شركة قطر للإضافات البترولية المحدودة
Qatar Fuel Additives Company Limited

Sustainability Report 2023

His Highness

Sheikh Tamim Bin Hamad Al Thani

Amir of the State of Qatar

His Highness

Sheikh Hamad Bin Khalifa Al Thani

The Father Amir

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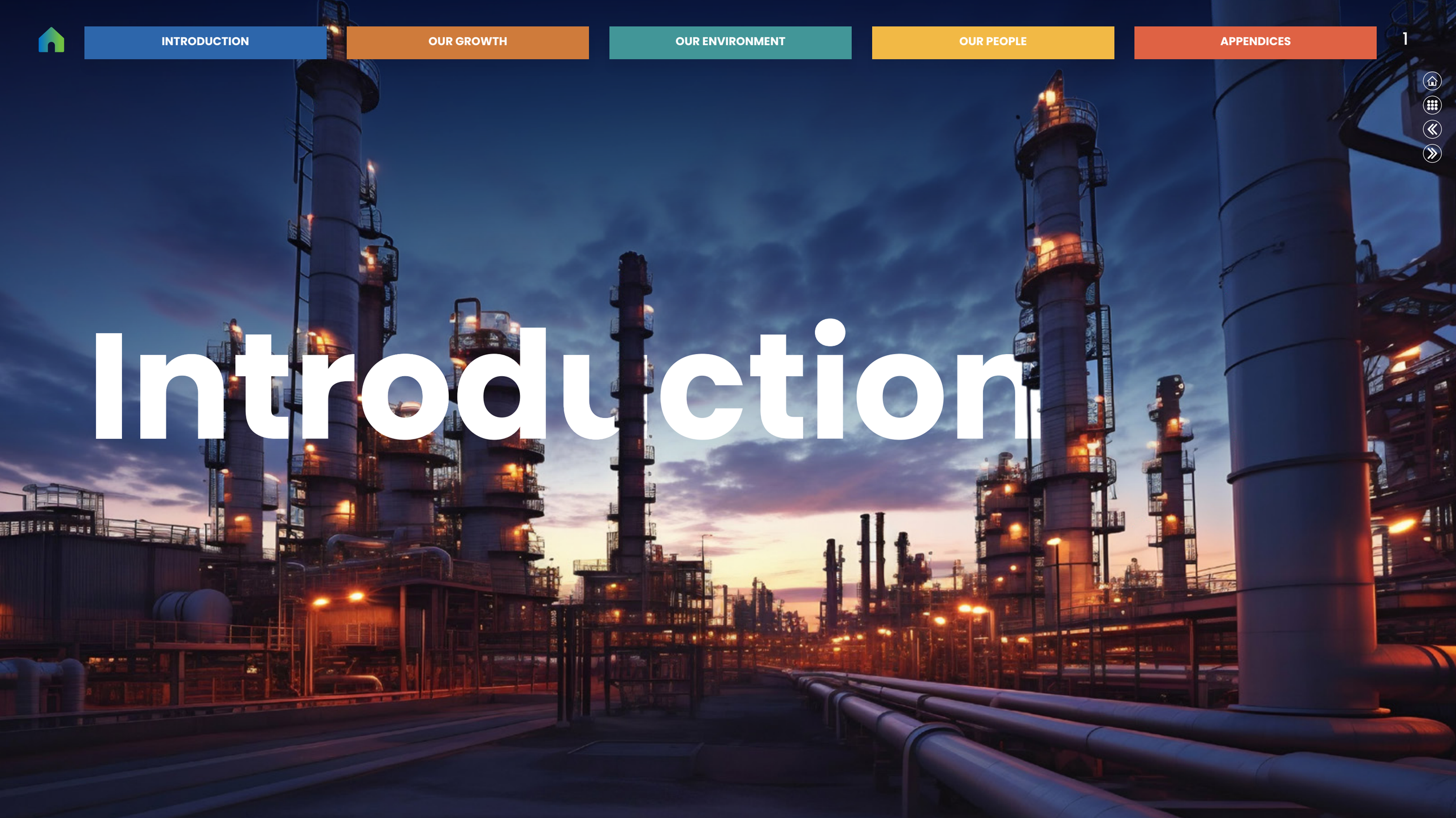


Introduction

About this Report

Qatar Fuel Additives Company's (QAFAC) 13th annual sustainability report highlights the organization's performance on environmental, social and governance (ESG) and economic topics of material importance to the company. The report covers QAFAC's activities in these areas in the calendar year 1 January 2023 to 31 December 2023.

Reporting Framework

This report has been prepared in accordance with the GRI Standards 2021. The report also follows the Sustainability Accounting Standards Board (SASB) Oil and Gas Sector Standard, the International Petroleum Industry Environmental Conservation Association (IPECA), Gulf Petrochemicals and Chemicals Association (GPCA) and Qatar Stock Exchange (QSE) Environment, Social and Governance (ESG) Guidance. The report details our contribution to supporting the achievement of the United Nations Sustainable Development Goals (UN SDGs) and the Qatar National Vision (QNV) 2030.

Reporting Topic Boundaries

This report includes information and data related to our activities in Qatar, including the Head Office, Methanol plant, Utility facility, and the Methyl Tert-Butyl Ether (MTBE) plant. Sales and transportation of products are excluded from the reporting boundaries as we do not manage these directly. Data from contractors and suppliers are not included in this report unless otherwise stated.

Information Covered

This report focuses on our performance in relation to the topics that have been identified as having a material impact on both our business and our stakeholders. We have highlighted some of the key initiatives and achievements of 2023 which have helped us improve our performance on these topics and assisted us in accomplishing our goals and targets.

Data Collection and Reporting Approach

The information and data disclosed in this report have been gathered in accordance with the GRI Standards 2021, SASB, GPCA, IPIECA, and Industries Qatar (IQ). Where possible, we have stated our strategy for data collection, calculation methodologies and assumptions, if any. Greenhouse gas (GHG) emissions data has been validated by a consultant appointed by QatarEnergy. While external assurance has not been conducted on this report, the data and information have been subjected to a rigorous review process to identify any potential inconsistencies and ensure reliability.

Disclaimer

QAFAC is not legally responsible for any typographical errors, calculation inaccuracies, or reference issues.

Let us hear from you

We continually seek to improve our sustainability reporting and welcome your feedback on the contents of this report and our reporting methodology. Feedback can be provided via:

Telephone: +974 4476 6777 / 4477 3400
Fax: +974 4477 3555
Email: hse@qafac.com.qa

GRI 2-3

Message from our Chairman

Sheikh Thani Bin Thamer Al-Thani

Chairman, Qatar Fuel Additives Company

Dear Stakeholders,

I am pleased to share QAFAC's 2023 Sustainability Report. QAFAC is committed to transparent reporting of our sustainability performance. This is the thirteenth QAFAC Annual Sustainability Report.

Sustainability is an essential foundational element of QAFAC's corporate strategy and is prominent in all our endeavors. QAFAC practices responsible environmental stewardship and is committed to finding solutions to environmental and social challenges. By developing sustainability practices and incorporating them into our workplace culture, we make a positive impact on addressing issues such as climate change, resource management, diversity, equal opportunities, and community development.

The sustainability-focused approach requires QAFAC to have the ability to quickly adapt to the ever-changing regulatory environment. This approach recognizes and embraces the need for change to remain relevant and to continue creating value for all our stakeholders.

Over the past year, we have witnessed the increasing impact of climate change such as the extreme weather that is often accompanied by floods, heatwaves, and fires.

Energy security is a key focus area, and the energy sector has a vital role to play in providing energy security, QAFAC is well positioned to meet the rising energy demands in a sustainable manner that contributes to continued economic growth.

The QAFAC Board and Management Team support the implementation and maintenance of sustainable practices and principles in all our activities.

I wish to thank all of you for your continued support on our sustainability journey and wish you continued success in the year ahead.

> **The sustainability approach at QAFAC recognizes and embraces the need for change to remain relevant and to continue creating value for all our stakeholders.**

Message from our CEO

I am immensely proud to present QAFAC's 13th Annual Sustainability Report of 2023. This report highlights our resolute dedication to making a sustainable positive impact.

Throughout QAFAC, we implement and maintain sustainable business practices, such as good governance, efficient resource management, the protection of the environment and a commitment to ensuring the safety and wellbeing of our workforce. QAFAC has recently achieved an impressive safety milestone of 22 million safe working hours.

Our planned Turnaround for 2023 was successfully completed, achieving 1.88 million safe working hours without a lost time accident. During peak time, more than 4,500 workers were recorded on-site. The Turnaround also recorded zero medical treatment cases (MTCs), process safety events (PSEs) Tier 1 & 2, and high-intensity fires.

QAFAC is aligned with Qatar's National Vision 2030 and QatarEnergy's climate action commitments. In 2023, we have increased our efforts in the efficient use of resources and the reduction of our environmental impacts.

QAFAC is committed to sustainable practices that enhance environmental protection. We have installed new Ultra-Low NOx burners in our boilers which has significantly reduced our NOx emissions. Our water conservation efforts have realized a 9% reduction in freshwater (desalinated water) withdrawal, and now 15% of our water usage is sourced from recycled water.

We focus on plant reliability and efficient operations that use resources optimally and reduce wastage. Our Methanol plant achieved one of the world's highest plant utilisation rates in peer industry, at 97.7%. This represents 16% above the global average and demonstrates the value that QAFAC has gained from the technical and digital upgrades at the plant.

The attainment of ISO/IEC 17025:2017 accreditation by the QAFAC Laboratory in 2023 is invaluable, as this certification enhances the laboratory's national and international reputation and standing in industry.

QAFAC supports Qatar's National Vision Qatarization target and has achieved a Qatarization rate of 30.7% across the organization and 72% at the senior management level. Support for local businesses is evident as 66% of procurement spend is directed towards local suppliers.

These efforts play a pivotal role in bolstering the country's economy and creating opportunities for talented individuals across Qatar. By actively engaging with local businesses and fostering a diverse and inclusive workforce, we contribute to the advancement and prosperity of our community in accordance with the Nation's strategic vision.

As we look to the future, we will confidently expand our initiatives to ensure strategic growth and sustainability. This will ensure that QAFAC remains viable and resilient and continues to provide quality products in an environmentally friendly manner.

> **Our Methanol plant achieved one of the world's highest plant utilisation rates in peer industry, at 97.7%. This represents 16% above the global average and demonstrates the value that QAFAC has gained from the technical and digital upgrades at the plant.**

Ahmed Abdulqader Al-Ahmed

Chief Executive Officer,
Qatar Fuel Additives Company

About QAFAC

Founded in 1991 as a joint venture, Qatar Fuel Additives Company (QAFAC) commenced operations in 1999. QAFAC is owned by Industries Qatar, OPIC Middle East Corp., International Octane L.L.C., and LCY Middle East Corporation. QAFAC is a key member of the QatarEnergy group of companies and of the energy sector in the State of Qatar. The company's headquarters are in Doha, Qatar, with a production plant in Mesaieed Industrial City, where it produces Methanol and methyl tert-butyl ether (MTBE).

Domestically, our products are sold to the Gulf Formaldehyde Company Q.S.C., a subsidiary of Qatar Fertilizer Company (QAFCO), and QatarEnergy, while international sales are carried out by the Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. (Muntajat).

Methanol

Methanol is a versatile chemical compound derived from natural gas, coal, biomass or recycled carbon dioxide. It has numerous applications, primarily as a chemical additive in many products. It is widely used as a solvent in the production of adhesives, paints, and coatings, and in the production of plastics, fibers and resins. It is also found in electronics, furniture, garments and fabrics and even medicines.

Methanol can also be used as a clean, efficient and adaptable alternative energy source and is found in fuel cells, as a petrol additive and as a substitute for diesel fuel. As Methanol has a higher energy content than ethanol, it is more efficient as a fuel and produces fewer greenhouse gas emissions and air pollution, making it of potentially greater use as an energy source.

MTBE

MTBE is a chemical compound manufactured by the chemical reaction of Methanol and isobutylene. It is used almost exclusively as a fuel additive in petrol.

MTBE is a colorless flammable liquid with an average octane number of 108. It is used as a petrol additive to provide clean-burning fuel to reduce the exhaust pollution generated by motor vehicles, as well as eliminating the need for tetraethyl lead in the petrol.

Methanol

- Commodity product
- QAFAC plant is designed to produce 2,950 metric tonnes per day
- Basic chemical building block used in the creation of numerous goods
- Used as an additive for transportation and marine fuel

922,664 MT

Methanol was Produced in 2023
3% higher than the budget

MTBE

- Speciality product
- QAFAC plant is designed to produce 1,830 metric tonnes per day
- Used as an emissions-reducing additive in petrol for Qatar and clients worldwide

628,281 MT

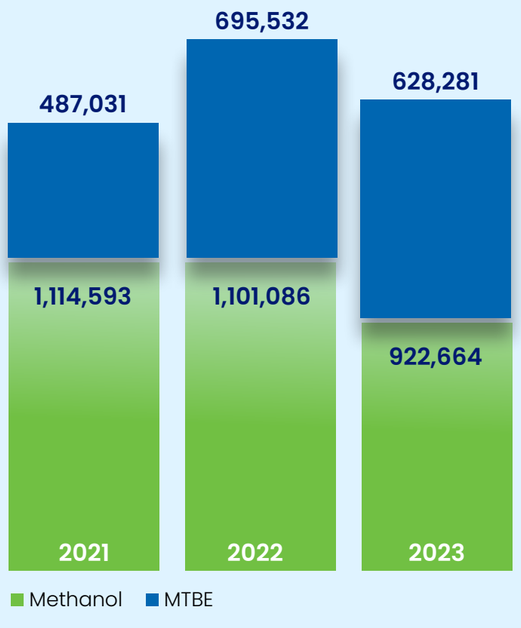
MTBE was produced in 2023
10% higher than the budget

GRI 2-1, GRI 2-2

QAFAC fulfils the MTBE requirements for all domestic petrol sold in Qatar. The Gulf Formaldehyde Company Q.S.C transforms our Methanol to formaldehyde for producing Urea Formaldehyde, which is sold locally. Our products are also sold in the Middle East, the Americas, Europe and Asia.

In 2023, a scheduled plant Turnaround took place, involving maintenance, repairs, and inspections aimed at ensuring the plant's safe and efficient operation. As a result of this planned plant Turnaround, production of Methanol and MTBE reduced by 16% and 10%, respectively.

QAFAC Methanol and MTBE Production (MT/year)



Methanol Plant achievements in 2023

Highest daily average production in December was **3,171.5 MT**, breaking the previous record of 3,150 MT in March 2020.

A record of **1,334 continuous operation days.**

Plant reliability was **98.57%** against a target of 96%.

New Ultra Low-NOx burners were successfully commissioned in the utility boilers, bringing NOx emissions below **62.5 PPM** (i.e. MoECC limit as per Law No 30 of 2002).

MTBE Plant achievements in 2023

Achieved a new Days on Stream record of 555 days in September.

Highest summer production since 2015.

Qatar's national energy company, QatarEnergy, aims to expand exports of liquefied natural gas from 77 MMT to 142 MMT by 2030. As a result, QatarEnergy has initiated investments, allocate resources and explore innovative ways to develop their revenues and new pathways to monetise their assets. To support these goals and QatarEnergy' s long-term vision, QAFAC in conjunction with QatarEnergy and relevant stakeholders is in the process of launching exploratory studies which will extend the value of methane and butane allocation to continue producing sustainable products. With this premise in mind, we are looking beyond Methanol and MTBE to consider products such as Blue Methanol, Methanol derivatives and derivatives of isobutylene.

HIGHLIGHT STORY

Methanol's Role in a Low-Carbon Economy

Methanol is complimentary to Liquefied Natural Gas (LNG) and Ammonia as alternatives to transition energy solutions to help emerging and developing economies shift from using coal to meet their power and transportation energy requirements. Global demand for petrochemicals and the global transportation of goods continues to grow. With global commitments to decarbonisation, this means growing pressure to reduce or eliminate the carbon footprint of these products and activities.

The points below illustrate ways in which Methanol can help tackle this challenge.

Used as an additive in marine fuel, Methanol is helping the shipping industry transition to a more sustainable future. As well as reducing sulphur and nitrogen oxide emissions, Methanol can reduce greenhouse gas emissions and improve air quality.

Methanol can support decarbonisation in developing economies. In these societies, where energy demand is rapidly increasing, Methanol can provide a viable and cost-effective alternative to traditional fossil fuels. It is, for example, an essential component in the production of biodiesel. Moreover, as it can be produced from a variety of sources, it can be produced in many different parts of the world, making it an ideal fuel for regions that lack access to traditional energy sources. It can also be transported and stored using existing infrastructure such as pipelines, tanks and ships, which means that it can be easily integrated into existing energy systems.

Vision, Mission, and Values

VISION

Be a leading producer of Methanol and MTBE, recognised for our reliability and the quality of our products

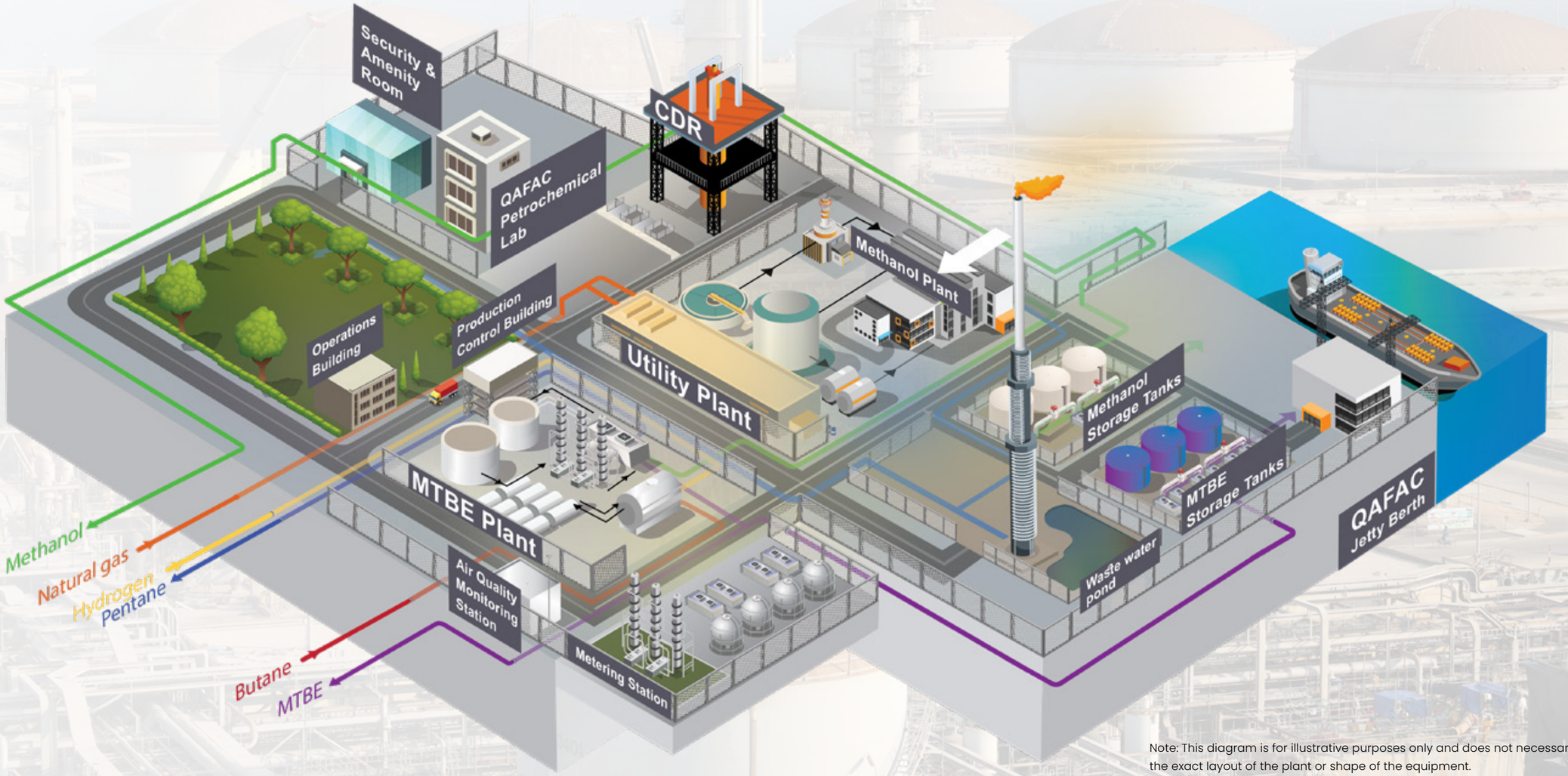
MISSION

To produce high-quality Methanol, MTBE and other derivatives by developing our talent, fostering our culture of excellence and maintaining the highest HSE standards. We create value for all our stakeholders and contribute to Qatar National Vision 2030

OUR VALUES

Safety	**"We ensure safety in everything we do."**	We place the highest priority on the health and safety of all our employees and contractors, their families and the communities around us. We strive for incident-free workplaces.
People	**"We care about people."**	We promote trust, respect, empowerment and teamwork to leverage our collective strengths.
Excellence	**"We strive for continuous improvement in all dimensions."**	We always seek to enhance our processes and systems to achieve greater efficiency, productivity and performance.
Integrity	**"We always choose to do the right thing."**	We govern our actions by honesty, ethics, transparency and fairness.
Responsibility	**"We care deeply for the environment and all the communities we impact."**	We commit to operate in a sustainable and socially responsible manner.

Our Value Chain



Note: This diagram is for illustrative purposes only and does not necessarily reflect the exact layout of the plant or shape of the equipment.

GRI2-6

Our Journey

1991
Emiri decree issued establishing QAFAC

1993
Chinese Petroleum Corporation and Lee Chang Yung Chemical Industry Corporation, both of Taiwan, became QAFAC shareholders

1995
Project Licensor Agreement signed with Universal Oil Products (UOP) and Jacobs Engineering

1997
Engineering, Procurement and Construction contract awarded to Chiyoda

1999
Official inauguration of QAFAC

2014
- Reached 3 million working hours without a Lost-Time Incident (LTI)
- Launch of Carbon Dioxide Recovery Plant

2018
Achieved 10 million safe working hours

2019
- Launch of Energy Management System project
- Commissioning of Selective Non-Catalytic Reduction (SNCR) unit
- Completion of LTI-Free Turnaround

2020
Implementation of GHG Accounting and Reporting programme

2021
- Safe commissioning of Regenerant Gas Scrubbing (RGS) Project
- QAFAC Strategy Refresh

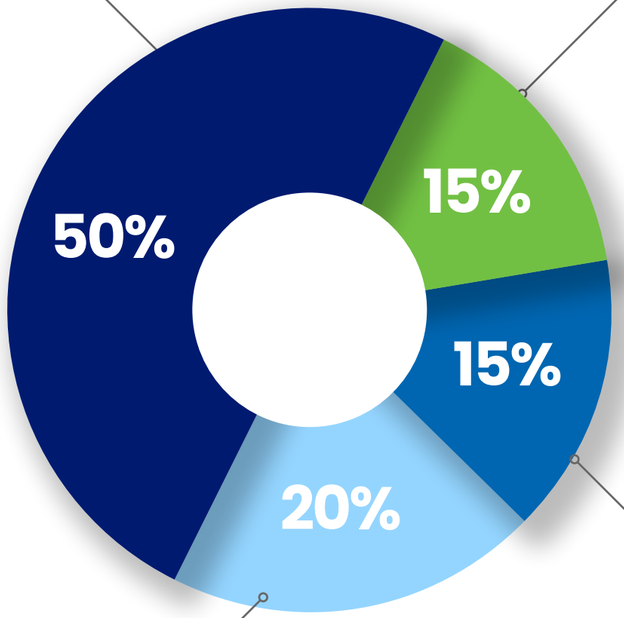
2022
- Approval of Security Amenity Building and QAFAC Petrochemical Laboratory buildings from Qatar Civil Defence and QatarEnergy
- Safe completion of Leak Detection and Repair Programme (Methane Sources) and Relative Accuracy Test Audit (RATA) for CEMS analyser's Programmes
- Became a community member of the Global Reporting Initiative

2023
- Completion of Lost-Time Injury (LTI) free Turnaround
- Record average daily Methanol production achieved
- Reached 22 million safe working hours without a lost-time incident
- Methanol Plant boasts a remarkable Plant Utilisation rate of 97.7%, surpassing the global average by 16%
- Completion and commissioning of Integrated Gas Supply to Mesaieed Consumers (IGSMC) project

Our Shareholders

Industries Qatar (IQ)

A joint stock company registered and incorporated in the State of Qatar as a Qatari Public Shareholding Company (Q.P.S.C.). In 2003, QatarEnergy transferred the entire shareholding in QAFAC to IQ. QatarEnergy owns 51% of IQ. QatarEnergy is the state-owned corporation of Qatar, engaged in all phases of the hydrocarbon industry in Qatar and abroad, including the exploration and production of oil and gas, and in downstream industries such as QAFAC.



