	Environmental Impacts	Any legal or regulatory responsibility for an environmental impact?	Environment	23
3	Energy Consumption	Total amount of energy usage in MWh or GJ	Environment	23
4	Energy Intensity	Amount of energy used per m ³ of space, and per FTE	Environment	23
5	Carbon/GHG Emissions	Total amount of Carbon and Green House Gas emissions in metric tons	Environment	23
6	Primary Energy Source	Specify the primary source of energy used by the company	Environment	N/A
7	Renewable Energy Intensity	Specify the percentage of energy used that is generated from renewable sources	Environment	N/A
8	Water Management	Total amount of water consumption, and details in respect of recycling if any, in m ³	Environment	25
9	Waste Management	Total amount of waste generated, recycled, or reclaimed, by type and weight	Environment	24
SOCIAL				
10	Full-Time Employees	Number of full-time employees	Human	20
11	Employee Benefits	Total amount of employee wages and benefits	Human	N/A
12	Employee Turnover Rate	Percentage of employee turnover	Human	N/A
13	Employee Training Hours	Total number of hours of training for employees divided by the number of employees	Human	18 & 21
14	Health	Does the company publish and follow a policy for occupational and global health issues?	Human	17
15	Injury Rate	Total number of injuries and fatal accidents relative to the number of FTEs	Human	17

QSE KPI #	ESG KEY PERFORMANCE INDICATORS	MEASUREMENT ANNUAL, UNLESS INDICATED OTHERWISE	QNV PILLAR	PAGE #
16	Human Rights Policy	Disclosure and adherence to a Human Rights Policy	Social	N/A
17	Human Rights Violations	Number of grievances about human rights issues filed, addressed, and resolved	Social	N/A
18	Child & Forced Labor	Does the company prohibit the use of child or forced labor throughout the supply chain?	Social	N/A
19	Women in the Workforce	Percentage of women in the workforce	Social	20
20	Qatarization	Percentage of Qatari nationals in the workforce	Human	20
21	Community Work	Number of hours spent, and/or other community investments made as a percentage of pretax profit	Social	28-29
22	Local Procurement	Percentage of total procurement from local suppliers	Economic	27
GOVERNANCE				
23	Board - Diversity	Percentage of Board seats taken by women	Social	N/A
24	Board - Independence	Percentage of Board seats taken by independent directors	Social	N/A
25	Board - Separation of Powers	Specify whether the CEO is allowed to sit on the Board, act as the Chairman, or lead committees	Social	13
26	Voting Results	Disclosure of the voting results of the latest AGM	Social	N/A
27	CEO Pay Ratio	Ratio of CEO salary and bonus against the median FTE salary and bonus	Social	N/A
28	Gender Pay Ratio	Ratio of median male salary to median female salary	Social	N/A
29	Incentivized Pay	Specify the links between (executive) remuneration and performance targets	Economic	N/A
30	Ethics Code of Conduct	Does the company publish and follow an Ethics Code of Conduct?	Social	14
31	Supplier Code of Conduct	Does the company publish and follow a Supplier Code of Conduct?	Social	27
32	Bribery/Anti-Corruption Code	Does the company publish and follow a Bribery/Anti-Corruption Code?	Social	14
ESG REPORTING GENERALLY				
33	Sustainable Reporting Frameworks	Does the company publish a GRI, CDP, SASB, IIRC, or UNGC report?	Social	3
34	External Assurance	Are the company's ESG disclosures assured by an independent third party?	Social	N/A



شركة قطر للكيماويات المحدودة
QATAR CHEMICAL COMPANY LTD



شركة راس لفان للأوليفينس المحدودة
Ras Laffan Olefins Company Limited