LCY Middle East Corp. (LCYMEC)

A wholly owned subsidiary of LCY Investments Corp., which is, in turn, a wholly owned subsidiary of the LCY Chemical Corp. (LCY), founded in 1965 and committed to science innovations for a sustainable future. The product portfolio of LCY includes synthetic rubber and performance plastics, electronic-grade chemicals, bioscience, and Methanol and solvents. LCY operates with integrity, teamwork, innovation, and accountability and has footprints across Asia, North America, and the Middle East.

OPIC Middle East Corporation (OMEC)

A wholly owned subsidiary of Overseas Petroleum and Investment Corporation, which in turn is beneficially owned by the CPC Corporation of Taiwan (CPC). CPC is a state-owned enterprise involved in exploring, refining, storing, and distributing oil and natural gas and manufacturing petrochemical raw materials.

International Octane LLC (IOLLC)

A DUTCO Group of Companies member with interests in civil, mechanical, and electrical engineering, manufacturing, hospitality, real estate, oil, and gas production, and the renewable energy sector, both in the UAE and globally. IOL was established to develop business opportunities worldwide in the rapidly growing MTBE and Methanol markets. IOL was the developer of the QAFAC project jointly with QatarEnergy

OUR MEMBERSHIPS AND ASSOCIATIONS

The Royal Society for the Prevention of Accidents (RoSPA)

The Gulf Petrochemicals and Chemicals Association (GPCA)

Global Reporting Initiative (GRI)

Methanol Institute (MI)

Governance at QAFAC

CORPORATE GOVERNANCE

QAFAC's Board of Directors (BoD) is the organization's highest governing body. It supports and oversees the Company's legal and statutory compliance, the establishment of internal controls and the management of risks. The Board is also responsible for the approval of strategic matters such as the direction, plans and priorities for the Company, as well as the monitoring of the organization's performance.

The Board consists of the Chairman, Vice-Chairman, Chief Executive Officer (CEO) and five other directors who represent all shareholders. In compliance with Commercial companies Law, an annual general meeting (AGM) is held with shareholders, referred to as an Ordinary General Assembly (OGA). Matters related to the Board's remuneration are discussed at the annual OGA and approved through a shareholders' resolutions.

Audit and Risk Committee (ARC) is a subcommittee of the Board which consists of 4 members representing each shareholder. The Vice Chairman of the Board is the Chairman of the ARC. The Internal Audit function functionally reports to the ARC and administratively reports to the CEO. ARC meetings are held at least once in each quarter. Internal Aduit and Enterprise Risk Management (ERM) function reports to the ARC on a quarterly basis.

In 2023, QAFAC's Corporate Governance Manual was revised and updated, primarily to incorporate changes in the Articles of Association approved by QAFAC's shareholders and the Board. The revised Articles of Association have also been approved by the Ministry of Commerce and Industry and published in the official Gazette. The Corporate Governance Manual was presented to the Board without objection on December 2023.

COMMITTEES

The Board is supported in its work by four committees:

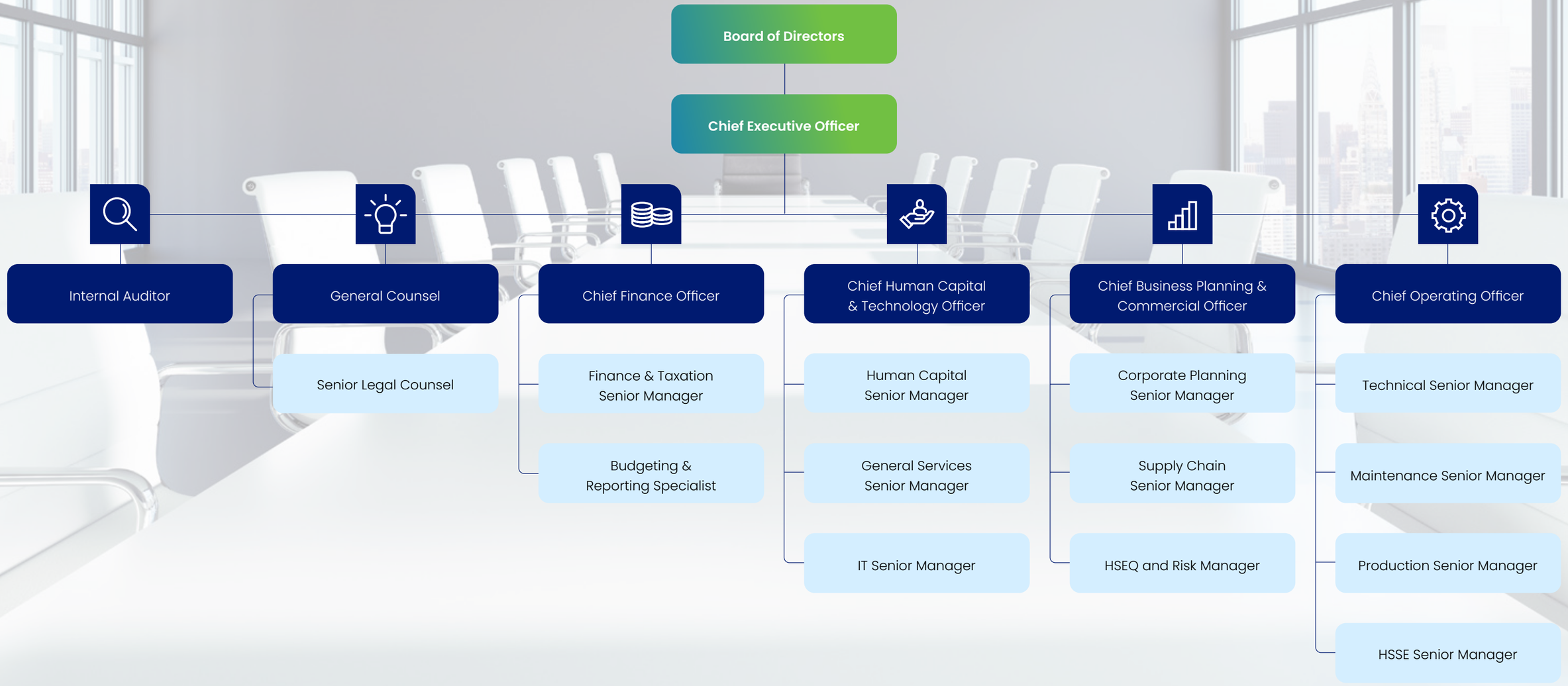
- **Audit and Risk Committee:** Responsible for evaluating and managing risks
- **Policies and Procedures Committee:** Responsible for reviewing and updating company policies
- **QAFAC Tender committee:** Responsible for the procurement process
- **Conflict of Interest Committee:** Responsible for compliance with our ethical standards

BOARD OF DIRECTORS

8 Total number of board members	**0** Total number of independent members	**8** Total number of non-independent members	**8** Total number of executive members	**0** Total number of non-executive members
1 Total board seats occupied by women	**7** Total board seats occupied by men	**0** Total number of board members under 30 years of age	**7** Total number of board members over 50 years of age	**1** Total number of board members between 30-50 years of age

GRI 2-9, GRI 2-10, GRI 2-12, GRI 2-13, GRI 2-15, GRI 2-17, GRI 2-20, GRI 2-27

ORGANIZATIONAL STRUCTURE



GRI 2-9, GRI 2-11

OUR DIRECTORS

Sheikh Thani Bin Thamer Al-Thani
Chairman, (IQ)

Rashid Mohd Al-Fehaidi
Vice-Chairman, (IQ)

Ahmed Abdulqader Al-Ahmed
Director and Chief Executive Officer, (IQ)

Abdulaziz Khalil Al-Meer
Director, (IQ)

Huei-Jane Liao
Director, (OMEC)

Chin-Jung Hsu
Director, (OMEC)

Bowei Lee
Director, (LCYMEC)

Tariq Baker
Director, (IOLLC)

LEADERSHIP TEAM

Ahmed Abdulqader Al-Ahmed
Chief Executive Officer

Sultan Al-Enazi
Chief Operating Officer

Anwar Al-Enazi
Chief Finance Officer

Khalifa Al-Sowaidi
Chief Human Capital & Technology Officer

Khalid Al-Mannai
Chief Business Planning & Commercial Officer

Dave Samaroo
General Counsel

GRI 2-9, GRI 2-11, GRI 405-1

Certifications

To provide assurance of our operations, QAFAC's Internal Audit division reviews all of the organisation's business processes and procedures. Internal Audit directly answers to the CEO before reporting to the Board of Directors. Periodic internal audits are carried out and adhered to as required by applicable standards.

THROUGHOUT 2023, QAFAC SUCCESSFULLY MAINTAINED THE FOLLOWING ISO CERTIFICATIONS

ISO 9001:2015
Quality Management System

ISO 14001:2015
Environmental Management System

ISO 45001:2018
Occupational Health and Safety Management System

ISO/IEC 27001:2013
Information Security Management System

ISO 22301:2019
Business Continuity Management System

ISO/IEC 17025:2017
Testing and calibration laboratories

QAFAC'S STRATEGY

QAFAC

Vision

Be a leading producer of Methanol & MTBE recognized for our reliability and the quality of our products.

Mission

To produce high quality Methanol, MTBE and other derivatives by developing our talent, fostering our culture of excellence and maintaining the highest HSE standards. We create value for all our stakeholders and contribute to Qatar National Vision 2030.

Strategic Priorities

	Double down on **core products** profitability **LEADERSHIP ECONOMICS**	Prepare for new **GROWTH ENGINES**
WHERE TO PLAY	Optimize **production volume** for Methanol & MTBE Achieve **business excellence** to optimize efficiency and quality	Continue exploring **de-bottlenecking** and prepare for potential **brownfield plant expansion** for **Methanol & MTBE** Screen **Methanol derivatives** portfolio
HOW TO WvIN	Maintain high **plant availability and reliability** in the **most economical way** Continue to **improve efficiency of operations, project execution and support functions** Enhance **cost synergies with QatarEnergy system**	Explore **technical ideas to optimize/ de-bottleneck** the plant within current constraints Develop **technical & market intelligence** with support of QatarEnergy & Muntajat *(Includes Methanol derivatives and alternative production route for Methanol)* Explore **by-products synergies** with the rest of QatarEnergy system e.g., H_2, CO_2
ENABLERS	Prepare for **long-term SUSTAINABILITY**	
	Sustain **top quartile Health and Safety performance** **Strive for excellence in environmental protection** High Performance Organization, focus on **talent management, Qatarization and succession planning** Boost **digitalization** to become a **'reference'** in our industry Strengthen **stakeholder alignment** **Support shaping regulations** impacting our products	

STRATEGY AND RISK MANAGEMENT

Strategy

QAFAC aims to efficiently manage its leadership economics, operational safety and reliability, and to satisfy all its customers' requirements. The company continually prepares for and adapts to changes in the marketplace and in customer preferences. QAFAC's corporate strategy activities are aligned with the policies and procedures of QatarEnergy, QAFAC Management Guidance, QAFAC Risk Management and QAFAC Operational Excellence.

QAFAC's strategy aims to drive cost optimisation, operational excellence, safety and reliability, encapsulated in the strategy's three key priorities:

- Leadership economics
- Growth engines
- Sustainability.

Relevant key performance indicators (KPIs) are continuously monitored to enable the organisation to measure its performance. Each department submits monthly KPI progress reports, and there are quarterly and annual overall strategic reviews, when the CEO and QAFAC Leadership Team review QAFAC's progress against the KPIs.

2019

Launch of Project Advance to refresh QAFAC's corporate strategy and approval of strategy by QAFAC management, QatarEnergy management and the Board members

2020

Planned strategy roll-out deferred (to 2021) due to the onset of COVID-19

2021

Strategy roll-out completed through virtual off-sites, i.e., exclusive one-on-one meetings with all departments at QAFAC to communicate the refreshed corporate strategy. Discussions included brainstorming on implementation of risks and mitigation plans.

2022

Strategy implementation, monitoring, and reporting Focus on recognizing and communicating employee and program success, instilling a sense of pride amongst QAFAC workforce

2023

Strategy enhancement to meet QAFAC's vision and mission, focusing on QAFAC values by initiatives provided by values ambassadors

RISK MANAGEMENT

Building upon our solid foundation, we made a strategic decision to review and enhance our ERM framework to align it with the latest industry best practices and global standards. In a landscape where risks are incessantly evolving and becoming more dynamic, effective risk management is paramount in safeguarding the organization against potential losses and adverse impacts, while ensuring its enduring resilience and success.

As part of our enhancement initiative, we conducted a collaborative risk assessment workshop involving senior and executive management. Together, we delved into identifying and analyzing potential risks that may arise over the next one to five years. This proactive approach allowed us to develop a robust plan designed to address these risks comprehensively and in a timely manner.

Furthermore, we have implemented key risk indicators tailored to monitor and evaluate these identified risks effectively. By establishing a comprehensive risk evaluation criteria, we have equipped all departments within the organization with the necessary tools to quantify and manage risks across the entire spectrum, ensuring a holistic and proactive risk management approach.

We are committed to fostering a culture of risk awareness and resilience throughout QAFAC, and we look forward to leveraging these enhancements to navigate the complex risk landscape with confidence and determination.

Through its ISO 31000:2018 Enterprise Risk Management Framework, QAFAC has identified seven major risk categories:

Human Capital Risk

- Risk of knowledge capital and/or intellectual assets loss due to ageing workforce nearing retirement, insufficient documentation, employee turnover and lack of systematic process for knowledge transfer
- Rapid advancements in operation technology, market competition and limited avenues to acquire related technical education may cause delays in acquisition and retention of human resources

Strategic and Reputational Risk

- Growth risk for MTBE sales caused by substitutes and alternatives
- Geopolitical instability leading to disruptions
- Volatility/fluctuation in feedstock prices impacts to production costs
- Market volatility/fluctuation in Methanol and/or MTBE prices impacts to revenue stream

Health, Security, Safety and Environment (HSSE) Risk

- Failure to implement a robust system Health, Security, Safety and Environment management system to proactively identify hazards to prevent incidents or injuries, to ensure a safe and healthy work environment and to effectively manage the safety of the environment

Technology (IT and OT) Risk

- Ineffective IT infrastructure to manage hardware and software failures, viruses, data protection and cyber attacks
- Business disruption due to dependency on single telecom service provider which may lead to single point of failure of network services

Operational Risk

- Maintainability of aging plant inbound supply chain disruptions.
- Unplanned shutdown due to utility supply disruption
- Non-acceptance of conventionally produced Methanol due to shift in consumer preference and changes in environmental laws

Legal and Regulatory Compliance Risk

- Expiring operational agreements may impact business continuity
- Litigation or loss incurred due to negligence in compliance with market regulations

Financial Risk

- Inaccurate budgeting/forecasting and insufficient liquidity

GRI 2-18, GRI 2-25, GRI 2-27

ETHICS AND CULTURE

QAFAC's culture is defined by the organization's core values of Safety, People, Excellence, Integrity and Responsibility. These values are incorporated into every decision the company makes, in line with our objectives and business goals. In doing so, QAFAC is guided by its new Code of Conduct, which were introduced and rolled out to all employees in 2023. The Code of Conduct, 'The Chemistry of Our Business: the QAFAC Code of Conduct', consists of 19 policies addressing QAFAC's environmental, social and governance (ESG) focus areas and dealing with all aspects of the organization's business conduct, conflict of interest, legal and regulatory compliance. This suite of policies sets out QAFAC's commitments as an organization and its expectations of all those who work at and with QAFAC. They are the embodiment of the company's Values and underline QAFAC's commitment to ethical leadership, sustainable business practices and operational excellence.

As part of the formulation of the new suite of policies, existing Anti-Corruption and Anti-Bribery policies have been strengthened and new policies were established. In addition a new Human Rights policy was put in place underlining QAFAC's commitment to upholding human rights throughout its value chain.

In 2024, QAFAC aims to launch e-learning courses to train employees on code of conduct and all its associated policies. Contractors are required to comply with QAFAC's Code of Conduct and a more specific Code of Conduct of contractors will be considered in the future.

HIGHLIGHT STORY:

Introducing a Code of Conduct

In 2023, in line with QatarEnergy, QAFAC rolled out a new Code of Conduct consisting of a comprehensive suite of 19 policies.

To develop these policies, QAFAC followed a carefully structured process. After discussions with QatarEnergy to learn from their experience, we engaged a leading consultant in the field to assist with the project. Existing policies were reviewed and updated with inputs from the organization, and new policies drafted together with a new Code of Conduct that reflected QAFAC's unique identity. A communications plan was developed with several components including a special launch event to raise awareness and enshrine the Code of Conduct in the hearts and minds of employees. QAFAC's General Counsel delivered the key note speech on "Let Ethics Lead You to Greatness".

The launch took place successfully in December 2023 and was followed up by the launch of dedicated Code of Conduct internet and intranet sites and emails to staff from the CEO. One key feature of the launch event was the presentations of the Value Ambassadors, who were primarily young Qataris – the future of QAFAC. For the next stage, an e-learning course has been designed for roll-out to all employees in 2024, and new website and intranet pages designed to feature the code and policies.

- Anti-Money Laundering Policy
- Climate Change Policy
- Competition Policy
- Confidential Information Policy
- Environment Policy
- External Communication and Disclosure Policy
- Human Rights Policy
- Occupational Health & Safety Policy
- Privacy of Personal Information Policy
- Regulatory Compliance Policy
- Respectful Workplace Policy
- Speaking Up Policy
- Stakeholder Engagement Policy
- Sustainability Policy
- Trade Compliance Policy
- Asset Protection Policy
- Anti-Fraud Policy
- Anti-Bribery and Anti-Corruption Policy

GRI 2-23, GRI 2-24, GRI 2-27

Balqis Al-Emadi
Safety Value Ambassador

Mohammed Al-Salari
Excellence Value Ambassador

Wesal Saleh Al-Nahdi
People Value Ambassador

Khurram Mukhtar
Responsibility Value Ambassador

Maha Eisa Al-Kuwari
Integrity Value Ambassador

"I trust that QAFAC and its employees will always seek to operate effectively, successfully and with high integrity. That is what we have always done. Our Code and our efforts to identify, discuss and address compliance risks will seek to continue that strong tradition."

Ahmed Al-Ahmed,
CEO of QAFAC

GRI 2-23, GRI 2-24

Our Approach to Sustainability Management

QAFAC's sustainability framework and strategy are based on the organization's core values and strategic commitments and aligned with its material topics. A dedicated pillar – "Prepare for long-term sustainability' – in QAFAC's corporate strategy reinforces the company's commitment to operating in a sustainable manner. QAFAC aims to align its operations with the six sustainability enablers to help us achieve our broader organizational goals.

In 2023, QAFAC developed a Sustainability Policy as part of the suite of ESG policies accompanying the organization's new code of conduct. The policy underscores the company's commitment to sustainable growth and development and the generation of stakeholder value.

QAFAC is also developing a Sustainability Framework and related KPIs. Progress against these will be monitored together with their impact on Methanol and MTBE production.

Stakeholder Engagement

QAFAC's relationship with its stakeholders is based upon a transparent, proactive and responsive culture. The organization understands the need for a healthy and active synergy between both upstream (suppliers, investors) and downstream (customers, communities) stakeholders. This was reinforced in 2023 via a Stakeholder Engagement Policy The policy is designed to create trust-based relationships through engagement with our people, business partners, local communities, civil society, educational institutions and the government. This helps to reinforce internal and external communication regarding sustainability matters.

GRI 2-23, GRI 2-24, GRI 2-29, GRI 3-1

MATERIALITY ASSESSMENT

QAFAC once again conducted a materiality refreshment exercise this year, which ensures we regularly identify and understand the sustainability areas and priorities from both our valued stakeholders and business. We aim to conduct a more comprehensive assessment in 2024, by reviewing a range of relevant sources, including sector-specific sustainability reporting standards from SASB (now part of IFRS foundation), multiple ESG rating agency criteria, and the material sustainability areas captured across a range of ESG-leading and regional peers, as well as implementing the concept of 'double materiality', to identify and prioritise material topics to disclose our performance against in the future.

Our Growth

- Economic performance
- Innovation and R&D (including Digital Transformation)
- Operational Reliability and Business Continuity
- Sustainability in the supply chain
- Product responsibility

Our Environment

- Resource efficiency
- Climate change
- Waste management
- Water management
- Biodiversity

Our People

- Health and safety
- Workforce
- Qatarization
- Human rights and labour standards
- Employee engagement, attraction and retention
- Learning and development
- Diversity and equal opportunity
- Community engagement and investment

GRI 3-1, GRI 3-2

2023 Performance Highlights

Code of Conduct
rolled out, including 19 associated policies, and a new sustainability policy and human rights policy

Current boilers revamped
during Turnaround to reduce NOx emissions

22.6 million
safe working hours achieved over 12 years of operations

97.7%
plant utilisation rate achieved, one of the world's best, which is 16% higher than the worldwide average

Successfully built the foundation for implementing an organization-wide
ISO 50001: 2018 Energy Management system (EnMS),
with implementation scheduled in 2024

11%
reduction in GHG emissions due to plant Turnaround

1,879,779
safe working hours were achieved during the Turnaround, without a single Lost Time Accident (LTA)

Zero
Lost Time Accidents (LTA), Medical Treatment Cases (MTC), Loss of Primary Containment (LOPC) and High-intensity fires during the Turnaround

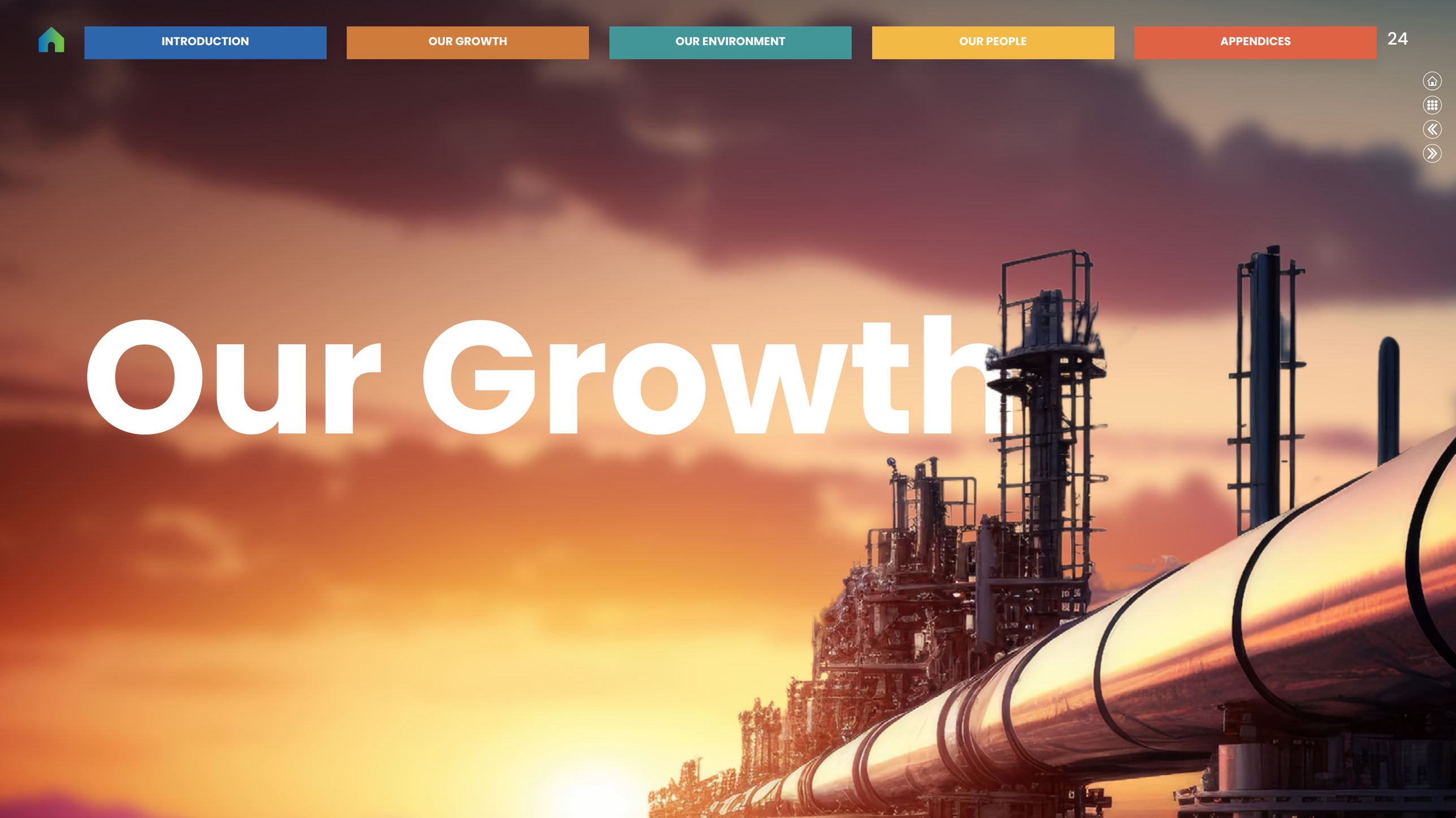
Obtained
ISO/IEC 17025: 2017
accreditation standard

9%
reduction in water withdrawal and 15% of water use coming from recycled water

66%
of procurement spend was with local suppliers

30.7%
Qatarization rate across the organization and 72% at senior management level

Our Growth



Alignment to Global and National Reporting Frameworks, Goals and Targets

Key Enablers to Our Strategic Priority 'Prepare for Long-term Sustainability'

- Be a high-performing organization, focusing on talent management, Qatarization and succession planning
- Strengthen stakeholder alignment
- Support shaping regulations that impact our products
- Boost digitalisation to become a 'reference' in our industry

Material Topics covered in this chapter	QNV 2030	UN SDGs	GRI	QSE
Economic Performance	▪ Economic Development		▪ GRI 201 ▪ GRI 11: Oil and Gas Sector 2021	
Innovation And R&D (Including Digital Transformation)	▪ Economic Development ▪ Social Development			
Operational Reliability and Business Continuity	▪ Economic Development		▪ GRI 416, ▪ GRI 417 ▪ GRI 11: Oil and Gas Sector 2021	
Sustainability in the Supply Chain	▪ Economic Development ▪ Social Development ▪ Environmental Development		▪ GRI 204, ▪ GRI 308, ▪ GRI 414	▪ QSE S 22
Product Responsibility	▪ Economic Development ▪ Social Development ▪ Environmental Development		▪ GRI 416 ▪ GRI 11: Oil and Gas Sector 2021	▪ QSE E 2, S 14

Economic Performance

In 2023, QAFAC achieved a profit of USD 195 million against a budget of USD 83 million which is up by 235% compared to 2022. Revenues were USD 725,729, down from USD 949,824 the previous year. The reason for the fall in revenues was the considerable reduction in production due to the plant Turnaround in 2023. Despite this, the organization successfully met sales targets for both Methanol and MTBE in 2023.

QAFAC's financial performance is overseen by the Chief Finance Officer (CFO). Financial performance, metrics, targets and practices are governed by the organization's Cost Optimisation Policy and Strategy.

The strategy sets out a commitment to reach 10% Controllable Cost by 2023.

QAFAC's day-to-day financial management and reporting uses integrated management software, aligned with the International Financial Reporting Standards (IFRS). This software assists executive management in taking strategic decisions and enables the setting of budgets, forecasts, taxes, cash flows and investment levels.

Checks and balances are maintained through an Internal Financial Control Framework, which helps ensure financial reliability. The framework operates in line with leading internal practices such as those of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework.

QAFAC appoints an external auditor every year to perform an independent assurance on the company's annual financial statement. This guarantees the quality, credibility, and transparent disclosure of our financial data.

Economic Performance	2021	2022	2023
Revenues USD ('000)	658,428	949,824	725,729
Operating Costs USD ('000)	407,462	594,820	419,638
Employee wages and benefits USD ('000)	61,769	65,352	70,308
Payments to government(s) USD ('000)	53,000	101,500	54,500
Economic Value Retained[1] USD ('000)	83,194	86,635	126,618
Community investment USD	3,160	16,826	165,000

[1] 'Direct economic value generated' less 'economic value distributed'

GRI 3-3, GRI 201-1, GRI 401-2

Innovation and R&D (Including Digital Transformation)

The company's IT protocols and procedures are aligned with the National Cybersecurity Agency, Ministry of Interior (MoI), State of Qatar and the Qatar Cybersecurity Framework, established by the Supreme Committee of Delivery and Legacy.

Cybersecurity & Audit – Cybersecurity and audit are integral components of an organization's efforts to protect its information systems, data, and overall digital assets. Cybersecurity focuses on preventing and mitigating cyber threats, while audit activities assess and ensure the effectiveness of cybersecurity measures.

Digital Transformation – Digital transformation in applications involves leveraging digital technologies to enhance and optimize the performance, functionality, and user experience of software applications. It is a strategic initiative that aims to drive innovation, improve business processes, and stay competitive in the digital age.

Infrastructure Enhancements – Infrastructure enhancements involve improving the underlying technology and physical components that support an organization's IT environment. These enhancements aim to improve performance, scalability, security, environmental impact, and overall efficiency.

We also developed a Privacy of Personal Information Policy; this Policy describes our dedication to high standards when managing employees and external stakeholders' information and defines our minimum compliance requirements.

The MoI assists in identifying and countering cybersecurity threats to QAFAC. A joint continuous feedback system enables both parties to exchange information on QAFAC's exposure to such threats as well as information security, control mechanisms and other related elements.

QAFAC is ISO 27001:2013 Information Security Management System accredited. Risk management processes are simulated by the IT department, Business Continuity Management Team and Corporate Risk Management Team to ensure robust defences are in place. This was demonstrated in 2023 when, despite 425,138 attempted cyberattacks on QAFAC, none resulted in an actual attack.

GRI 3-3, GRI 418-1

OUR DIGITAL JOURNEY

QAFAC's digital transformation is driven by the organization's ambition to 'Boost digitalisation to become a 'reference' in our industry'. This is supported by specific targets each year. In 2023, all of the organization's related targets were successfully met.

Strategic Priorities	Category	KPI	Targets in 2023	Performance in 2023
Boost digitalisation to become a 'reference' in our industry	Digital Projects Funneling	Number of digital projects in pre-feasibility study phase with completed prefeasibility assessments	8	8
		Number of digital projects in the final implementation phase/ successful launch	4	4
	Financial Performance of Digital Initiatives	Project Capex Actual Utilisation/ Project Capex allocation (%) = Variance	No Variance	No Variance

Cyber Attacks	2021	2022	2023
Attempted cyberattacks (#)	81,501	701,031	425,138
Actual cyberattacks (#)	0	1*	0

*This incident involves the exposure of credentials for an individual user. It was reported by NCSA, verified, reviewed, and preventive actions were taken. It has been confirmed that there was no impact.

Notes: Alerts pertaining to internal network are also included in the count.

As a part of QAFAC's corporate strategy of digital transformation commenced upon implementation of the Intelligent Electronic Document Management Systems (EDMS) with 3D Plant Modelling at QAFAC site project in 2023, which is planned to go live in 2025.

There is seamless integration between QAFAC's ERP; SAP and AO Documentum as well as AVEVA, which is essentially required for integrating SAP Plant Management (PM) and Management of Change (MOC).

3D Plant Modelling using AVEVA application for the entire QAFAC Plant is the roadmap towards achieving the ultimate objective of producing the QAFAC's Plant digital twin.

The system will enable us to transition our content to a unified repository, ensuring centralized hosting and securing it in a single point of truth system. It will also facilitate the easy upload and retrieval of electronic records and enable the establishment of workflow cycles for interactive review, revision commentary and stakeholder approval processes.

The project is divided into three main tracks:

Track 1

EDMS – Electronic Document Management System using Asset Operations (AO) Documentum application by OpenText

Track 2

EDMS – 3D Asset Visualization using AVEVA application.

Track 3

Surveying, laser scanning and 3D Plant Modelling using AVEVA application.

Leveraging Digitalization to Transform Business Applications

In today's fast-paced digital landscape, businesses are embracing digitalization to enhance their operations, improve efficiency and elevate the overall user experience. Digitalization in applications involves integrating digital technologies and tools into different facets of applications to streamline processes, automate tasks and leverage data-driven insights. To achieve this within QAFAC, in 2023 the company embarked on a comprehensive digitalization initiative to develop key applications, including:

- **Digital Innovation Hub**: A platform fostering innovation by integrating digital tools for collaborative idea generation and development.
- **Rewards and Recognition**: Digitizing the rewards and recognition process to incentivise and motivate employees effectively.
- **Performance Development Planning**: Facilitating goal setting, feedback, and performance evaluation.
- **ESS Letters**: Empowering employees with easy access to essential HR documents.
- **Automation of Delegation**: Streamlining delegation processes through automation, reducing manual intervention and enhancing accuracy.
- **Turnaround 2023 Business Intelligence and HSSE Reports and Dashboards**: Leveraging business intelligence and HSSE data for informed decision-making.
- **SAP Management of Change Reports**: Integrating SAP functionalities to manage organizational changes efficiently.
- **Bank Integration with SAP**: Automating payroll and vendor payment processes.
- **Organization Chart Visualization**: Providing managers with a visual representation of organizational structures and key insights.
- **Redesigned Travel Forms**: Simplifying and enhancing the travel request process through redesigned digital forms.
- **Enhancement in Personal Information System and Loan Applications**: Improving the PIS and loan application process for increased efficiency and user satisfaction.
- **Finance Depreciation Run – Joint Venture Closure**: Digitizing finance processes such as depreciation runs and journal voucher closures for accurate financial reporting.
- **Recruitment Career Site and New Intranet**: Revamping recruitment processes and internal communication through a modern career site and intranet.
- **Automation of Purchase Order Reports**: Automating the generation of purchase order reports to streamline procurement operations.
- **Implementation of Production Planning**: Enhancing production planning processes and ensuring Bill of Materials governance.
- **Firewall Upgrade and Visualization:** Implementing a visualized firewall to elevate

The implementation of these digital initiatives has seen significant business improvements, including greater efficiency and productivity, improved data accuracy and accessibility, and an enhanced user experience for employees and stakeholders, highlighting the transformative impact of digitalization.

Organization Chart Visualization and Dashboard

As an organization with diverse business units and operations, QAFAC faced challenges in visualizing its organizational structure and accessing key performance indicators in a centralized and user-friendly manner. With a growing workforce and complex reporting relationships, there was a need for a comprehensive organization chart visualization and dashboard solution to enhance transparency, communication and decision making across the organization.

To tackle this, we decided to develop a digital app. The project team began by conducting stakeholder interviews and workshops to gather user requirements and identify what features were needed. The IT and HR teams and relevant business units then collaborated to design a scalable and intuitive solution and a suitable platform, taking into account factors such as compatibility, ease of use, and integration capabilities.

The next step was to integrate data sources such as HR systems, ERP systems, and performance management tools to retrieve relevant data and KPIs, and to map organizational hierarchies, roles, and responsibilities to create a dynamic organization chart. This was developed along with customizable dashboards to visualize KPIs such as headcount, turnover rates, revenue by department and project status. User testing and feedback helped to refine the solution and address usability issues and requests for features. Following this, comprehensive training sessions and documentation were rolled out to empower employees to access and utilize the app effectively.

This digital solution now provide clear visualization of key data, providing real-time KPI and performance metrics in an accessible format, enabling managers and executives to identify trends, prioritise initiatives, and make more informed, data-driven decisions. Employees too have greater visibility of their roles, responsibilities and career paths, enabling them to take ownership of their career development and seek opportunities for growth and advancement.

Strengthening Cybersecurity and Audit Protocols

In 2023, QAFAC undertook pivotal initiatives to bolster cybersecurity and audit frameworks.

An evaluation by the National Cybersecurity Agency (NCSA) determined that QAFAC's IT risk was low, with an overall cybersecurity maturity level of Managed. This assessment underscores the effectiveness of existing cybersecurity measures in mitigating potential risks.

QAFAC conducted campaigns and educational initiatives for International Cybersecurity Awareness Month in October, raising awareness around evolving cyber threats and equipping staff with strategies to increase their resilience against cyber threats.

QAFAC participated in cyber drills organised by the NCSA and QatarEnergy that simulated real-world cyber incidents, thus ensuring alignment with best practices and regulatory requirements. Cybersecurity considerations were also integrated into QAFAC's Enterprise Risk Management frameworks and participation in IQ Audit Risk Assessments facilitated a comprehensive understanding of cybersecurity vulnerabilities and their implications on organizational resilience. Demonstrating commitment to audit excellence, QAFAC successfully completed ISO and internal audits with minimal findings.

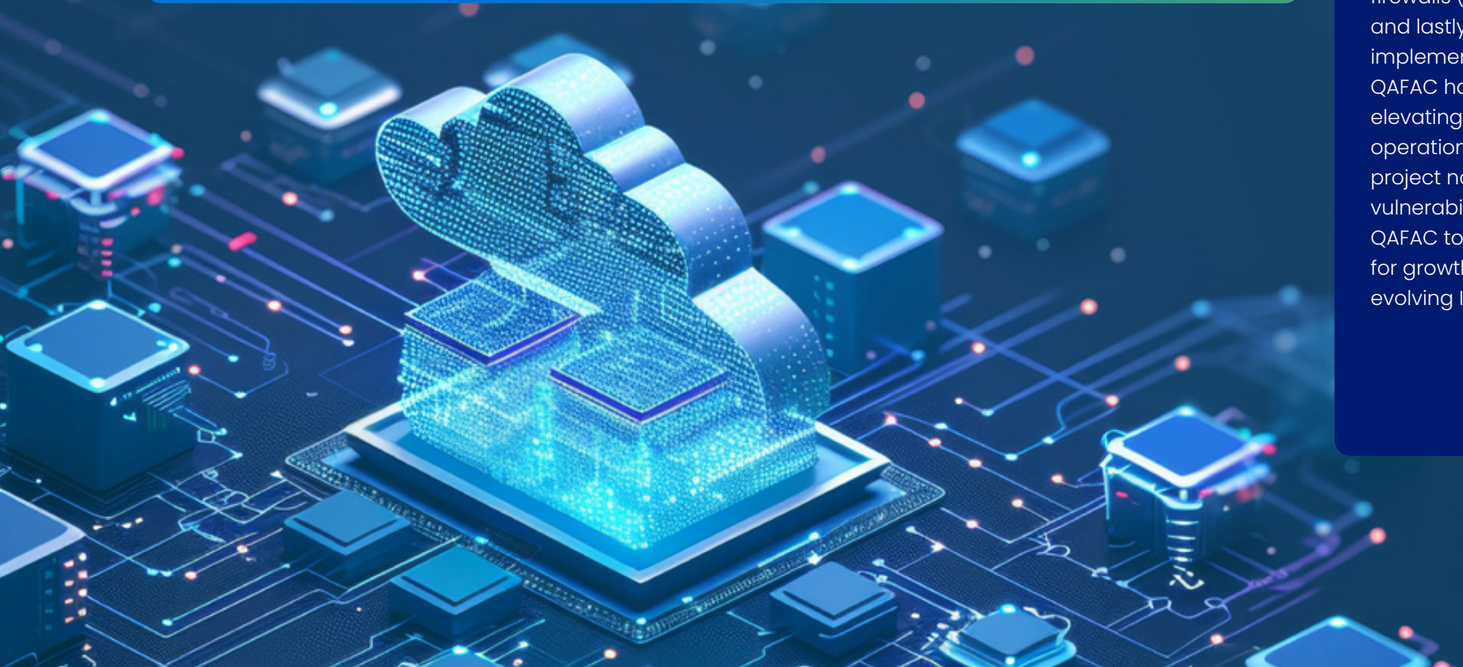
QAFAC's concerted efforts in fortifying cybersecurity and audit protocols demonstrate its commitment to safeguarding digital assets and upholding regulatory compliance. By proactively embracing cybersecurity best practices and fostering a culture of audit excellence, QAFAC remains poised to navigate evolving threats and emerging challenges in the digital landscape.

Transforming Backup Infrastructure: Transitioning from Physical to Virtual Machine Backup and From Tape to Disk Storage

In 2023, QAFAC transitioned from traditional physical backup methods, using disk-to-tape systems, to a modernised backup infrastructure focused on virtual machine backups with disk storage. We faced challenges such as slow performance, maintenance issues, scalability limitations, and data recovery concerns, prompting us to enhance data protection, efficiency, and cost-effectiveness.

We implemented solutions including transitioning to virtual machine backups, adopting disk-based backup systems with deduplication and compression, upgrading storage infrastructure, and automating backup processes. The results included improved backup and recovery speeds, reduced operational costs, enhanced scalability, and increased data protection.

The transition from physical, tape-based backups to virtual machine, disk-only backups marked a significant advancement in our data management capabilities. This strategic shift not only streamlined the backup and recovery processes but also positioned us for future growth and technological adaptations.



Firewall Upgrade and Virtualisation Implementation

Physical firewalls occupy valuable rack space, consumes power, requires extensive cabling, and demands considerable maintenance effort. QAFAC's IT Infrastructure team opted to transition from physical firewalls to virtualised solutions to enhance security, reduce environmental impact, and remain at the forefront of technological advancements. QAFAC's approach involved conducting a thorough assessment of the current network infrastructure, upgrading to next-generation firewalls (NGFW), implementing virtualisation, and lastly testing and optimisation. Through this implementation of a new virtualised firewall, QAFAC has revolutionised its IT infrastructure, elevating security measures, scalability, and operational efficacy. This transformative project not only effectively mitigated security vulnerabilities but also strategically positions QAFAC to capitalise on future opportunities for growth and innovation within the rapidly evolving IT realm.

SAP Application OS & DB upgrade

Upgrading the operating system (OS) and database (DB) for SAP applications is crucial for maintaining performance, security, and compatibility. To do so, QAFAC conducted comprehensive assessments, backup and disaster recovery planning, upgrade preparation, execution of upgrade, post-upgrade validation, documentation and knowledge transfer sessions. Outcomes include improved performance and stability, enhanced security and compliance, optimised resource utilisation, and readiness for future innovations. Meticulous planning, rigorous testing and effective communication were essential for the successful upgrade of QAFAC's OS and DB with minimal disruption to business operations.

QAFAC's Digital Transformation Committee was established to drive digitalisation initiatives and projects to improve the efficiency, productivity and performance of our systems. In 2022, in partnership with Google, we initiated a Digital Innovation Hub, which became fully functional in 2023. The Hub will play an integral role in furthering QAFAC's digital transformation.

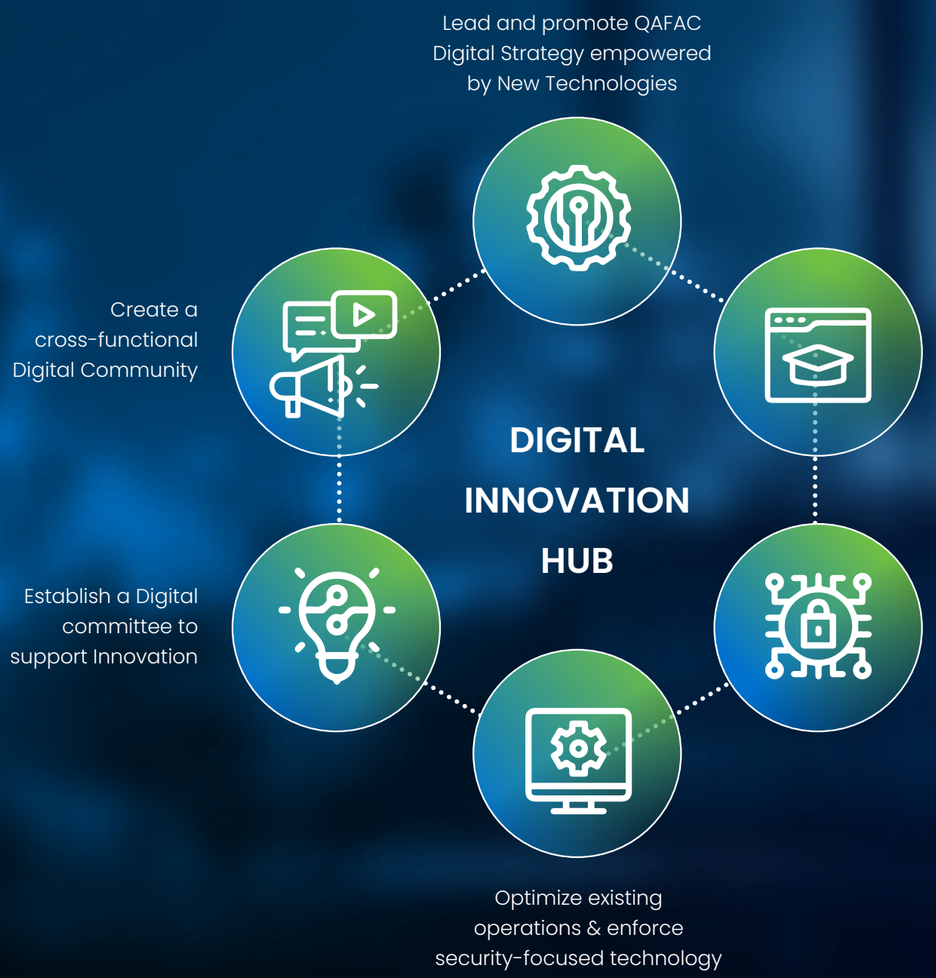
Vision:

To inspire internal and external customers by driving agile technology transformation through innovative, collaborative and cost-effective cutting-edge digital solutions in a secure, safe and sustainable environment.

Mission:

To drive operational excellence and industry leadership by providing technological solutions powered by a data-driven culture enhanced through internal and external enablement and awareness.

The key strategic pillars of the Digital Innovation Hub are:



In 2023, our IT department supported this digital transformation procuring smart environment monitoring devices for our data centres and server rooms. These devices monitor three key environmental parameters, temperature, humidity, and dew point, and provides data records and trends than can be used to identify efficiency improvements. To flag any alerts such as sudden temperature increases, The devices are integrated with the IT networking monitoring tools so staff can be immediately alerted to events such as temperature changes. In addition, a flood monitoring sensor detects water leaks or problems in the data centre and automatically alerts the IT Team for further action.

QAFAC is expanding such digitalisation across our operations. Current initiatives include introducing task automations and wearable devices, such as smart watches that allow our employees to share and view company data.

Operational Reliability and Business Continuity

QAFAC ensures high plant availability, reliability, and dependability throughout the year to satisfy customers' requirements. In 2023, changes initially made at the start of the pandemic to ensure sufficient labour, were made permanent, with working shifts moving to fewer days but longer hours.

By employing rigorous systems and procedures, we maintain strong operational reliability and efficiency by continuously monitoring our assets to avoid failures. We have a risk-based inspection strategy that enables us to deliver value by mitigating risks associated with unplanned operational interruptions. This approach provides dynamic and planned inspection and maintenance activities.

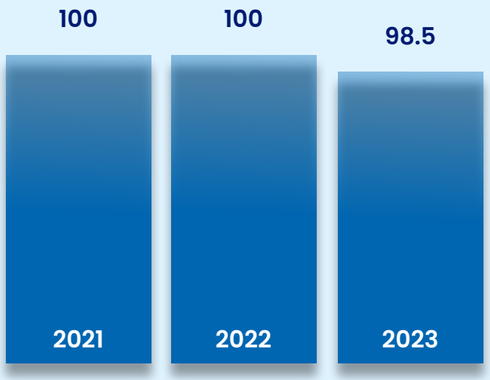
QAFAC have a set of governing procedures, committees and projects to maintain and improve its operational reliability and plant productivity, Notably, among these initiatives is the monthly KPI Review Committee chaired by the Chief Operating Officer (COO), tasked with evaluating all operational and sustainability KPIs.

Annual KPIs relating to plant reliability, and annual reliability assessments, help to drive progress towards our ongoing targets, and enable us to identify discrepancies between targets and actual performance.

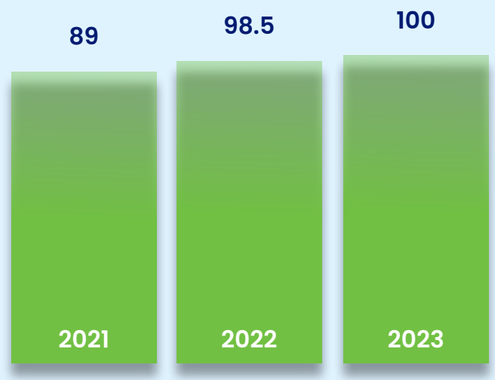
Our Operational Excellence Program, launched in 2016, is highly mature and advanced in utilising metrics to assess, monitor, and provide recommendations for the effective operation of QAFAC assets. In addition to metrics, KPIs are employed to oversee and regulate manufacturing productivity and efficiency, encompassing consumption rates, quality compliance, and equipment efficiency. The Business Excellence team collaborates with operational focal points, including Production, Maintenance, Reliability, Safety, Laboratory, and Logistics, in monthly meetings to review operational performance comprehensively and identify areas for resource reallocation to optimise production performance.

In 2023, QAFAC produced 922,664 metric tonnes of methanol and 628,281 metric tonnes of MTBE. MTBE plant availability and reliability achieved a perfect 100% in the year, while methanol achieved 98.5%.

Methanol plant availability and reliability (%)



MTBE plant availability and reliability (%)



Sustainability in the Supply Chain

QAFAC continually aims to improve supply chain operations, minimise related costs, realise market and economic value, enhance customer service and gain a competitive advantage over our business competitors. We do so by building positive risk management capabilities and being resilient through global and regional disruptions.

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In line with the Qatar National Vision 2030, we place a focus on dealing with local suppliers. Our Procurement Policy states that engagement with Qatari-owned or controlled companies and Qatari nationals is preferred, provided the cost does not exceed 10% of non-Qatari equivalents. In addition, QatarEnergy is developing metrics for awarding local contracts based on ICV (In-Country Value) ratings for all our suppliers. We maintain a positive relationship with local suppliers of goods and services, and we leverage the knowledge of our other QatarEnergy subsidiaries to improve our procurement processes by onboarding approved and qualified local vendors.

QAFAC subscribes to the Ta'win Synergy Development Program. The program, run in collaboration with QatarEnergy subsidiaries, prioritises large aggregate orders to obtain preferential pricing and build a sustainable and efficient supply chain. We monitor and track supply chain-related data, including payments to suppliers, contractors, and local suppliers. Through our tendering process, tenders are floated either by QAFAC or in collaboration with QatarEnergy as part of the Tawteen Initiative to reduce our costs.

Our commitment to environmental and social responsibility is reflected in our Procurement Policy, and we require all contractors and suppliers to maintain high social, environmental, economic standards and practices. Through our Supplier Performance Evaluation Procedure, we use a systematic approach to evaluate suppliers and contractors, using criteria such as technical and commercial competencies, delivery performance, ISO certifications and their relationships with Qatari companies in the oil and gas industry. This enables us to identify and prioritise high-performing suppliers. We have developed a dedicated Stakeholder Engagement policy as part of the Code of conduct (COC) suite, this Policy complements our aim to create trust-based relationships and foster dialogue with suppliers and business partners.

In 2023, we saw a number of notable achievements across our supply chain, including:

66%
Percentage of total spend on local suppliers (2022: 63%)

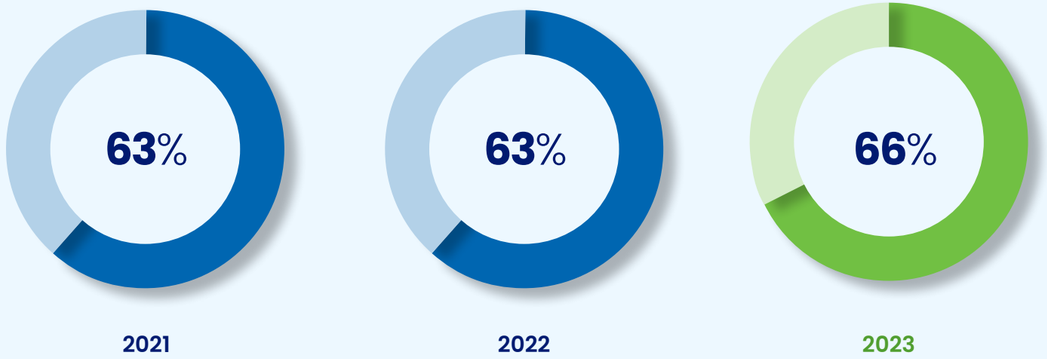
Zero
suppliers were identified through audits as having significant actual or potential negative environmental or social impacts.

72%
Percentage of locally based suppliers (2022: 63%)

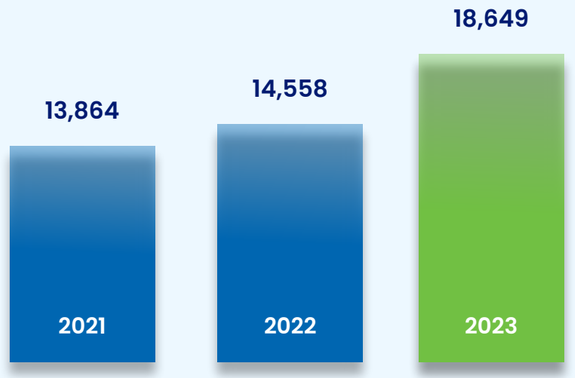
90%
of the issued contracts were for local market.

We are pleased to report that no suppliers had to have contracts terminated as a result of audit findings in 2023.

Proportion of spending on local suppliers



Local suppliers (USD '000)



Product Responsibility

QAFAC takes product responsibility very seriously. our Quality Management System (ISO 9001:2015) certification provides assurance that our products satisfy all regulatory requirements and product quality standards. Comprehensive checks during production ensure our customers' needs are met.

In addition, our Material Safety Data Sheet (MSDS), developed in line with the UN Globally Harmonised System of Classification and Labelling, ensures we have correct information available at all times to ensure the highest safety standards for material and product handling. The MSDS is published on our website and can readily be accessed by employees and the public.

We conduct Health, Safety and Environmental (HSE) impact assessments for our products to assess and mitigate our HSE impacts and protect employees and customers who handle, transport, and use our products. These assessments help us to identify any potential hazards and necessary measures in the event of exposure and accidents.

We continuously implement measures throughout the production processes to ensure safe production and that the highest product quality standards are met. This includes regular checks on system temperature and pressure, labelling pipes and valves and indicating flow direction, and storing our production above ground in tank farms.

In 2023, we recorded zero incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products.

We are currently seeking to establish technical and market intelligence, with support from QatarEnergy and Muntajat, to consider the market potential of prioritising brownfield expansions for methanol derivatives, This Brownfield expansion will offer environmental mitigation and cost efficiency, as we would acquire or lease existing facilities rather than building a new plant. In addition, we continuously monitor market conditions and adapt our services to the needs of our customers. We recently received approval for sale of our Methanol for healthcare applications in an Asian market which will extend the use of QAFAC products beyond traditional industrial applications

In 2023, QAFAC Laboratory received ISO/IEC 17025:2017 certification, passing the accreditation process with no non-conformities or observations. This standard demonstrates the laboratory's competence, impartiality and consistency of operation. Certification will help in facilitating cooperation between the laboratory and other bodies, nationally, regionally and internationally, adding international reputation and value to the laboratory's work.

QAFAC Laboratory has achieved the ISO/IEC 17025 accreditation

QAFAC Laboratory achieved ISO/IEC 17025 accreditation in July 2023 at the first attempt and with no non-conformities or observations. The ISO/IEC 17025: 2017 standard specifies the requirements for the competence, impartiality and consistent operation of laboratories.

This accreditation will enable QAFAC Laboratory to demonstrate that it is operating competently and generating valid results, promoting confidence in its work nationally, regionally and internationally. It will also help in facilitating cooperation between the Laboratory and other bodies, as the lab's reports and certificates can be accepted without the need for further testing. Accreditation also provides assurance of QAFAC's regulatory compliance.

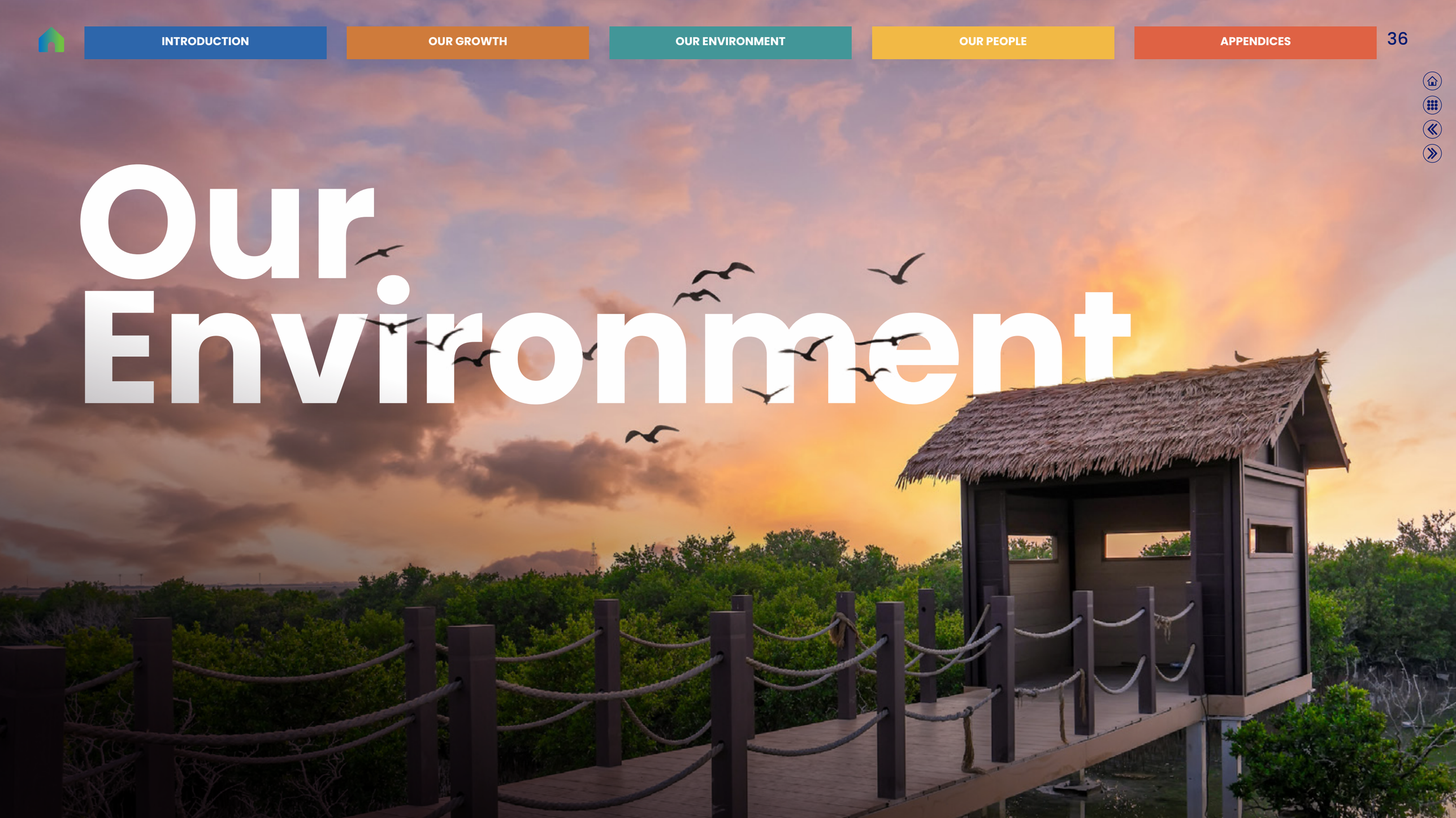
ISO/IEC 17025: 2017 is the first accreditation certificate of its kind for QAFAC.

With the Scope of Accreditation, QAFAC has addressed its Consent to Operate (CTO) requirements from the Ministry of Environment and Climate Change and QatarEnergy's GHG requirements. The Scope of Accreditation has also boosted QAFAC's international reputation, adding value to the tested parameters of QAFAC's globally exported products. The Scope covers 29 accredited parameters, including those for fuels, wastewater and products.

"As the head of our lab, I'm proud to announce that we've achieved ISO 17025 certification, reaffirming our dedication to precision, quality, and reliability in all our testing and calibration services. ISO 17025 certification ensures our laboratory meets rigorous standards for competence and quality management, demonstrating our commitment to accuracy and reliability in testing and calibration services."

Abdulaziz Al Mohammadi
Head of Laboratory

Our Environment



Alignment to Global and National Reporting Frameworks, Goals and Targets

Key Enablers to Our Strategic Priority 'Prepare for Long-term Sustainability'

- Strive for excellence in environmental protection
- Boost digitalisation to set a benchmark in our industry

Material Topics covered in this chapter	QNV 2030	UN SDGs	GRI	QSE
Resource Efficiency	▪ Environmental Development	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	▪ GRI 301	
Climate Change	▪ Environmental Development	3 GOOD HEALTH AND WELL-BEING; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	▪ GRI 302, ▪ GRI 305 ▪ GRI 11: Oil and Gas Sector 2021	▪ QSE E1-E7
Water Management	▪ Environmental Development	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	▪ GRI 303 ▪ GRI 11: Oil and Gas Sector 2021	▪ QSE E8
Waste Management	▪ Environmental Development	3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION; 8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND	▪ GRI 306 ▪ GRI 11: Oil and Gas Sector 2021	▪ QSE E9
Biodiversity	▪ Environmental Development	6 CLEAN WATER AND SANITATION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	▪ GRI 304 ▪ GRI 11: Oil and Gas Sector 2021	

Resource Efficiency

The growing impacts of climate change and heightened geopolitical tensions have placed increased focus on the need to develop renewable and alternative energy sources, and on the availability and accessibility of traditional fuel sources. At the same time, the development of circular economy concepts have helped businesses better understand the benefits of effective resource management.

At QAFAC, we are committed to diversifying our energy mix and ensuring optimal utilisation of our natural resources. We have developed initiatives and projects to address this, such as Regenerant Gas Scrubber technology, which recycles gas at our MTBE plant, thereby reducing overall consumption by 4.2 metric tonnes per hour.

Production processes currently require the use of natural gas and butane as the main raw materials in the synthesis of Methanol and MTBE. QAFAC's entire natural gas is supplied by QatarEnergy.

Station S is considered as the hub of Gas Distribution System (GDS), which supplies gas to Mesaieed consumers (Industrial and power plants) and power stations outside MIC. Station S is identified as the most critical element of GDS and availability and reliability of gas supply to MIC consumers is at **high risk** in case of an outage of Station S.

Construction and commissioning of a new supply source as Station S1 with a complete new piping network and metering stations containing custody meters with online analysers were the part of the new additional gas supply network.

The Integrated Gas Supply to Mesaieed Consumers (IGSMC) project was initiated by QatarEnergy to ensure uninterrupted gas supply to all Mesaieed consumers. The main objectives of the project include:

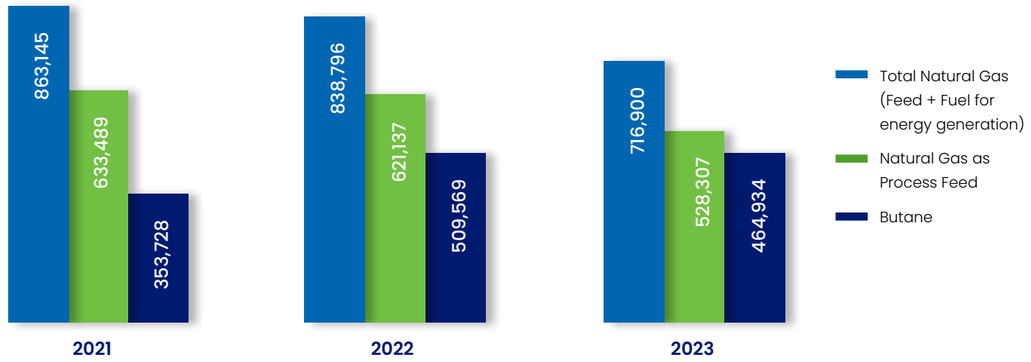
- Installation of additional gas supply network in Mesaieed with all the required facilities
- Tidying the area by removing some of the existing individual pipelines to the consumers from Station S.
- Provide custody flow metering to ensure accurate metering of gas supply to Mesaieed consumers.

QAFAC as one of the consumers of the natural gas supply from QatarEnergy entered into the Integrated Gas Supply to Mesaieed Consumers (IGSMC) project as an interface partner of QatarEnergy with the responsibilities of:

- All the piping network between QAFAC's existing metering station and the new QatarEnergy's metering station MS3 for both; the new gas supply network as well as the existing gas supply network.
- Providing two (normal and emergency) power supplies to the new QatarEnergy's metering station MS3 interfacing QAFAC's Schneider Electric power supply with QatarEnergy's ABB's power supply.
- Providing fibre optic connections from QAFAC to the new QatarEnergy's metering station MS3 interfacing QAFAC's Honeywell DCS system with QatarEnergy's Yokogawa SCADA system for exchanging the required signals.
- **Providing Instrument air to the new QatarEnergy's metering station MS3**

  The project was successfully commissioned in 2023 fulfilling the aim of supplying the natural gas through a new Gas Distribution System (GDS) and using the current Gas Distribution System (GDS) as a back up.

Materials Used by Weight Consumption (MT)



HIGHLIGHT STORY:

Environmental Practices during Turnaround

Industrial plants like QAFAC require regular Turnarounds – scheduled shutdowns when normal production ceases to enable essential work and maintenance to be carried out. However, shutdown and start-up activities potentially mean increased flaring, effluent discharge, and spillages. We therefore informed the Ministry of Environment and Climate Change, QatarEnergy and neighbouring industries of planned shutdowns and start-ups and any reportable incidents.

To minimise any potential environmental impacts, our environment team formed a housekeeping unit, who worked closely with contractors to ensure a smooth waste management during Turnaround. In particular, the team was responsible for maintaining essential cleanliness and order throughout the facility. They ensured all protocols and procedures were followed, right down to litter picking to prevent the accumulation of waste and potential hazards. Daily housekeeping walkthroughs were conducted in all areas and reports shared with contractors at the end of each day.

A total of 379 observations related to housekeeping were raised, with regular follow-ups to assess the progress of housekeeping activities and identify necessary improvements. Any shortcomings or deviations were promptly reported, and corrective actions taken immediately.

As a result of the close collaboration and effective working between teams, no reportable environmental incidents occurred during the 2023 Turnaround.

Zero

reportable environmental incident occurred during the Turnaround in 2023

Climate Change

At QAFAC, we are aware of the potential impacts on climate change of our raw materials and finished products.

We strive to manage our impact on the environment by implementing efficient and effective process controls that impact our energy use. Our long-term aim is to invest in new technologies and processes that will increase the efficiency and sustainability of our production operations.

As part of this, we have developed a Climate Change Policy, aligned with QatarEnergy's climate change policy commitments and supporting the goals of the Paris Agreement. The policy highlights QAFAC's commitment to being a responsible steward in combating the risks of climate change. It sets out the principles underpinning our approach identifies actions to be taken to build climate change resilience and defines our commitment to compliance and to all our stakeholders.

PTAI Benchmarking Study for the Methanol Plant concludes QAFAC a global top performer

In 2023, QAFAC concluded an extensive PTAI (Phillip Townsend Associates Inc) Benchmarking Study for its Methanol plant, revealing remarkable findings. The study highlighted that our plant boasts an impressive utilisation rate of 97.7%, surpassing the global average by 16%, placing it among the top performers worldwide.

QAFAC demonstrates exceptional efficiency with one of the lowest specific energy usages in feed and fuel, standing at approximately 87% of the global average. This efficiency not only enhances plant performance but also significantly reduces GHG emissions.

QAFAC has one of the lowest Total Cost of Manufacturing, excluding depreciation of all participating companies, approximately 50% of the global average cost.

In terms of workforce management, QAFAC maintains a lean organizational structure, effectively controlling overtime while ensuring minimal supervision. However, labor costs are slightly higher compared to benchmarked companies.

QAFAC's Methanol Plant stands out for its exceptionally low CO_2 emissions compared to similar-sized assets worldwide.

These scores are the result of our programme of continual technological upgrades over the last decade to improve plant performance and reliability. QAFAC was also the first plant to implement Carbon Dioxide Recovery (CDR) project in July 2014, which was two months ahead of the initial plan. Pure CO_2 is injected back in the synthesis loop, giving us one of the lowest GHG emissions levels of all Methanol producers. Our CDR plant captures and purifies 500 tons per day of CO_2 from reformer flue gas and reinjects the purified CO_2 to produce an additional 300 tons per day of pure Methanol. In addition we recover 30 cubic meters of pure water during the cooling process of the reformer flue gas in the CDR plant. This process is unique to Qatar and is complementary to the Carbon Capture and Storage (CCS) process practiced by QatarEnergy.

ENERGY

Currently, 96% of QAFAC's energy is created from fuels including natural gas, other gases and diesel, and 4% comes from electricity. Regenerated gas is used as a fuel in major combustion units.

QAFAC is currently building a foundation for improved energy use by implementing an organization-wide ISO 50001 energy management system. The project is in its final stages, with relevant policies and procedures developed including an Energy Management Guidebook, Energy Planning and Review process and Energy Management Improvement procedure. The implementation phase was deferred in 2023 due to the plant Turnaround and will now take place in 2024.

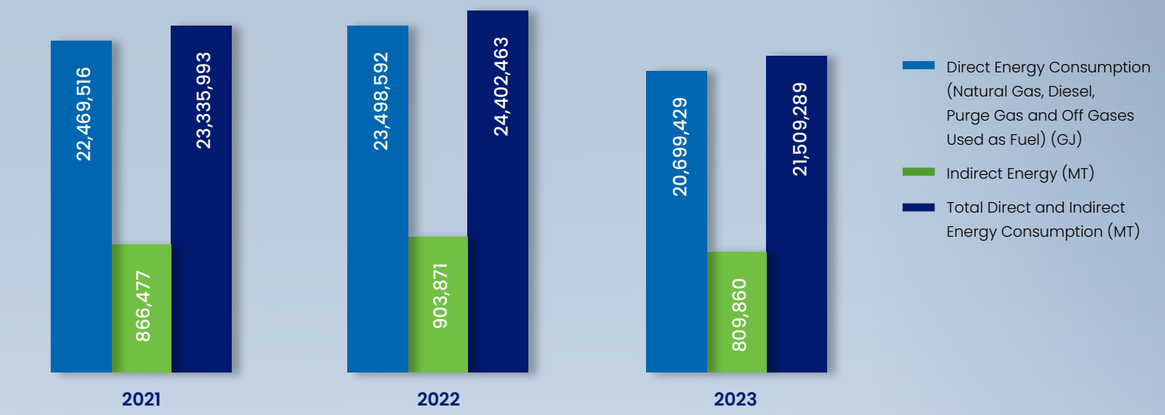
In 2023, QAFAC achieved a 12% reduction in overall energy consumption to 21,509,289 metric tonnes. This was mainly due to a fall in direct-energy consumption and the plant Turnaround in the second half of 2023.

As part of our efforts to create positive environmental impacts through better energy management, we successfully installed a Regenerant Gas Scrubber (RGS) unit in 2021. In 2023, the unit continued the recycling of MTBE regenerant gas. This reduces natural gas consumption by 4.2 metric tonnes per hour and has led to a reduction in flaring.

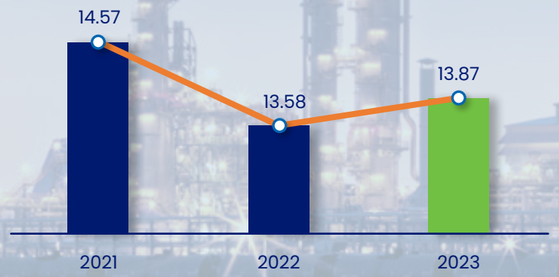
We continue to monitor data and incorporated effective management techniques for flaring off-spec gases. The operation of the RGS unit in 2023 led to a 45% reduction in the flaring of off-spec gases.

Flaring increased in 2023 in comparison to 2022 due to the Turnaround. Shut down, start-up and de-inventorying the equipment's having hydrocarbons contributed to the increased flaring.

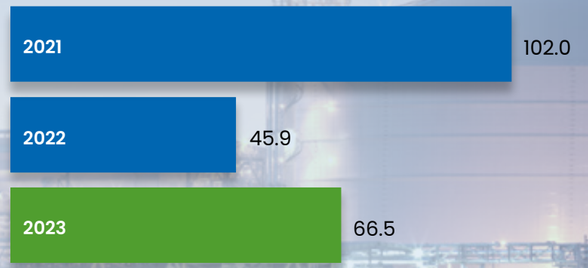
Energy Consumption



Energy Intensity (GJ/Ton Production)



Flaring of Off-Spec Gases (MM SCM)



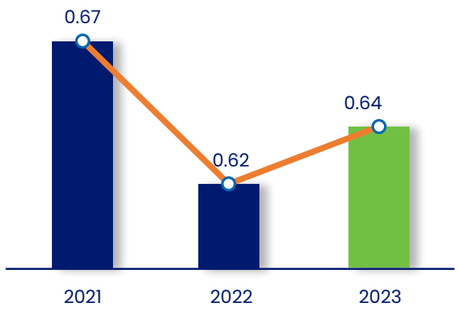
GHG EMISSIONS

QAFAC aims to continually reduce greenhouse gas (GHG) emissions from its operations. To ensure better monitoring, tracking and verification of our data, we have established a set of KPIs with real-time data monitoring, and improved our emissions reporting practices.

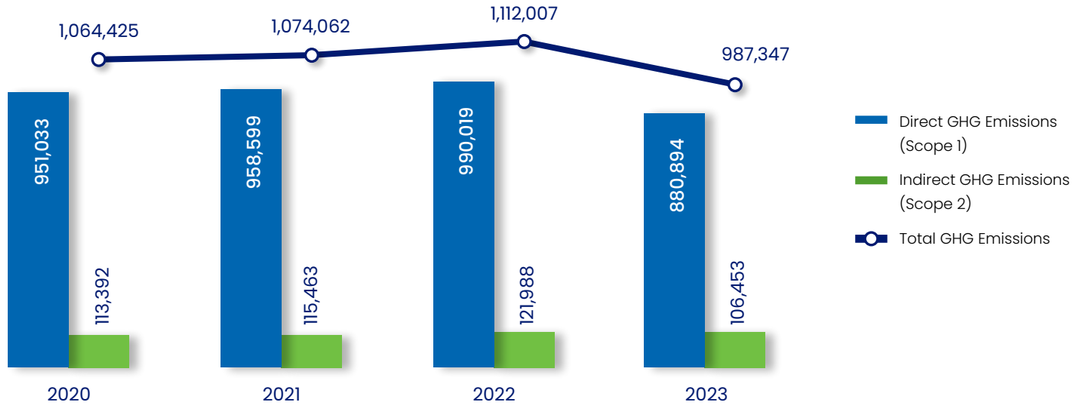
Our Carbon Dioxide Recovery unit effectively reduces GHG emissions by capturing carbon dioxide and converting it to Methanol. This not only limits emissions reduction but optimises resource usage. In 2023, QAFAC successfully captured 152,327 metric tons of carbon dioxide and converted it into Methanol. We have also enacted the QatarEnergy directive to implement a GHG Accounting and Reporting procedure. This follows European Union and Intergovernmental Panel on Climate Change guidelines to ensure accurate emissions reporting.

In 2023, we achieved a reduction in GHG emissions of 11% from 1,112,007 to 987,347, MTCO$_2$e largely due to the scheduled plant Turnaround.

GHG Intensity (TCO$_2$e/Ton of Production)



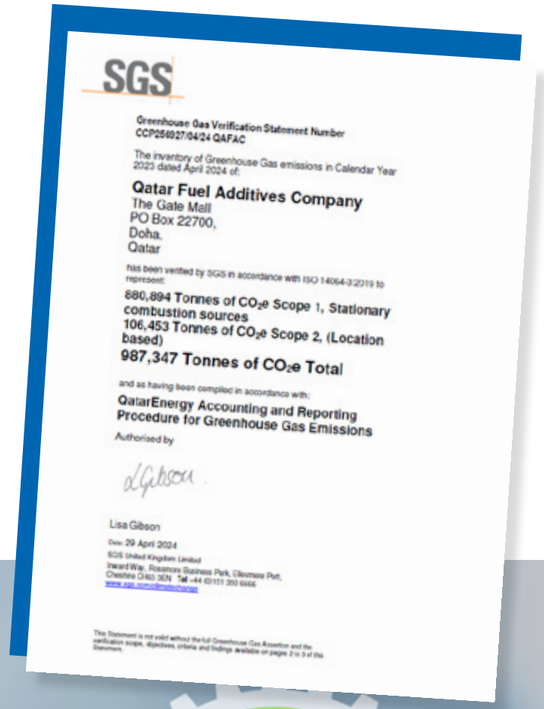
GHG Emissions (TCO$_2$e)



As well as GHG emissions, QAFAC prioritises the reduction of harmful and toxic air emissions. We introduced a selective non-catalytic reduction system in 2019 to meet the MoECC's directive to reduce NOx emissions from Methanol Reformer.

QAFAC has also taken measures to prevent the discharge of fugitive volatile organic compounds and hazardous air pollutants, which can degrade air quality and pose health risks. This has been achieved through a Leak Detection and Repair (LDAR) programme, run in accordance with US EPA Method 21 and QatarEnergy principles. Methane emissions are also monitored through the LDAR programme. At the end of 2023, QAFAC initiated new LDAR round to carry out monitoring of all potential leaking sources. This will be completed in 2024 and further details will be shared in the next report.

58%
approximate reduction in Reformer NOx emissions


SGS

Greenhouse Gas Verification Statement Number CCP256927/04/24 QAFAC

The inventory of Greenhouse Gas emissions in Calendar Year 2023 dated April 2024 of:

Qatar Fuel Additives Company
The Gate Mall
PO Box 22700,
Doha,
Qatar

has been verified by SGS in accordance with ISO 14064-3:2019 to represent:

880,894 Tonnes of CO_2e Scope 1, Stationary combustion sources
106,453 Tonnes of CO_2e Scope 2, (Location based)
987,347 Tonnes of CO_2e Total

and as having been compiled in accordance with:

QatarEnergy Accounting and Reporting Procedure for Greenhouse Gas Emissions

Authorised by

Lisa Gibson

Date: 29 April 2024

SGS United Kingdom Limited
Inward Way, Rosemore Business Park, Ellesmere Port, Cheshire CH65 3EN Tel +44 (0)151 350 6666
www.sgs.com/envirochange

This Statement is not valid without the full Greenhouse Gas Assertion and the verification scope, objectives, criteria and findings available on page 2 to 3 of this Statement.

Installation of Ultra Low NOx Burners for Reduction of NOx emissions

QAFAC's boilers were installed and commissioned in 1999. After enforcement of Law No 30 of 2002 NOx emission limits for combustion sources (>25MW) were revised in State of Qatar. QAFAC took initiative to bring utility package boilers (B-3201 & B-3202) limits under 125mg/Nm3. In revised law Ministry of Environment & Climate Change has set a regulatory limit of 125mg/Nm3 (62.5ppm), i.e. for the sources those are installed before 2002.

QAFAC engaged with engineering consultant and technology provider for the study and subsequently implement OEM (Original Equipment Manufacturer) recommendations for reducing the NOx emissions from utility boilers.

Project was executed during the 2023 Turnaround by:

1. Installing, testing, and commissioning the 4 (2 for each boiler) ultra-low NOx burners.
2. Installing, testing, and commissioning the 2 main (1 for each boiler) and 4 individual (2 for each boiler) fuel gas skids.
3. Installing, testing, and commissioning the Wobbe Index Analyser for the online measurement of the varying fuel gas mixture's specific gravity, higher heating value (HHV), CARI and the Wobbe Index.
4. Replacing the old and installing the new baffles in the wind box of both the boilers.
5. Logic changes in the burner management system (BMS) and the boiler master control (BMC).

As a result of the utility boilers revamp project commissioning, both the boilers are running with the mixed fuel gas (natural gas + gas from the MTBE plant), NOx values now range from 105 to 110 mg/Nm^3, at a boiler load of 114 to 120 Tons/hr. for both the boilers which is within the MoECC's allowable limit of 125 mg/Nm^3 – a significant reduction in the NOx emissions.

INDOOR AIR QUALITY MONITORING

Indoor air quality affects the health, comfort, and work performance of building occupants. IAQ characteristics include the concentrations of pollutants in indoor air, as well as air temperature and humidity. IAQ can be affected by gases, chemicals, moulds or particulate matters, as well as hazardous substances emitted by plant operations, use of equipment, heating and cooling systems and building construction materials. Understanding and controlling common pollutants indoors can help reduce the risk of health concerns, which can be experienced soon after exposure or possibly years later.

Most people spend the majority of their time indoors, so IAQ is a significant concern. The US Environmental Protection Agency has listed it as one of the top five public health risks. Good IAQ, however, improves the overall experience of a building's and contributes towards a more productive working environment.

Due to extreme environmental conditions in Qatar, people have to spend most of their time inside, making it even more important that IAQ be monitored, analysed and reported regularly.

As part of QAFAC's environment monitoring program, IAQ monitoring is carried out to verify that indoor air parameters are within permissible levels. IAQ is assessed against a number of standards and guidelines, including those issue by:

- Annexes of Executive By-Law for Environment Protection Law – Qatar
- US Environmental Protection Agency
- US Occupational Health and Safety Administration CFR 29
- World Health Organization
- American Conference of Governmental Industrial Hygienists
- National Institute for Occupational Safety and Health

Waste Management

QAFAC's operations can result in a significant amount of hazardous and non-hazardous waste, so we recognise our duty to ensure responsible waste management.

We engage specialist waste management contractors to safely handle, transport and dispose of different wastes, including hazardous, electronic, incinerable and medical waste, along with general garbage

QAFAC complies with the operational requirements established by the Ministry of Environment and Climate Change (MoECC), and performance is measured by specific KPIs.

In 2023, QAFAC successfully met its targets of 100% of waste materials being for recycling being collected and 100% of hazardous waste to be retained for under 90 days. There were no significant spills across our operations during the year.

Category	KPI	2023 Target	2024 Target
Waste Disposal/Spills	Collection of waste materials for recycling (%)	100	100
	Retention of hazardous waste in QAFAC storage to be under 90 days (%)	100	100
	Significant spills (#)	0	0

Hazardous Waste
- Spent catalysts
- Spent resin
- Spent salt
- Oily sludge
- Activated carbon
- Spent oil filters

Non-hazardous Waste
- Domestic waste
- Electronic waste (100% recycled)

GRI 3-3, GRI 306-1, GRI 306-2, GRI 306-3

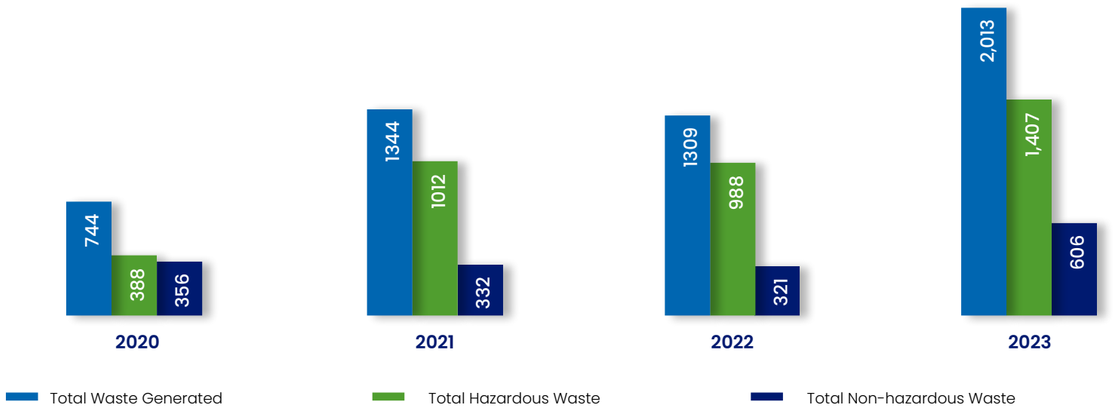
QAFAC's Recyclable Waste Management Programme helps to drive effective waste management and raise employees' awareness of proper waste disposal andthe importance of recycling. Through this initiative, 152 kg of recyclable waste was collected in 2023.

We saw a 54% increase in waste generation during the year, due to many catalyst replacements during the Turnaround. However, the amount of waste recycled was increased by 192%.

Type of Waste	2021	2022	2023
Paper/Carton (kg)	659	1,270*	110
Plastic Bottles (kg)	63	25	42
Total Waste (kg)	722	1,295	152

*Note: Paper generation was higher in 2022, because some departments at QAFAC initiated disposal of obsolete documents

Total Waste Generation (Tons)



Total waste by disposal method	2021	2022	2023
Incineration (Tons)	301	702	521
MIC Hazardous waste treatment center (Tons)	700	273	845
Recycling (Tons)	16	15	44
Direct Landfilling (Tons)	327	318	602

The table provided below provides further insight into QAFAC's waste disposal pathways:

Nature of Waste Stream	Type of Waste	Disposal Pathway
Hazardous waste	Industrial waste	Sent to Mesaieed Industrial City (MIC) Hazardous Waste Treatment Centre
	Amine waste	Incineration via waste management contractor
	Oil waste	Recycling via waste management contractor
Non-hazardous recyclable waste	Domestic waste, E-waste	Recycling via waste management contractor

HIGHLIGHT STORY:

Waste Management during Turnaround

The management of hazardous and non-hazardous waste is always handled with the utmost precision and care at QAFAC. This was especially so during our plant Turnaround in 2023, when stringent protocols and procedures were implemented to ensure the effective handling and disposal of waste.

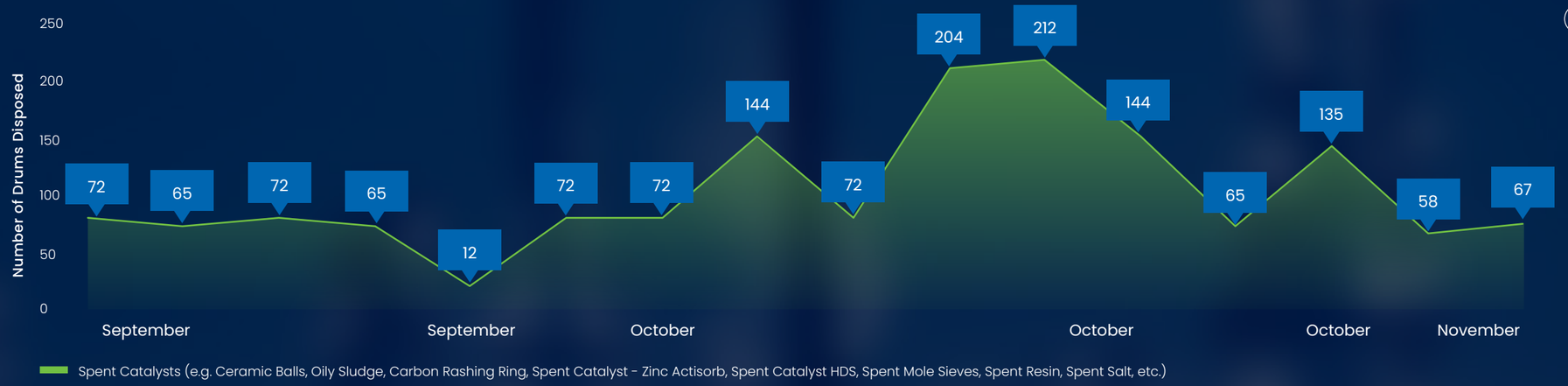
A comprehensive Turnaround Waste Management Procedure was created as part of the pre-Turnaround planning. As well as addressing the handling, storage, transportation and disposal of waste, the plan also included segregating different types of waste to prevent cross-contamination and implementing recycling and reuse practices wherever possible. Crucial to this planning was a thorough assessment of the waste generated during the previous Turnaround, including the types of waste streams and their volumes and characteristics of each type of waste.

To monitor the effectiveness of waste management practices during the Turnaround, regular audits and inspections were conducted to identify any potential areas for improvement. These audits helped in identifying any deviations from the established procedures and taking corrective actions promptly in case of spill or mismanagement.

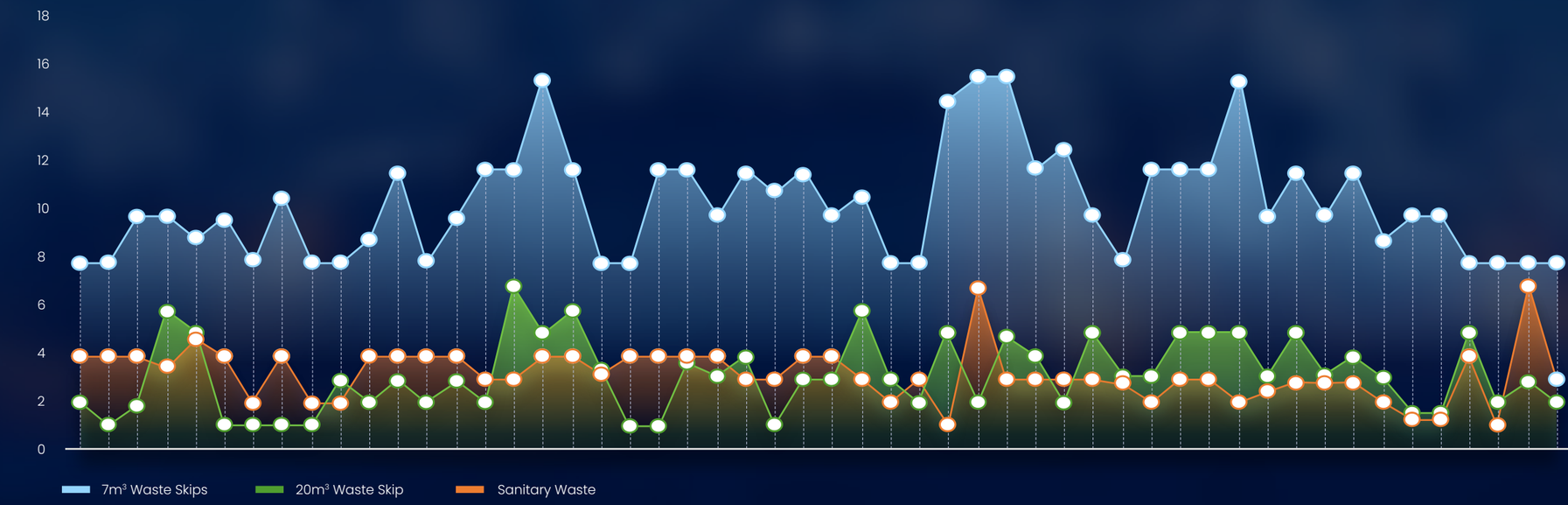
In all, more than 300 tonnes of hazardous waste and 2,500 tonnes of non-hazardous waste were collected, transported disposed appropriately. All waste were sent for disposal, incineration & recycling according to the type of waste.

By prioritising safety, compliance and sustainability, QAFAC ensured that both hazardous and non-hazardous wastes were handled efficiently throughout the entire Turnaround period.

Solid Hazardous Waste Disposal Trend during Turnaround



Non-Hazardous Waste Disposal Trend during Turnaround



GRI 3-3, GRI 306-1, GRI 306-2

Water Management

Qatar has an arid environment and acute water stress all year round. As a result, it is one of the world's most water-stressed regions.

With no rivers or lakes in the country, the main sources of freshwater are rainfall and groundwater. Desalinated water is widely used to meet the nation's water needs. Good water management is therefore essential for QAFAC. We require water for many purposes, including creating steam to meet process needs. Non-contact cooling water is taken from the sea.

Our environmental management approach includes the use of water-efficient methods. We have a dedicated Environment Policy in place, this Policy is aligned with our Sustainability and Climate Change policies and covers our commitment to water and preservation of pollution. We carefully monitor water use through KPIs. Performance is reported by executive management bi-monthly and quarterly basis and third-party ISO management system audits are conducted annually.

Before discharging process wastewater streams, QAFAC treats its wastewater on site. Treated wastewater is analyzed against MoECC standards and we regularly monitor water effluent parameters in compliance with our consent to operate permit.

QAFAC is making efforts to reduce the wastewater discharge. Currently, discharge levels are estimated. However, we recycle a large portion of wastewater to ensure the safe discharge of wastewater and effluents. All treated sanitary wastewater is utilized internally for irrigation purposes in our designates green belt area.

The effluents released as a result of QAFAC's operations are categorised as:

1. Oily wastewater
2. Process wastewater
3. Demineralised wastewater
4. Sanitary wastewater

GRI 3-3, GRI 303-1, GRI 303-2

HIGHLIGHT STORY:

Near-Zero Liquid Discharge (NZLD) Project

QAFAC's effluents discharge has a detrimental impact on the environment, if unregulated. In response we initiated the NZLD project to manage disposal pathways and the quality of effluents such as oily wastewater, process wastewater and demineralised wastewater.

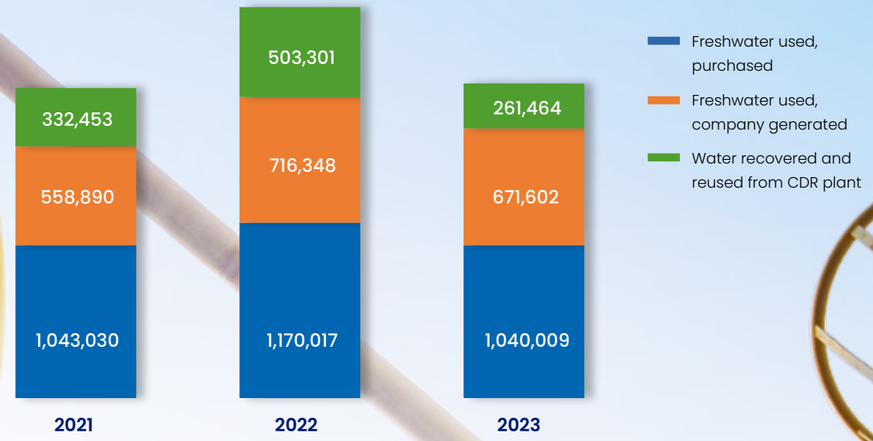
The project aims to promote water conservation and gain commercial benefit by using the treated effluent. This could result in an annual saving of 604,440 m^3 of water and 69 m^3 per hour load of water sourced from the state's water supplier, Kahramaa, with cost savings of approximately QAR 3.5 million

The NZLD plant is equipped with systems to treat the process wastewater streams and upgrade them to potable water standards. The plant is equipped with advanced automation and is being implemented in three phases. In 2023, QAFAC received all the required equipment (except chillers) on site.

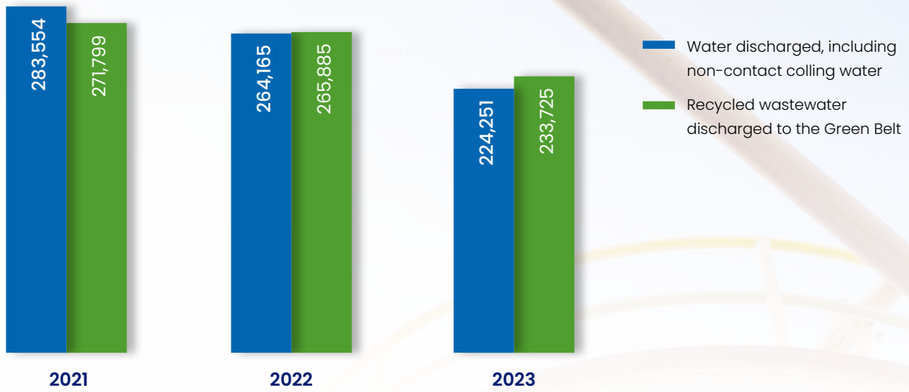
Once fully operational, the plant will recover approximately 85% of QAFAC's wastewater for utilisation as makeup water in our demineralisation plant. The remaining 15%, which is mainly brine water, will be disposed of at sea. The plant will provide efficient and circular processes, reducing the need for resource use with minimal impacts on land and marine ecosystems. Additional benefits are process efficiency and resource reduction.

In 2023, QAFAC achieved a 9% decrease in total water withdrawal, and 15% of the water used was recycled.

Distribution of Freshwater Consumed (m^3)



Water Discharge (Quantity of Wastewater Discharge - m^3)



GRI 3-3, GRI 303-3, GRI 303-4, GRI 303-5

Biodiversity

Biodiversity was identified as a significant issue for QAFAC in our most recent materiality assessment. In addressing this issue, we are aligned with Qatar's National Biodiversity Strategy Action Plan, which has seven goals and associated targets to be achieved by 2025.

QAFAC is committed to the protection of biodiversity, the mitigation of impacts that affect biodiversity, and the investment to limit those impacts. Provisions for biodiversity management is included our Environment Policy.

Our responsibility towards biodiversity is well reflected in our chemical handling and transportation safety record, where we have a history of zero reportable spill incidents. The NZLD project's projected outcomes, and those of other initiatives, include the reduction of effluent discharges into marine waterbodies. Similarly, we place great focus on avoiding spills, which could damage habitats and the environment in our neighbourhood. We had no major spills in 2023.

An ongoing joint environmental study of Mesaieed Industrial City (MIC) will help us gain a greater understanding of the current state of biodiversity in our operating environment and the necessary steps to preserve it. Similarly, our Construction Environmental Management Plan and related assessments and modelling for projects could help us in making suitable operational decisions.

QAFAC participates in MIC's environmental sub-committee, which comprises members from all MIC industries. The committee explores ways to preserve the environment, gather information, develop conservation programmes and overlook all MIC projects. The Committee initiates, technically reviews and provides feedback for all combined environmental studies taking place in MIC Industrial City.

GRI 3-3, GRI 304-1, GRI 304-2, GRI 304-3, GRI 304-4

Our People

Key Enablers to Our Strategic Priority 'Prepare for Long-term Sustainability'

- High-performing organization, focus on talent management, Qatarization and succession planning
- Sustain top-quartile health and safety performance.
- Boost digitalisation to set a benchmark in our industry.

Alignment to Global and National Reporting Frameworks, Goals and Targets

Material Topics covered in this chapter	QNV 2030	UN SDGs	GRI	QSE
Health and Safety	▪ Social Development	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	▪ GRI 403, ▪ GRI 416, GRI 417, GRI 11: Oil and Gas Sector 2021	▪ QSE S14, 15
Human rights and labour standards	▪ Human Development	8 DECENT WORK AND ECONOMIC GROWTH	▪ GRI 409	▪ QSE S 16, 17, 18
Employee engagement, attraction, and retention	▪ Human Development	3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	▪ GRI 401 ▪ GRI 404	▪ QSE S 10, 11, 12
Learning and development	▪ Human Development	4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	▪ GRI 404	▪ QSE S 13
Diversity and equal opportunity	▪ Human Development	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH	▪ GRI 405	▪ QSE S 19
Community engagement and investment	▪ Social Development	1 NO POVERTY; 2 ZERO HUNGER	▪ GRI 413 ▪ GRI 11: Oil and Gas Sector 2021	▪ QSE S 21
Qatarisation	▪ Human Development	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	▪ GRI 202	▪ QSE S 20

Health and Safety

QAFAC's health and safety principles are aligned with recognised international frameworks and standards such as the Environment, Health, and Safety Program of the Organization for Economic Co-operation and Development, the International Labor Organization's Occupational Safety and Health Convention and its accompanying recommendations, and the safety standards of the American Petroleum Institute, Occupational Safety and Health Administration and National Fire Protection Association (NFPA).

22.6 Million
safe working hours reached at the end of 2023

All our safety procedures and processes conform to the ISO 45001 occupational health and safety standard.

In addition to following international standards and best practices, we also pay close attention to national health and safety provisions. These include Qatar's Labor Law, the policies of its National Committee of Occupational Health and Safety within the Ministry of Administrative Development, Labor and Social Affairs, and the social development pillar of the Qatar National Vision 2030.

We developed an Occupational Health and Safety (OHS) Policy, that was rolled out at the end of 2023 as per of our COC launch. Our approach to safety is enshrined in our OHS Policy, which acts as a guiding document for all our employees. We continually strive to identify and mitigate potential risks, and to educate our workforce with targeted safety information and programmes. This includes our nine Life-Saving Rules, which aim to protect people against life-threatening injuries, illnesses and accidents.

As a member of the Gulf Petrochemicals and Chemicals Association (GPCA), we participate in the Association's Process Safety Taskforce. We also sponsor the Mary Kay O'Connor Process Safety Center at Qatar's Texas A&M University.

In 2023, we achieved another safe year with zero Lost Time Incidents. We have now reached 22.6 million safe working hours over 12 years of operations. This included 1.88 million safe working hours during the plant Turnaround. We also delivered 3,371 training hours on HSE topics to our employees and 19,253 hours to contractors, an increase of 831% on 2022. This bears testimony to QAFAC's commitment to health and safety in the workplace.

Health and Safety during Turnaround

In 2023, QAFAC completed a safe and efficient maintenance Turnaround, guided by the safety slogan, "Let's work together for a safe and successful Turnaround 2023." The HSSE team, along with all relevant stakeholders, meticulously planned the turnaround for months prior, focusing on proactive risk identification, assessment, and mitigation to reduce risks to ALARP (as low as reasonably practical).

The commitment to safety was unwavering and is reflected in the remarkable safety achievements. Despite the complexity of managing over 4,500 workers and numerous hazardous activities, the turnaround achieved 1.88 million Safe Working Hours without a Lost Time Accident (LTA). Peak manpower reached 4,527 on the 15th day of the Turnaround. The Turnaround also recorded zero Medical Treatment Cases, PSE Tier 1 & 2 events, and high-intensity fires.

Safety achievements were driven by thorough training, frequent permit-to-work audits, joint HSSE inspections, effective safety meetings, targeted campaigns, and a culture of rewards and recognition for safety compliance. Safety Officers conducted vigilant monitoring to ensure the consistent application of safety rules and risk control measures. Workers were briefed on hazards, provided with suitable safety equipment, and given clear instructions for safe task completion.

QAFAC's positive safety culture, which encourages the prompt reporting of safety issues and supports informed decision-making, was crucial. This culture, comprising robust reporting, fairness, continuous learning and adaptability, underpins the organization's safety management system. During the turnaround, 1,563 HSSE observations and 190 BBS observations identified potential hazards, promoted safe behaviors, and prevented incidents, reflecting QAFAC's commitment to continuous improvement and workplace safety.

Health and Safety Governance

We have a multi-tiered approach to HSE governance. The HSSE Central Committee, chaired by the CEO, plays a central role.

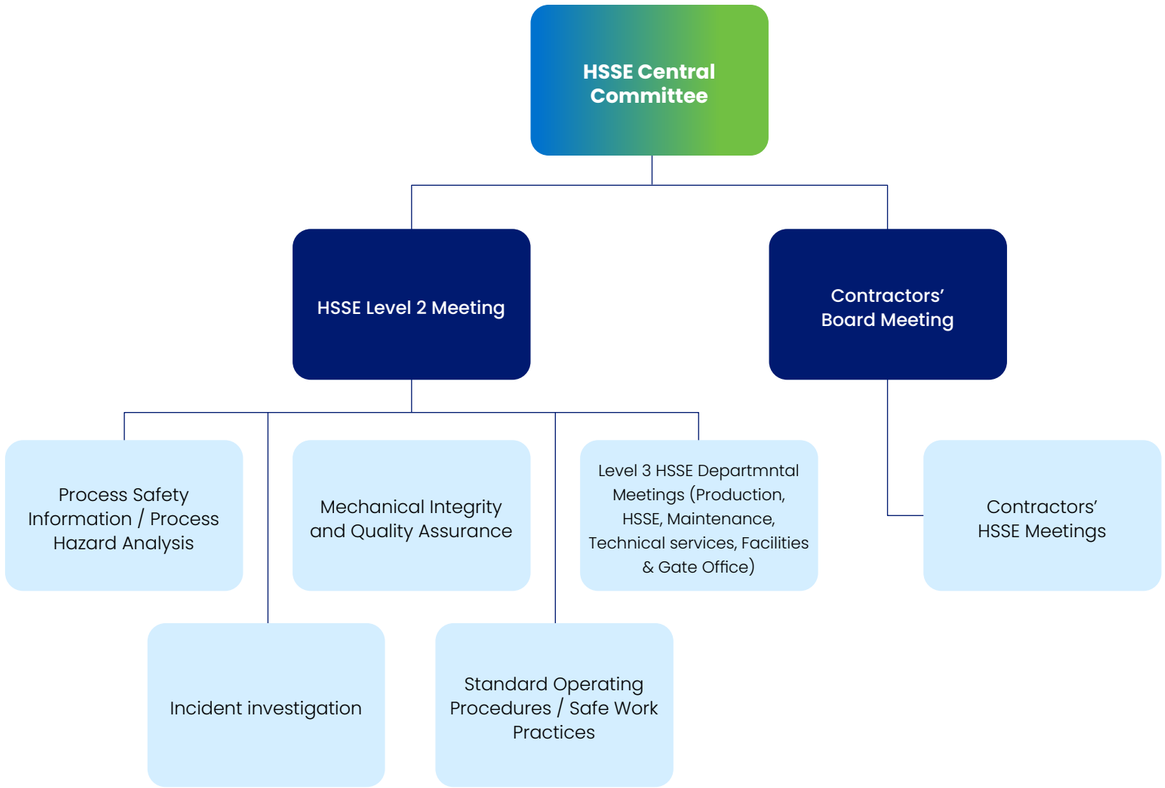
The HSSE (Health, Safety, Security, and Environment) structure at QAFAC comprises various levels of meetings chaired by different management levels, each serving specific purposes and contributing to the overall safety management system. These committees and subcommittees play critical roles in formulating safety policies, analysing safety information, promoting employee participation, and driving continuous improvement in HSSE and process safety performance across QAFAC's operations.

- HSSE Central Committee (Chaired by CEO): This committee oversees and manages a network of structured committees, including PSM subcommittees and departmental meetings. Its responsibilities include recommending the implementation and updating of control elements and tools for improving HSSE programs and procedures. The committee meets quarterly and monitors performance metrics through leading and lagging KPI dashboards and action item progress.
- Level-2 Committee Meeting (Chaired by COO): This committee, part of the integrated HSSE & PSM structure, reviews HSSE and PSM activities to ensure effective implementation. It assists site management in establishing HSSE & process safety guidelines, recommending training, and auditing performance across essential elements of HSSE and process safety management systems.
- Departmental Meetings (Level 3, Chaired by Senior Managers/Managers): These meetings, chaired by departmental leaders, aim to promote a systematic, integrated, and participatory management process. They involve all levels of the organization to achieve excellence in HSSE and ensure compliance with HSSE policy, legal principles, and regulatory requirements.

PSM Subcommittee Meetings (Chaired by Dedicated Chairmen):

- Incident Investigation & Root Cause Analysis Subcommittee: Focuses on investigating incidents, identifying root causes, and implementing corrective actions to prevent recurrence.
- Procedures Subcommittee (SOP & SWP): Reviews and updates standard operating procedures (SOPs) and safe work practices (SWPs) to ensure alignment with safety standards and regulations.
- PSI / PHA Subcommittee: Addresses process safety information (PSI) and conducts process hazard analysis (PHA) to identify and mitigate potential hazards.
- Mechanical Integrity & Quality Assurance (MIQA) Subcommittee: Ensures the integrity of equipment and systems through quality assurance processes, inspections, and maintenance activities.

HSSE Integrated Governance Structure



GR 403-1

Process Safety Management

QAFAC started implementing the OSHA 14 PSM elements standards under Project Aman in 2016. The entire management and line management team have put significant effort into implementing the foundational elements over the eight-year period. Management's commitment to ensuring continuous improvement is visible.

Process Safety Management (PSM) is a systematic approach to preventing catastrophic incidents in industries that handle hazardous materials and processes. PSM focuses on managing hazards that can lead to major accidents involving the release of potentially dangerous materials or energy (such as fire or explosion). It aims to prevent leaks, spills, overpressure, equipment malfunction, excessive temperatures, metal fatigue, corrosion, and other similar conditions by applying good engineering and design principles.

QAFAC's PSM program is based on the Occupational Safety and Health Administration (OSHA) standard "29 CFR 1910.119," which provides guidelines for chemical companies to identify highly hazardous chemicals and maintain a safe workplace. By adhering to these guidelines and prioritizing employee safety, companies can create a safer work environment and reduce the risk of hazardous incidents. The 14 essential elements of OSHA (shown in the graph) are integral to this effort.

PROCESS SAFETY FUNDAMENTALS

In 2023, QAFAC formally launched a communication campaign to raise awareness of its Process Safety Fundamentals (PSFs). Developed by the International Association of Oil and Gas Producers and at the guidance of GPCA, PSFs are basic principles for frontline workers, supervisors and managers. Informed by data, they emphasise existing good practices to draw attention to situations that could lead to process safety incidents and even fatalities. PSFs do not exhaustively address all process safety risks and hazards in our industry but complement underlying systems for process safety management.

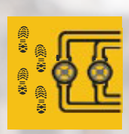

WE RESPECT HAZARDS


WE APPLY PROCEDURES


WE SUSTAIN BARRIERS


WE STAY WITHIN OPERATING LIMITS


WE MAINTAIN SAFE ISOLATION


WE WALK THE LINE


WE CONTROL IGNITION RESOURCES

WE RECOGNISE CHANGE


WE STOP WHEN UNEXPECTED OCCURS


WE WATCH FOR WEAK SIGNALS

GRI 403-2

Process Safety Management Audit 2023

In December 2023, QatarEnergy engaged a third party to conduct a PSM audit to assess and validate the effectiveness of QAFAC's process safety management system. This was the first baseline external PSM audit conducted against the 14 OSHA PSM elements. The audit involved site inspections, assessments of plants and process units, drawings, procedures, emergency response plans, and other PSM-related systems and practices.

Combine Quantitative Risk analysis Study for Mesaieed Indutrial City

QatarEnergy engaged a third party to conduct the integrated Quantitative Risk Assessment (QRA), including the Asset Specific QRA for Mesaieed Industrial City (MIC). Activity was started in 2023 and it will be completed in 2nd Quarter 2024.

The QRA will evaluate the risk due to Major Accident Hazards (MAHs) associated with loss of containment scenarios resulting in fires, explosions, and toxic dispersions. In addition, transportation and occupational hazards are also evaluated in this QRA. The Individual Risk Per Annum (IRPA) for all worker groups falls within the "Tolerable if As Low As Reasonably Practicable (ALARP)" region. The societal risk in the report, which is represented by F-N Curves, also falls within the "Tolerable if ALARP" region. All occupied buildings within QAFAC premises (total-16) are assessed to have fire impairment frequencies below criteria of 1E-04 per year. The toxic impairment frequencies for all occupied buildings are also found to be below the acceptance criteria of 1E-04 per year. In addition, all occupied buildings are found to have explosion impairment frequencies below the acceptance criteria at 50mbar.

Given the case where sensitivity analysis is performed, risk evaluated shall be compared against the QatarEnergy risk acceptance criteria to ensure risk mitigation/ reduction is able to be brought down to safe or ALARP level. Study is ongoing. Further details related to the study will be shared in QAFAC's 2024 report.

Key focus areas of the process were reviewed to see the effectiveness of PSM system & to identify the opportunities for improvements. Improvements related to these activities were recommended and implemented. For future reference a database analysis & actions tracking register was prepared.

HAZCHEM Loading/Unloading Activities Joint Risk Review

Hazardous material loading and unloading refers to the process of handling and transferring dangerous substances, such as chemicals, gases, flammable hydrocarbon, between transportation vehicles (trucks, trains, ships) and storage facilities. Proper process safety management protocols are crucial during these operations to prevent accidents, spills, or exposure to harmful substances. Keeping in view the potential occurrence of these incidents, the PSM section took initiative to assess related to expected chemicals released during loading / unloading activities at QAFAC. This initiative was taken jointly to review the existing risk and controls implemented during loading/unloading of hazardous chemicals at QAFAC facility.

Key focus areas of the process were reviewed to see the effectiveness of PSM system & to identify the opportunities for improvements. Improvements related to these activities were recommended and implemented. For future reference a database analysis & actions tracking register was prepared.

PSM Implementation in Turnaround

Turnaround is a critical component of the process safety management system. In 2023, QAFAC planned a major turnaround and used this opportunity to evaluate the level of implementation of the process safety elements and processes. The PSM section was involved in the following activities during the turnaround:

- Review of Job Hazard Analysis (JHA), coordination with relevant departments/divisions and the Turnaround Contractor HSE/execution team. A total of 163 JHAs were reviewed.
- Joint review of method statements and JHAs with QAFAC and Contractor execution teams for Turnaround jobs.
- Identification of critical jobs.
- Maintenance work inside confined spaces.
- Catalyst loading/unloading.
- Chemical cleaning.
- Hydro jetting and hydrotesting.
- Incident investigations for process safety-related events with immediate corrective actions.
- Review of startup activities with Operations.
- Reporting of 189 behavioral-based safety observations.

Additionally, the PSM team engaged in several other initiatives:

Process Safety KPIs Monitored During Turnaround

A set of key process safety KPIs were established to monitor during the turnaround. These include metrics such as process safety incident rates, equipment integrity, permit compliance, pre-startup safety review planned and executed, and emergency response effectiveness. Monitoring these KPIs helped ensure a safe and efficient turnaround by focusing on preventing accidents, maintaining equipment reliability, and ensuring compliance with safety and process safety procedures. Regular monitoring and analysis of these indicators contribute to a proactive safety approach during the turnaround process.

Hazard Identification & Risk Assessment for Turnaround Activities

Hazard identification and risk assessment during a major turnaround are crucial for ensuring a safe working environment. The process involves systematically identifying potential hazards, evaluating associated risks, and implementing controls to mitigate those risks. Before the turnaround, a thorough risk assessment was done during the Turnaround planning stage by preparing method statements and job hazard analysis for all high, medium, and low-risk jobs to be executed during the turnaround. The multidisciplinary team jointly reviewed over 125 JHAs, which were then approved.

Live Equipment Risk Control Measures During Turnaround

At the pre-turnaround stage, the PSM team coordinated with the Operations group to identify live equipment containing hydrocarbons. A list of live equipment, including equipment tag numbers and services, was prepared. All associated jobs on the live equipment were critically reviewed jointly during hazard identification and risk assessment/JHA review.

Energy Control Management During Turnaround

Energy control management during a major maintenance turnaround is crucial for safeguarding personnel, equipment, and the overall facility. The focus was on preventing the unexpected release of hazardous energy during maintenance activities.

According to the 'Energy Control Management Procedure' (QF-PRO-ALL-0100), special guidelines for energy control management must be followed during major Turnarounds to isolate energy sources during equipment maintenance. Regular ECP audits were conducted to inspect and ensure the proper functioning of energy isolation devices, such as locks, tags, and physical barriers.

PTW/ECP & MOC Execution Audits During Turnaround

Frequent audits of conducting PTW (Permit to Work), Energy Control Lockout/Tag Out, and Management of Change related jobs were performed by the PSM team during the turnaround to ensure compliance and identify any significant gaps in safety and process safety procedures and practices.

Pre-Startup Safety Review (PSSR) during Turnaround

Conducting a Pre-Startup Safety Review (PSSR) after major maintenance is crucial as it helps ensure the safe resumption of operations. This process verifies that maintenance activities were performed correctly as per the job scope and in compliance with safety and process safety standards and approved procedures. It identifies any potential hazards or deviations by thoroughly assessing the readiness of the system before startup.

A total of 165 PSSRs (PMRs and maintenance-related) for the MeOH/Utilities, CDR, and MTBE plants were conducted by a multidisciplinary team (Operations, Maintenance, and HSSE team representatives). Before each loop startup, a PSSR documents review meeting was conducted, and the following documents were reviewed as per the PSSR documents verification checklist:

- Box-up certificate issued and signed off
- Blind list completely signed and ECP closeout
- All connected instrumentation, including control valves, stroke-checked and completed as per P&ID
- DCS/control system (ESD/Trip logic) checks completed
- All scaffolding removed and civil works completed
- PSVs installed and car seal status confirmed
- System-wise mechanical completion certificate issued
- PMR-related mechanical completion certificate issued and PSSR conducted, checklist signed off
- All the scaffolding removed and civil works completed
- PSVs installed & car seal status confirmed.
- System wise Mechanical completion certificate issued
- PMR related Mechanical Completion certificate issued & PSSR conducted / checklist signed off.

HIGHLIGHT STORY:

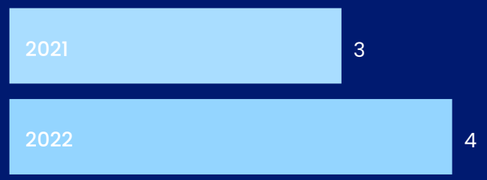
Root Cause Analysis (RCA) Enhancement

To enhance incident investigations and recognising the critical role of thorough analysis in preventing future incidents, QAFAC's RCA team conducts incident investigations and root cause analysis as recommended by the approved procedure. In 2023, we procured an RCA tool software called Incident XP, an industry-leading tool for analysing all types of incidents. To ensure effective use of the software, e-learning training was arranged among the RCA team members to carry out effective of RCA.

Detailed Investigation of Incidents and Root Cause Analysis (RCA)

RCA Recommended

RCA Completed

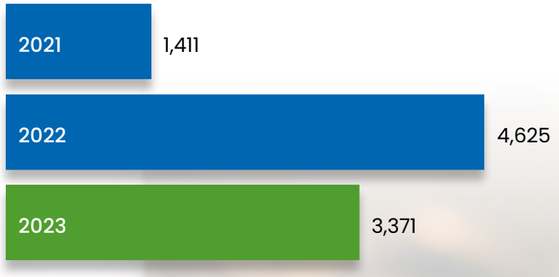


TRAINING

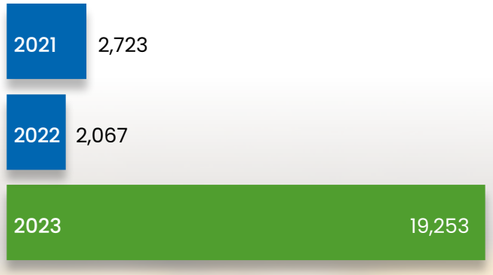
QAFAC provides regular, ongoing health and safety training for all its employees and contractors. In 2023, we delivered more than 22,000 hours of training, with courses covering:

1. Safety induction (new starters)
2. Emergency responses
3. Confined space entry
4. Permit to work (awareness and refresher)
5. Heat stress awareness
6. Authorised gas testing
7. Risk assessment / Job hazard analysis
8. Process safety management
9. Behaviour-based safety
10. Energy control.

Total HSE Training Hours for employees (Hrs)



Total HSE Training Hours for contractors (Hrs)



GRI 403-2, GRI 403-5

HSSE Training Conducted in 2023

Training Name	Type	Description	2023	
			No. of Trainees Attended	Training Hours
ERT Training	Internal	Build the capacity of emergency responders and improve their preparedness, technical skills, making better coordination while performing emergency management and response effectively	177	1,416
Confined Space Entry Program	Internal	Provide the necessary knowledge of the hazards for working in confined spaces, safe use of tools and equipment, control of hazards and understanding the emergency procedure.	4,183	8,366
Permit to Work (Awareness)	Internal	Explain the purpose of permits to work within QAFAC and what type of high-risk activities may require them, roles and responsibilities of PTW key personnel and explain Job Hazard Analysis (JHA).	394	3,152
Permit to Work (Refresher)	Internal	Refresh the knowledge and understanding of the Permit to Work system in QAFAC and responsibilities when issuing and receiving permits.	96	192
Heat Stress Awareness	Internal	Refresh the knowledge and understand Heat Stress, identify symptoms of Heat Stress, actions to take if employee or co-worker suffers from Heat Stress and know how to prevent or minimize the effects.	228	228
Emergency Response Plan Awareness	Internal	It is designed to educate people on emergency response awareness. Define the roles and responsibilities in relation to the emergency response procedure. Enhance emergency awareness and to maintain a high level of preparedness among QAFAC employees, contractors, vendors and other visitors. Accelerate the resumption of normal operations.	76	152
Authorized Gas Tester - AGT	External	This program provides participants with the knowledge and skills required to identify and assess potential gas hazards, as well as how to use gas testing equipment effectively. The topic also covers gas monitoring procedures, gas detection equipment, gas safety regulations, and emergency response protocols. Participants should be trained on how to use gas detectors, interpret readings and understand the limitations of different types of gas detectors.	6	24
Safety Induction (DVD) Employees / Trainees	Internal	Provide new employees with an overview of QAFAC work health, safety and environment principles, emergency response and QAFAC Life Saving Rules that will encourage them to work more safely.	17	17

GRI 403-5

HSSE Training Conducted in 2023

Training Name	Type	Description	2023	
			No. of Trainees Attended	Training Hours
Safety Induction (DVD) Contractors	Internal	Provide new contractors/vendors with an overview of QAFAC work health, safety and environment principles, emergency response and QAFAC Life Saving Rules that will encourage them to work more safely.	8,177	8,177
Risk Assessment/JHA	Internal	It is designed to educate people on risk assessment and job hazard analysis which includes Introduction to Risk Assessment, What is Risk Assessment, Purpose of Risk Assessment, Types of Hazards, Why to Manage Risks, Domino Theory of Accident Causation, Categorization of Accident & Risks, Monitoring (Proactive – Reactive), Competence of Carrying out Risk Assessment, 5 steps to Risk Assessment, Safe Systems of Work, Risk Assessment recording and review, Job Hazard analysis (JHA) as a tool etc.	141	282
Process Safety Management/ Fundamentals	Internal	It is designed to educate people on process safety management system which includes continually improve our process safety culture and performance, enhancing	149	298
Behavior Based Safety (BBS)	Internal	It is designed to educate people on behavior-based safety including to motivate employees to work safe and enhance good safety culture, correct unsafe behaviors and choose safer behaviors, coach employees on safer ways to do a job etc.	14	28
Energy Control (ECP-LOTO)	Internal	It is designed to educate people on energy control permit and LOTO including Introduction & Definitions of QAFAC ECP, Applications of LOTO, Energy sources and energy isolation LOTO devices, Energy Control program, ECP Process Flow, Lock Administration, Guidelines for shutdowns / major Turnarounds etc.	146	292
		Yearly total (YTD)	**13,804**	**22,624**

HSSE DASHBOARD

We use KPIs to assess our health and safety management performance and to translate our commitments to quantifiable insights These KPIs are continuously tracked and monitored by management and all carry targets of zero cases.

HSSE Indices	2021	2022	2023
Heat stress events (#)	0	0	12
Loss of containment (LOC) / process safety incidents (#)	0	0	8
Emergency response drills (#)	12	12	12
Safety incident investigation initiated (#)	3	4	7
Safety incident investigation completed (#)	3	4	5
Process Safety Total Incident Severity Rate (PSTISR) (#)	0	0	0
Safe acts observed at site (#)	6,752	8,528	8,260
At risk acts corrected at site (#)	838	652	931

HIGHLIGHT STORY:

HSSE reward and recognition

QAFAC recognises and rewards employees and contractors for adhering to health, safety, security and environment (HSSE) rules and procedures in their day-to-day activities. This includes acknowledging their efforts in identifying unsafe acts or conditions, as well as reporting any suggestions for HSSE improvements. Such contributions are acknowledged at quarterly HSSE central committee meetings, chaired by the CEO.

QAFAC also acknowledges the needs and contributions of contractors. Contractors' workers who consistently demonstrate outstanding safety compliance are rewarded by their companies and QAFAC at monthly mass safety meetings. This helps set guiding examples for others, encourages adherence to safety rules and fosters a culture in which safety is championed and prioritised.

During the recent Turnaround project, QAFAC's system of appreciating and rewarding workers played a crucial role in ensuring the project's successful completion in a safe manner. This proactive approach to safety was instrumental in mitigating risks and preventing any Lost-Time Accidents during the Turnaround, with 1,879,779 safe working hours achieved. As a result, more than 650 workers were rewarded with gifts including mobile phones and shopping vouchers.

GRI 403-3, GRI 403-4, GRI 403-7

CONTRACTOR SAFETY MANAGEMENT

We respect our contractors' right to a safe working place. This is enforced by a structured contractor management programme and our Contractor Safety Board, a collaborative management commitment to encourage and improve contractor safety performance.

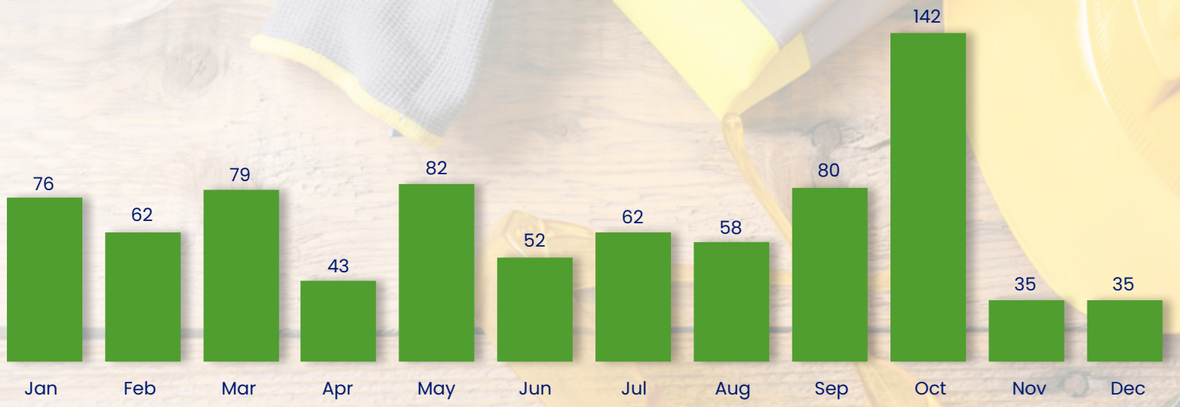
HSE integrity and performance are key factors in the screening and selection of our contractors. Potential contractors are required to submit an HSE questionnaire any relevant supporting documents as a part of their bid. These are then evaluated by QAFAC's HSSE team and verification sought where required. Only those contractors chosen from this process are considered at the next step of bidding. This ensures that only contractors with strong HSE management systems work at QAFAC.

Periodic interactions between QAFAC representatives and contractors discuss findings, lessons learned, training needs and observations on the contractor's health and safety performance. QAFAC's senior leadership and the contracting firms hold joint, high-level performance reviews. Additionally, our contractor management programme ensures that HSE contractor requirements are included in our tenders and submitted proposals to ensure that all people working with QAFAC conform to our health and safety standards. Every contractor employee should submit a valid medical certificate that must be reviewed and approved by the QAFAC Occupational Health Nurse before they can proceed to safety induction. We maintain records for contractor workers with medical histories and follow doctors' advice to ensure workers follow any instructions for maintaining their health and well-being.

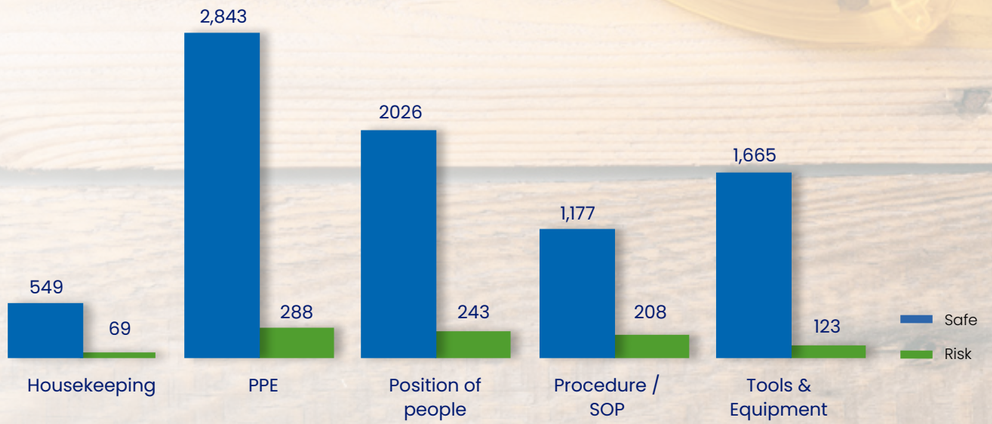
Behavioral-Based Safety (BBS)

Our Behavioral-Based Safety (BBS) program at QAFAC plays a pivotal role in our safety culture, aiming to inspire employees to prioritize safety, rectify unsafe behaviors, and provide guidance on safer work practices. To achieve this objective, we have robust BBS procedures that systematically address any unsafe acts in the workplace. These procedures involve dedicated observers conducting BBS observations of personnel performing tasks, engaging with them to discuss safe and unsafe acts, practices, or conditions, and exploring opportunities for improvement.

BSS raised

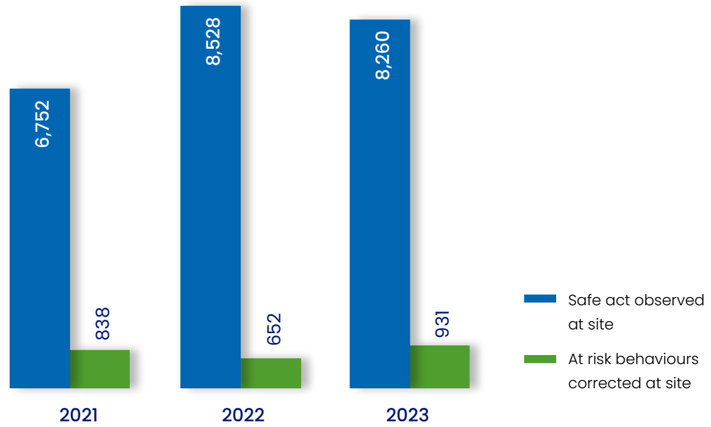


BBS Category - 2023



GRI 2-8, GRI 403-4, GRI 403-7

BBS Safe Act Vs Unsafe Act Corrected (#)



HSSE Observations (#)

Nature of HSSE Observations in 2023	Number of HSSE observations
Unsafe Condition	732
Unsafe Behavior	28
Unsafe Act	334
Security Observation	9
Safe Condition	78
Safe Behavior	48
Safe Act	111
Process Improvement Suggestion	28
HSSE Improvement Suggestion	119

Safety Performance Statistics	2021	2022	2023
Number of employee fatalities (#)	0	0	0
Number of contractor fatalities (#)	0	0	0
Employee lost time injuries (#)	0	0	0
Contractor lost time injuries (#)	0	0	0
Employee total recordable injuries (#)	0	0	0
Contractor total recordable injuries (#)	0	0	0
Employee Occupational Illness (#)	0	0	0

GRI 403-4, GRI 403-6, GRI 403-7, GRI 403-9

HIGHLIGHT STORY:

20 million Safe Work-Hours Ceremony

In July 2023, QAFAC reached 20 million working hours – representing 12 years of the company's activities – without a single lost-time incident. To mark this outstanding achievement, a special ceremony was held in Mesaieed, attended by employees, contractors and vendors, with awards presented in recognition. Reaching this milestone demonstrates QAFAC's firm commitment and dedication to safety, driven by continuous improvement and adoption of best industrial practices without compromise.

"Our accomplishments in safety are the direct results of the proactive commitment and continuous efforts of our teams to achieve safety excellence. We work towards one goal: ensuring a safe and secure workplace today and in the future".

Ahmed Abdulqader Al-Ahmed
Chief Executive Office, QAFAC

EMERGENCY PREPAREDNESS

Emergency planning is an essential part of safeguarding our people, the environment, assets and reputation. Consequently, at QAFAC we work to reduce risks to an acceptable level and ensure that we have adequate emergency response systems in place.

A major priority is remaining proactive in relation to safety hazards. We develop response plans to cover all likely scenarios and their consequences. We also ensure that our emergency response personnel are trained and equipped to deal with all relevant potential scenarios for which they are trained. This includes holding joint training exercises between the QAFAC and QatarEnergy Emergency Response Teams, which helps to identify areas to strengthen responses where mutual aid is required.

In 2023, we conducted 12 emergency exercises based on different scenarios These scenarios are reviewed regularly based on QAFAC's operational risk, and unannounced exercises were conducted to test our response system.

Our plants have toxic and combustible gas detectors to ensure the detection of any leaks. If a leak is detected, a display indicates the exact location of the activated detector prompting our firefighting team to respond effectively. We also have onsite cameras that enable emergency responders to see the area that needs support and comprehend the emergency faster. Manual call-points are located throughout the plants that can be activated physically by anyone. All operators and technicians also carry radios to alert the control room personnel in case of an emergency.

Besides our plants, we extend our emergency controls to our nearby buildings. We have gas detectors at our buildings, inspected quarterly by an external third party.

GRI 403-4, GRI 403-6, GRI 403-7

HIGHLIGHT STORY:

Emergency preparation in Turnaround

Given the inherent risks during Turnarounds, QAFAC carefully planned emergency responses ahead of the Turnaround in 2023.

A key aspect was the inspection of all lifting and rescue equipment by a third party before the Turnaround commenced, ensuring the equipment was operational, in good condition and ready to be utilized in case of emergencies. Additionally, preventive maintenance of fire engines was conducted to guarantee smooth firefighting assistance to the Emergency Response Team (ERT) during any unforeseen incidents. New safety equipment was also procured based on identified needs.

To further enhance emergency response capabilities, training was provided to 12 support ERT team members responsible for assisting the main ERT team at emergency sites. Two emergency rescue stations were established in both the MTBE and MeOH plants to promptly respond to emergency situations.

Confined space activities, known for their inherent risks, were addressed with particular attention. We developed a confined space register and classified confined spaces into three different risk categories. For high-risk spaces, rescue equipment and trained teams were stationed directly at the location to ensure immediate response. For medium-risk confined spaces, rescue equipment was kept at work locations but the teams were stationed at rescue stations to approach the scene in an emergency. For low-risk confined spaces, an emergency support team with rescue equipment was stationed inside a strategic rescue station. Fire trucks were based at the plants to ensure any fire-related incidents were handled quickly, and an ambulance team regularly visited the plant. Throughout the Turnaround, the ERT responded professionally to various emergencies. Their preparedness and swift response underscored QAFAC's dedication to ensuring the safety and well-being of all personnel involved in the Turnaround.

HIGHLIGHT STORY:

Project Istijaba

Launched in 2023, QatarEnergy's Istijaba programme involves setting up a joint emergency response team for QatarEnergy companies, joint ventures and tenants across Mesaieed Industrial City. The aim is for the team to handle any emergency event in the city. The project was initiated with a new Fire and Emergency Response mission, which will provide a rapid and effective response to protect people, assets and the environment. The ultimate objective of the project is to build an integrated and unified emergency management process and an interoperable incident management system providing standardised and coordinated responses.

GRI 403-4, GRI 403-6, GRI 403-7

Workforce

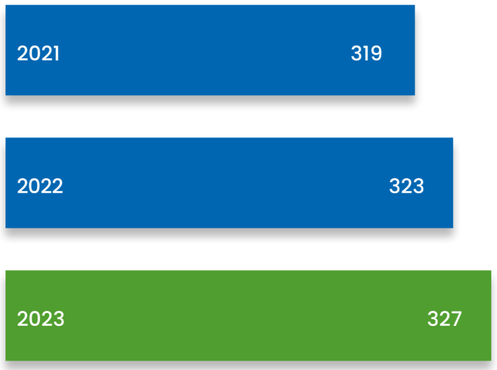
QAFAC strives to make the company a great place to work. By providing outstanding opportunities and wide-ranging career options, we aim to provide an attractive and rewarding atmosphere, where people feel purpose and value in their professional lives.

Employment at QAFAC is governed by the Personnel Policies Manual. This Manual is the go-to resource for employee management-related practices, prospects and rights of all QAFAC employees. It aims to ensure reciprocal respect and consideration in attaining the shared objectives of the organisation, as well as harmony and collaboration in the relationship between management and employees.

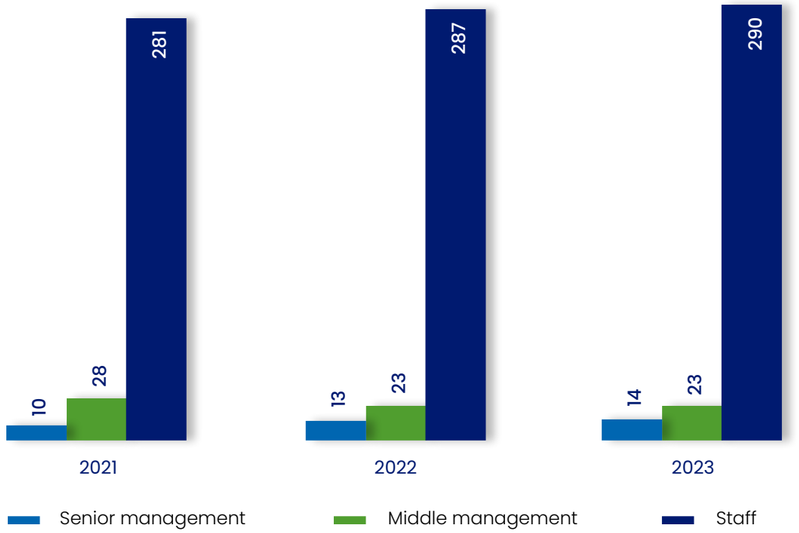
We use a digital system to systematically manage workforce performance data, enabling our Personnel Administration division to track and manage KPIs and staff performance. An SAP Fiori Mobile app, also managed by Personnel Administration, enables our employees to access all work-related processes through their mobile phones. This includes leave applications, pay slips, training, work mails, employee lookup, team calendars and other useful work items. The Manarah2 application acts as QAFAC's intranet and provides unified access to the organisation's policies and procedures, employee profiles, and the latest developments in the company.

QAFAC hires both permanent and temporary employees. In 2023, the total direct workforce headcount was 327, a rise of four from 2022. Employees can move between our headquarters in Doha and our operating plant in Mesaieed Industrial City (MIC). There are usually around 35 to 40 staff based at Doha, with everyone else at MIC.

QAFAC's Headcount (#)

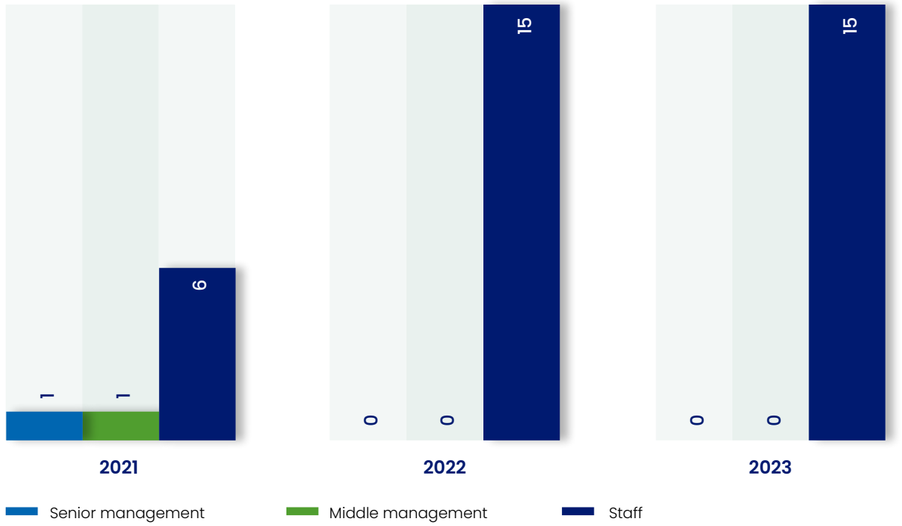


Workforce by Employment Level (#)

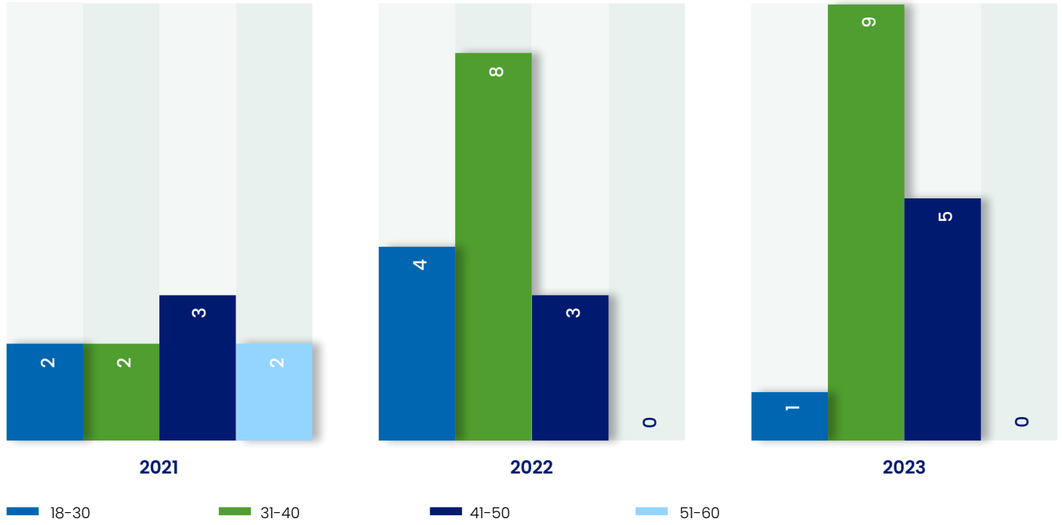


Employee turnover	2021	2022	2023
Total number of employees who left the organization (#)	13	10	9
Turnover rate (Percentage)	4	3	2.7

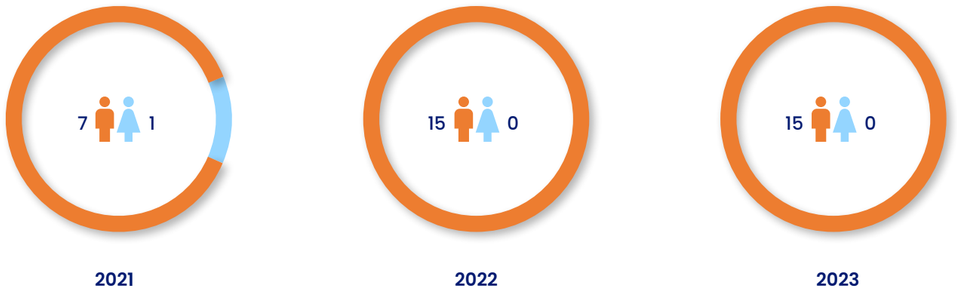
New Employee Hires by Employment Level (#)



New Employee Hires by Age (#)



New Employee Hires by Gender (#)



GRI 401-1

Qatarization

Qatarization is a flagship government initiative to boost the proportion of Qataris working in the public and commercial sectors. At the turn of the 21st century, the expatriate population in Qatar had grown significantly, while the native Qatari population was showing only marginally growth. To reduce the nation's reliance on foreign labor, Qatarization was developed as a government priority.

In line with the National Vision 2030, QAFAC is committed to building a growing base of Qatari employees, which also aids the preservation of the company's cultural identity as a Qatari organization. In recent years, we have maintained an annual average Qatarization rate of approximately 30%.

QAFAC has an internal Qatarization Committee headed by the CEO and comprising senior management members. As part of the organization's Qatarization plans, QAFAC holds yearly job fairs to attract and encourage Qatari college and high school students to join the organization. We have also developed training programs, monitored by our Learning and Development division, that support skills development for Qataris to boost their employment opportunities. In 2023, QAFAC provided 10 trainees with an opportunity to join QAFAC and learn from our experienced team of professionals.

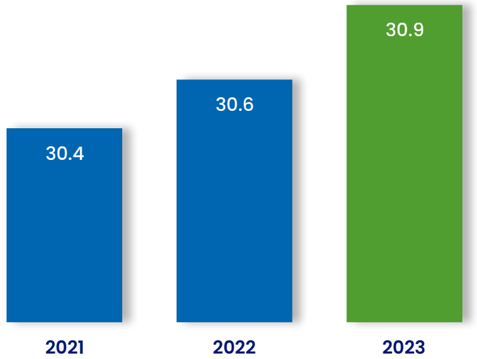
Across the business, we measure progress through metrics such as the overall number of national employees, national trainees, and the minimum number of Qataris that must be employed to meet our goals.

In 2023, QAFAC extended support to seven young Qatari students pursuing higher education at national and foreign educational institutions. In addition, through our Field Development Program, QAFAC supported 22 developees.

QAFAC's Qatarization rate increased to 30.7%, against a target of 40%. This reflects 101 Qatari employees (including 33 developees)out of a total headcount of 360. At senior management level, the Qatarization rate is 71%.

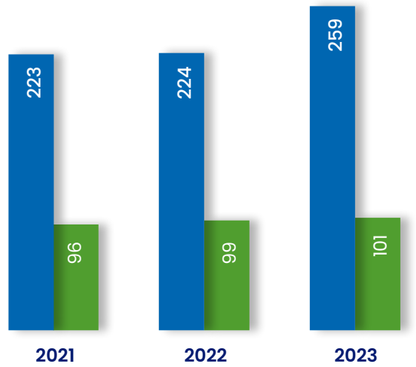
30.7%
Qatarization rate in 2023

Qatarization (%)*



*includes Qatari developees (33 in total for 2023)

Our National and Expatriate Workforce (#)*



Developing Qatari Talent	2021	2022	2023
Number of Qatari students sponsored to study in universities abroad (#)	2	4	6
Number of Qatari students sponsored to study in universities and technical schools in the State of Qatar (#)	0	1	1
Number of QAFAC employees supported to complete their education (#)	5	3	3
Number of Interns and Trainees Supported (#)	39	41	33

Human Rights and Labour Standards

Respect for human rights is a fundamental organisational value at QAFAC.

We supports human rights and labour rights throughout our operations and supply chain. We ensure all our workers and contractors receive fair treatment and that their rights are upheld. This includes conducting routine audits at contractors' premises.

To promote decent work for all our employees we have adopted the guidelines of the International Labour Organization. While QAFAC is not subject to Qatar's labour law, we are guided by its principles as a minimum. We go beyond the legal requirements, creating an ethical environment in which our employees are empowered to play an equally important role in making sustainable business decisions.

As part of our new suite of policies, we introduced a new standalone Human Rights Policy in 2023, inspired by the Universal Declaration of Human Rights and guided by the constitution of Qatar. The policy reinforces our commitment to:

- treat those working for and with us, fairly and with dignity and respect
- not discriminate based on race, age, disability, gender, political or religious beliefs
- comply with applicable human rights laws
- not work with business partners involved in human trafficking or forced labour
- provide safe, healthy, and secure working conditions.

We have also introduced a Respectful Workplace Policy where it communicates our expectations when we work with each other, with business partners and with other external stakeholders.

We are proud to report that there were no instances or grievances involving violations of human rights, discrimination against employees, or forced or compulsory labour during 2023, not have there been since our foundation.

Grievances

Our Personnel Policy Manual includes a grievance mechanism and a progressive problem resolution procedure. We operate a reporting line for employees and investigations are carried out when needed. Employees are urged to speak up, without fear of retaliation, on issues of unfair handling including unscrupulous employment, workplace discrimination, sexual harassment, concern about wages and other relevant issues. QAFAC has a Speaking Up Policy in place where every report made in accordance with this Policy is promptly and professionally followed up on, with a commitment to protecting the confidentiality of the individual raising the concern to the best of our ability.

Zero
reported grievances in 2023

GRI 2-16, GRI 2-26, GRI 2-30, GRI 3-3, GRI 409

Employee Engagement, Attraction, and Retention

Attracting and retaining high-performing employees is essential for a company's long-term sustainability. QAFAC prioritises policies and actions that help us identify and recruit high-quality employees and provide them with opportunities that enable them to grow, develop and advance their careers.

EMPLOYEE RECRUITMENT

Our Recruitment, Placement and Selection Policy is designed to help us attract a diverse range of employees.

Apart from traditional job advertising, we are utilizing the potential of mainstream social networks. Our presence on LinkedIn and our service agreement with them have enabled us to build a strong brand presence on the platform and reach a broad audience. LinkedIn's added features support the work of our recruitment team by enabling us to easily sort and filter the best-qualified candidates in the market.

In 2023, we conducted our first-ever recruitment campaigns in Indonesia and Malaysia in coordination with one of our accredited recruitment agencies. Out of this campaign, 14 selected candidates for the Operations Group have been recruited and are currently undergoing their probationary period.

The Human Capital Services & Recruitment Section is continuously finding ways to assess and evaluate candidates' technical competencies through practical assessments, tests, and exercises. These materials are developed in coordination with recruiting departments and offer reliable measures to complement and validate candidates' qualifications and informing the final hiring decision. We strictly follow educational verification checks and attestation of certificates and clearances to ensure that all formal recruitment procedures and requirements are adhered to.

EMPLOYEE RETENTION

To enhance workforce retention, the company emphasises appreciating employees and their contribution. We offer a range of employee benefits including engagement activities, rewards, annual awards, and training and development programmes. We also provide special events, such as celebrating Qatar National Day, honouring the nation's culture and legacy.

Commitment, loyalty, and dedication are recognised and rewarded at QAFAC. We appreciate our long-serving employees through our annual Long Service Awards programme, which acknowledges employees who have completed five, ten, fifteen and twenty years of service. There were 75 recipients of Long Service awards in 2023.

As a sign of gratitude for their dedicated time in the organization, the company also offers a bonus scheme for employees who are nearing the end of their tenure at QAFAC. Our End of Service Policy provides employees with incentives based on the total number of years they have worked for the organization.

GRI 3-3, GRI 401-2

Learning and Development

QAFAC believes in investing in the growth and development of its employees to ensure continuous learning. Throughout an employee's career, we support them in their personal and professional development by providing training, diplomas, graduation programmes, employee engagement activities, and continual enhancement of their competencies.

We operate a suite of policies, under the auspices of our Learning and Development Department, designed to offer development opportunities to all employees. These include:

- Training Policy
- Talent career progression
- Grade progression for Qataris
- Internship programmes
- Training processes and procedures
- Succession planning
- Personal development programmes for Qatari developers.

Together, these policies and procedures set out the opportunities available to employees for personal and career progression and development. Our offerings help employees to build the right skill sets, expand their knowledge, become competitive, and ultimately contribute to the company's success.

Training needs within QAFAC are carefully analysed. Disparities between current training initiatives and employee skill sets are identified by a training needs assessment performed by the Personal Administration Division. The Training and Nationalization division monitors and manages the training programmes and ensures that employees complete their designated training in line with their competency development requirements. All training programmes are also subject to feedback and review for continual improvement.

Succession planning

Succession planning is a key feature in determining training needs for the organization. To ensure seamless business continuity, it is imperative that we have a progressive succession plan for all critical roles. Over 40% of QAFAC's workforce is above the age of 50, so our succession plan programme focuses on revamping our succession planning strategies across all divisions. We identify those senior roles that could pose a significant risk to our business if unfilled or that would not be easy to fill quickly through external hiring. The programme helps us to forecast the retirement of a large section of the workforce over the coming years and prepare accordingly, including identifying potential successors. We follow a systematic approach to selecting motivated and talented individuals suitable for development through this programme and strive to develop their capabilities for the critical roles identified.

Our Talent and Career Progression Programme and Shadowing Programme are specifically aimed at preparing employees for future roles. We also carry out employee performance and career development reviews, which feed into people's learning and development plans.

QAFAC operates a one-stop shop for all learning-related needs, an e-learning platform called Percipio. We also employ e-learning tools such as Adobe Captivate, Phishme, and National Agency training.

5,976
hours of employee training in 2023, at an average of 30.7 hours per person

Learning and Development	Unit	2021	2022	2023
Training Hours (Hrs)	Hrs	6,262	9,942	5,976
Average Hours of Training per Employee (Hrs / per employee)	Hrs/ per employee	19.6	30.9	30.7
Total Cost of Training (USD)	USD	412,170	319,835	676,549
Average Cost of Training per Employee (USD)	USD	4,397	996.3	1,752.7

GRI 3-3, GRI 404-1, GRI 404-2

Diversity and Equal Opportunity

QAFAC strives to have a diverse workforce that includes individuals from a range of nationalities, racial backgrounds, gender identities and employable ages who can collaborate to achieve the company's goals and objectives. QAFAC looks for individuals who are not just the best fit but who also bring a unique value proposition, skills, and technical know-how to the organisation.

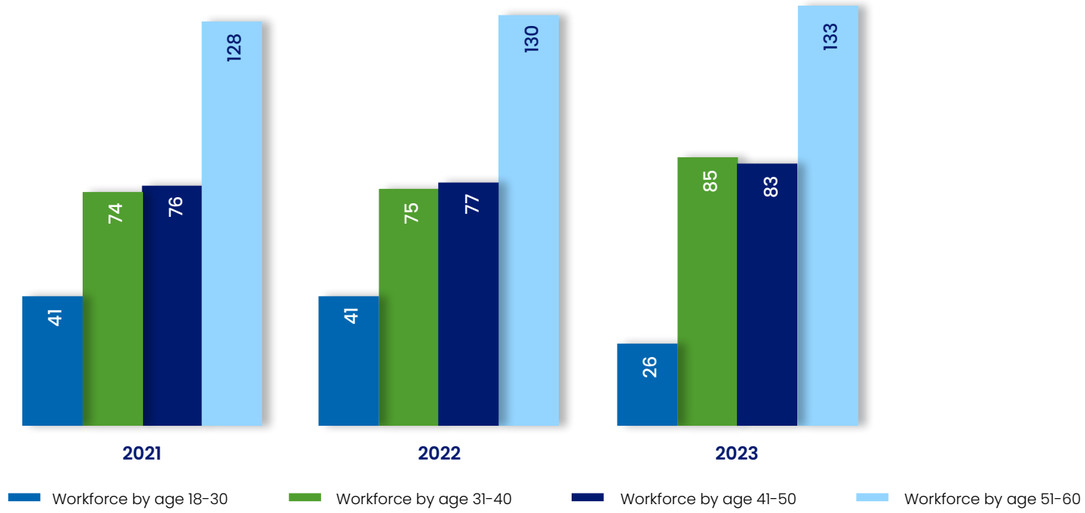
We are committed to fostering a progressive, welcoming, and growth-oriented workplace culture across our company. QAFAC believes that one of the important factors in our success as a business is to embrace diversity, inclusivity and a global mindset.

Our Diversity Policy has guided us to identify programmes that recognise and nurture a diverse and inclusive workforce. These efforts include initiatives and policies that promote equity and inclusion, training and career development opportunities for women as well as address the challenge of youth unemployment.

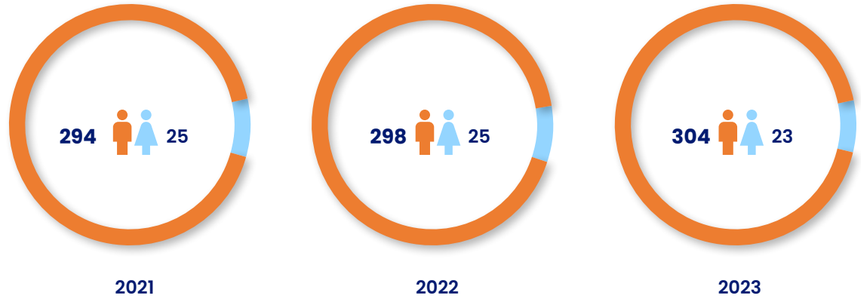
Zero
incidents of discrimination during 2023

Our Employee Relations Policy, along with the Allowances and Benefits Policy, ensures that all employees are provided with equal opportunities, enjoy benefits, are treated and compensated fairly, and are always protected from discrimination, harassment and abuse. During the past couple of years, improving gender diversity has been a focus area for QAFAC, and the company has taken several initiatives to empower our female employees and make sure that diversity and inclusion are components of all the decisions we make. In 2023, female employees accounted for 7.03% of our total workforce. Moreover, the company plans to improve female representation in senior management positions, which in 2023 stood at 7.14%.

Workforce by Age Group (#)



Workforce by Gender (#)



GRI 401-2, GRI 3-3, GRI 405-1, GRI 406-1

Community Engagement and Investment

QAFAC has a duty and responsibility to contribute positively to Qatari society, in line with our commitment to the National Vision 2030. We have a long-standing Corporate Social Responsibility (CSR) policy and a CSR Committee, which oversees the organization's contributions to the local communities.

The committee looks to support potential CSR projects in four areas: health, education, environmental awareness and sports. Any proposals in these four categories are reviewed by the CSR committee to determine their alignment with QNV 2030 and with the UN SDGs' aim of addressing the needs of society. Priority is given to those suggestions with the highest potential to improve lives within the communities.

QAFAC also organises educational presentations and training at the community level to spread information on waste management and guidance on how local communities can practice environmentally sustainable living.

In 2023, we significantly exceeded our target by investing USD 164,765 in community initiatives.

USD 164,765
invested in community initiatives in 2023

Community Investment

75%

123,215 (USD)

Spend on educational, environmental, health and other initiatives

25%

41,540 (USD)

Spend on safety initiatives

GRI 3-3, GRI 413-1

Appendices

Appendix A. GRI Content Index

GRI CONTENT INDEX ESSENTIALS SERVICE 2024

GRI SDG ADD-ON 2024

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. . This service was performed on the English version of the report.

GRI Services reviewed the correct mapping of the GRI disclosures presented in the GRI content index to Sustainable Development Goals (SDGs), based on the 'Goals and targets database' tool available from GRI website.

Statement of use	QAFAC has reported in accordance with the GRI Standards for the period of 1/1/2023 till 31/12/2023
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page and/ or direct answers	Sustainable Development Goal	Omission
GRI 2: General Disclosures 2021	2-1 Organizational details	5		
	2-2 Entities included in the organization's sustainability reporting	5		
	2-3 Reporting period, frequency and contact point	2		
	2-4 Restatements of information	This report has no restatements		
	2-5 External assurance	This report has not been externally assured		
	2-6 Activities, value chain and other business relationships	9		
	2-7 Employees	66		
	2-8 Workers who are not employees	61		
	2-9 Governance structure and composition	12, 13, 14		
	2-10 Nomination and selection of the highest governance body	12		
	2-11 Chair of the highest governance body	13, 14		
	2-12 Role of the highest governance body in overseeing the management impacts	12		
	2-13 Delegation of responsibility for managing impacts	12,		
	2-14 Role of the highest governance body in sustainability reporting	21		
	2-15 Conflicts of interest	12, 16		
	2-16 Communication of critical concerns	69		
	2-17 Collective knowledge of the highest governance body	12		
	2-18 Evaluation of the performance of the highest governance body	18		

GRI Standard	Disclosure	Page and/ or direct answers	Sustainable Development Goal	Omission
	2-19 Renumeration policies	Not disclosed		Confidentiality constraints - privacy concerns, regulatory and legal constraints
	2-20 Process to determine remuneration	12		
	2-21 Annual total compensation ratio	Not disclosed		Confidentiality constraints - competitive sensitivity, privacy concers and legal constraints
	2-22 Statement on sustainable development strategy	3, 4		
	2-23 Policy commitments	19, 20, 21		
	2-24 Embedding policy commitments	19, 20, 21		
	2-25 Processes to remediate negative impacts	18		
	2-26 Mechanisms for seeking advice and raising concerns	69		
	2-27 Compliance with laws and regulations	12, 18, 19		
	2-28 Membership associations	11		
	2-29 Approach to stakeholder engagement	21		
	2-30 Collective bargaining agreements	69		
MATERIAL TOPICS				
GRI 3: **Material Topics 2021**	3-1 Process to determine material topics	21, 22		
GRI 3: **Material Topics 2021**	3-2 List of material topics	22		
Economic Performance				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	26		
GRI 201: **Economic Performance 2016**	201-1 Direct economic value generated and distributed	26	SDG 8, SDG 9	

GRI Standard	Disclosure	Page and/ or direct answers	Sustainable Development Goal	Omission
Innovation and R&D (including digital transformation)				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	27		
GRI 418: **Customer Privacy 2016**	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	27		
Operational reliability and business continuity				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	32		
Disclosure: Non-GRI KPI	Plant Reliability of Methanol and MTBE	32	SDG 8, SDG 9	
Sustainability in the Supply Chain				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	33, 34		
GRI 204: **Procurement Practices 2016**	204-1 Proportion of spending on local suppliers	34	SDG 8	
GRI 308: **Supplier Environmental Assessment 2016**	308-1 New suppliers that were screened using environmental criteria	34		
	308-2 Negative environmental impacts in the supply chain and actions taken	33		
GRI 414: **Supplier Social Assessment 2016**	414-1 New suppliers that were screened using social criteria	34	SDG 5, SDG 8, SDG 16	
	414-2 Negative social impacts in the supply chain and actions taken	33	SDG 5, SDG 8, SDG 16	
Product responsiblity				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	35		
GRI 416: **Customer Health and Safety 2016**	416-1 Assessment of the health and safety impacts of product and service categories	35		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	35	SDG 16	

GRI Standard	Disclosure	Page and/ or direct answers	Sustainable Development Goal	Omission
Resource Efficiency				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	38, 39		
GRI 301: **Materials 2016**	301-1 Materials used by weight or volume	39	SDG 8, SDG 12	
Climate Change				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	40-43		
GRI 302: **Energy 2016**	302-1 Energy consumption within the organization	41	SDG 7, SDG 8, SDG 12, SDG13	
	302-3 Energy intensity	41	SDG 7, SDG 8, SDG 12, SDG13	
GRI 305: **Emissions 2016**	305-1 Direct (Scope 1) GHG emissions	42	SDG 3, SDG 12, SDG 13, SDG 14, SDG 15	
	305-2 Energy indirect (Scope 2) GHG emissions	42	SDG 3, SDG 12, SDG 13, SDG 14, SDG 15	
	305-4 GHG emissions intensity	42	SDG 13, SDG 14, SDG 15	
	305-7 Nitrogen oxides (NO_x), Sulfur Oxides (SO_x), and other significant air emissions	42	SDG 3, SDG 12, SDG 14, SDG 15	
Water management				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	47, 48		
GRI 303: **Water and Effluents 2018**	303-1 Interactions with water as a shared resource	47	SDG 6, SDG 12	
	303-2 Management of water discharge related impacts	47	SDG 6	
	303-3 Water withdrawal	48	SDG 6	
	303-4 Water discharge	48	SDG 6	
	303-5 Water consumption	48	SDG 6	
Biodiversity				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	49		
GRI 304: **Biodiversity 2016**	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	49	SDG 6, SDG 14, SDG 15	
	304-2 Significant impacts of activities, products and services on biodiversity	49	SDG 6, SDG 14, SDG 15	
	304-3 Habitats protected or restored	49	SDG 6, SDG 14, SDG 15	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	49	SDG 6, SDG 14, SDG 15	
Waste Management				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	44-46		
GRI 306: **Waste 2020**	306-1: Waste generation and significant waste-related impacts	44-46	SDG 3, SDG 6, SDG 12	
	306-2: Management of significant waste-related impacts	44-46	SDG 3, SDG 6, SDG 12	
	306-3 Waste generated	45	SDG 3, SDG 6, SDG 12, SDG 15	
	306-4: Waste diverted from disposal	45	SDG 3, SDG 12	
	306-5: Waste directed to disposal	45	SDG 6, SDG 15	
GRI 306: **Effluents and waste 2016**	306-3: Significant spills	44	SDG 3, SDG 6	
Health and Safety				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	52		
GRI 403: **Occupational Health and Safety 2018**	403-1 Occupational health and safety management system	53	SDG 8	
	403-2 Hazard identification, risk assessment, and incident investigation	54, 55, 56, 57	SDG 8	
	403-3 Occupational health services	60	SDG 8	

GRI Standard	Disclosure	Page and/ or direct answers	Sustainable Development Goal	Omission
	403-4 Worker participation, consultation and communication on occupational health and safety	60, 61, 62, 63, 64, 65	SDG 8, SDG 16	
	403-5 Worker training on occupational health and safety	57, 58, 59	SDG 8	
	403-6 Promotion of worker health	60, 61, 62, 63, 64, 65	SDG 3	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60, 61, 62, 63, 64, 65	SDG 8	
	403-9 Work-related injuries	62	SDG 3 SDG 8, SDG 16	
Qatarization				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	68		
GRI 202: **Market Presence 2016**	202-2 Proportion of senior management hired from the local community	68		
QSE S20: **Qatarization**	Percentage of Qatari nationals in the workforce	68		
Human rights and Labor standards				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	69		
GRI 409: **Forced or Compulsory Labor 2016**	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	69	SDG 8	
Employee engagement, attraction and retention				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	70		
GRI 401: **Employment 2016**	401-1 New employee hires and employee turnover	67	SDG 5, SDG 8, SDG 10	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	26,70 72	SDG 3, SDG 5, SDG 8	

GRI Standard	Disclosure	Page and/ or direct answers	Sustainable Development Goal	Omission
Learning and Development				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	71		
GRI 404: **Training and Education 2016**	404-1 Average hours of training per year per employee	71	SDG 4, SDG 5, SDG 8, SDG 10	
	404-2 Programs for upgrading employee skills and transition assistance programs	71	SDG 8	
Diversity and Equal Opportunity				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	72		
GRI 405: **Diversity and Equal Opportunity 2016**	405-1 Diversity of governance bodies and employees	14, 72	SDG 5, SDG 8	
GRI 406: **Non-discrimination 2016**	406-1 Incidents of discrimination and corrective actions taken	72	SDG 5, SDG 8	
Community engagement and investment				
GRI 3: **Material Topics 2021**	3-3 Management of material topics	73		
GRI 413: **Local Communities 2016**	413-1 Operations with local community engagement, impact assessments, and development programs	73		
Workforce				
GRI 3: Material Topics 2021	3-3 Management of material topics	66, 67		

Appendix B. Stakeholder Engagement

Stakeholder	Focus Areas	Channels of Engagement
State of Qatar and Regulatory Bodies	▪ QNV 2030 ▪ Development of national talent ▪ Qatarization ▪ Compliance with regulations	▪ Meetings with government entities ▪ Partnerships with government entities ▪ Conferences and exhibitions ▪ Performance reports to regulatory bodies ▪ Annual sustainability report
Shareholders	▪ Maintenance of safe and reliable operations ▪ Process efficiency ▪ Financial returns ▪ Reputation ▪ Participation in local economic and social development	▪ Monthly meetings with shareholder representatives ▪ Quarterly meetings ▪ Shareholder market presentations ▪ Board meetings ▪ Annual sustainability report
Local Community	▪ Responsible business practices ▪ Minimal environmental impacts ▪ Employment opportunities ▪ Safe operations ▪ Development of national talent	▪ Interaction with employees and their families ▪ Educational awareness sessions ▪ Public reports ▪ Career fairs
Employees	▪ Health and safety ▪ Competitive pay and benefits ▪ Continuous career development ▪ Open and transparent ▪ Communications ▪ Supportive ▪ Management	▪ HSSE Newsletter ▪ Regular departmental/team meetings ▪ Employee satisfaction surveys ▪ Email communications ▪ QAFAC newsletter ▪ Annual sustainability report

Stakeholder	Focus Areas	Channels of Engagement
Media	▪ Transparency ▪ Health and safety	▪ Annual Sustainability Report (Online Version) ▪ Press Releases (as needed)
Customers and Muntajat	▪ Reliable, timely supplies of Methanol and MTBE ▪ Supply chain management ▪ Service excellence ▪ Quality products	▪ Contracts and agreements ▪ Offtake requirements (issued by Muntajat) ▪ Meetings with Muntajat ▪ Conference and exhibitions ▪ Customer feedback surveys ▪ Memberships in industry associations
Contractors and Suppliers	▪ Fair contract bidding/awarding ▪ Timely payments ▪ Good working conditions	▪ Contractual arrangements and bidding ▪ Conferences and exhibitions ▪ Third-party endorsement ▪ Medical screening for contractors
Non-Governmental Organizations	▪ Responsive communications ▪ Support to local NGOs	▪ Presentations/Briefings ▪ Meetings

Appendix C. Glossary of Abbreviations

A&R	Accounting and Reporting
ACFA	Asian Clean Fuels Association
AEF	Alberta Envirofuels Inc
AGT	Authorized Gas Tester
AI	Artificial Intelligence
APC	Advanced Process Control
API	American Petroleum Institute
AR	Accounting and Reporting
BA	Breathing Apparatus
BBS	Behavioural Based Safety
BMI	Body Mass Index
CA	Competent Authority
CAER	Community Awareness and Emergency Response
CAM	Center of Advanced Materials
CHCTO	Chief Human Capital & Technology Officer
CDR	Carbon Dioxide Recovery
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CH_3OH	Methanol
COO	Chief Operating Officer
COSO	The Committee of Sponsoring Organizations of the Treadway Commission
CPC	Chinese Petroleum Corporation
CSE	Confined Space Entry
CSR	Corporate Social Responsibility
CV	Curriculum Vitae
DCS	Distributed Control System
DIFOTIC	Delivered in Full and On Time, and Invoiced Correctly
EHS	Environment, Health and Safety
EMS	Environmental Management System
EnMS	Energy Management System
EPC	Engineering, Procurement and Construction
EPCA	The European Petrochemical Association
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ERT	Emergency Response Team
ESG	Environmental, Social, and Governance
EU	European Union
FSO	Fire and Safety Operators
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GHS	Globally Harmonized System of classification and labelling of chemicals
GJ	Giga Joule
GPCA	The Gulf Petrochemicals and Chemicals Association
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HCM	Human Capital Management
HIRA	Hazard Identification and Risk Analysis
HPO	High Performance Organization
HR	Human Resources
HSE	Health, Safety, and Environment
HSSE	Health, Safety, Security and Environment
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IGSMC	Integrated Gas Supply to Mesaieed Consumers
ILO	International Labor Organization
IMO	International Maritime Organization
IOLLC	International Octane LLC
IOT	Internet of Things
IPCC	Intergovernmental Panel on Climate Change
IPIECA	International Petroleum Industry Environmental Conservation Association
IQ	Industries Qatar
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	Information Technology
ITB	Invitation to Bid
JHA	Job Hazard Analysis
JV	Joint Venture
KAHRAMAA	Qatar General Electricity and Water Corporation
KPI	Key Performance Indicators
L&D	Learning and Development
LCA	Life Cycle Assessment
L.L.C	Limted Liability Company
LCYMEC	LCY Middle East Corp.
LDAR	Leak Detection and Repair
LOPC	Loss of Primary Containment
LTA	Lost-Time Accident
LTI	Lost Time injuries
LTIF	Lost Time Injury Frequency
MERI	Minimum Essential Receiving Inspection
MESD	Maritime Energy and Sustainable Development
MI	Methanol Institute
MIC	Mesaieed Industrial City
MIQA	Mechanical Integrity and Quality Assurance
MKOPSC	Mary Kay O'Connor Process Safety Center
MMA	Methyl methacrylate
MoECC	Ministry of Environment & Climate Change
MMSCM	Million Metric Standard Cubic Meters
MOPH	Ministry of Public Health
MRR	Monitoring and Reporting Regulation
MSDS	Material Safety Data Sheets
MT	Metric Ton
MTBE	Methyl-Tertiary-Butyl-Ether
MTPD	Metric Tons Per Day
N/A	Not Applicable (Not Available)
NIA	National Information Assurance
NFPA	National Fire Protection Association
NZLD	Near Zero Liquid Discharge
O&G	Oil and Gas
OE	Operational Excellence
OECD	Organization for Economic Co-operation and Development

OEE	Overall Equipment Efficiency
OGI	Optical Gas Imaging
OHS	Occupational Health and Safety
OMEC	OPIC Middle East Corp.
OPIC	OPIC Middle East Corp.
OSHA	Occupational Safety and Health Administration
OTS	Operator Training Simulator
PAGA	Public Address and General Announcement
PCIC	Procurement, Construction, Installation and Commissioning
PDP	Personal Development Program
PHA	Process Hazard Analysis
PHD	Uniformance Process History Database
PII	Process Safety Institute
PHS	Process Hazard Analysis
PI	Plant Information
PLC	Programmable Logic Controller
PM	Particulate Matter
PMC	Periodic Medical Check-Ups
PMS	Performance management system
PPE	Personal Protective Equipment
PPM	Parts Per Million
PSA	Pressure Swing Adsorption
PSM	Process Safety Management
PSTIR	Process Safety Total Incident Rate
PTW	Permit To Work
QCDD	Qatar Civil Defense Department
Q.P.J.S.C.	Qatar Chemical and Petrochemical Marketing and Distribution Company
QAFAC	Qatar Fuel Additives Company
QAFCO	Qatar Fertiliser Company
QAPCO	Qatar Petrochemical Company
QHSE	Quality, Health, Safety and Environmental
QNV	Qatar National Vision
QSE	Qatar Stock Exchange
QSSA	QAFAC Support Services Area
RCA	Root Cause Analysis
RGS	Regenerate Gas Scrubbing
SAP	Systems, Applications, and Products
SASB	Sustainability Accounting Standrads Board
SCE	Safety Critical Equipment
SDG	Sustainable Development Goals
SNCR	Selective Non-Catalytic Reduction
TAMUQ	Texas A&M University at Qatar
TRCF	Total Recordable Case Frequency
TVA	Toxic Vapor Analyzer
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UOP	Universal Oil Products
US	United States
US EPA	United States Environmental Protection Agency
USD	United States Dollar
VDI	Virtual Desktop Infrastructure
VOC	Volatile Organic Compounds
WAH	Work At Height
WHB	Waste Heat Boilers
WHO	World Health Organization


كفاك
QAFAC
شركة قطر للإضافات البترولية المحدودة
Qatar Fuel Additives Company Limited