شركة قطر للإضافات البترولية المحدودة
Qatar Fuel Additives Company Limited

# SUSTAINABILITY REPORT 2022

Accelerating Value Generation
through Sustainable Development

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

**His Highness Sheikh Tamim bin Hamad Al Thani**

Amir of the State of Qatar

**His Highness Sheikh Hamad bin Khalifa Al Thani**

Father Amir

# ABOUT OUR REPORT

In the 12th year of sustainability reporting, we are pleased to provide valuable insights regarding Qatar Fuel Additives Company's (QAFAC) performance across economic, governance, environmental, and social topics of material importance. This 2022 sustainability report discloses our annual sustainability performance for the calendar year, beginning 1 January 2022 to 31 December 2022. This report succeeds our previous and most recent QAFAC Sustainability Report 2021.

## LET US HEAR FROM YOU

Sustainability reporting is a continuous improvement process. We welcome your feedback on the contents of this report as well as reporting methodology at:


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


### Reporting Framework

This report has been prepared in accordance with the GRI Standards 2021 , including two additional disclosures from the GRI 11: Oil & Gas Sector Standard 2021. Additional references to 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. This report emphasizes our role in achieving United Nations Sustainable Development Goals (UN SDGs) and the Qatar National Vision (QNV) 2030.

### Reporting Topic Boundaries

This report covers information and data related to our activities in Qatar, including the Head Office, Methanol plant, utility facility, and Methyl-tert-butyl-ether (MTBE) plant. Our products' sales and transportation are not included in the reporting boundary. The international sales of our products are handled by Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. (Muntajat), while Gulf Formaldehyde Company Q.S.C., a subsidiary of Qatar Fertilizer Company (QAFCO) and QatarEnergy is responsible for our domestic sales in Qatar.. Data from contractors and suppliers are not included in this report unless otherwise stated.

### Information Covered

In this report, we have focused on our performance on material topics that have an impact on both our business and stakeholders. Additionally, we have highlighted some key initiatives and accomplishments during this period, which have helped us in improving our performance on the material topics.

### Data Collection & 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). We have specified our strategy for data collection, calculation methodologies, and assumptions, if any, wherever applicable in the report. A QatarEnergy-appointed consultant validates QAFAC's greenhouse gas (GHG) emissions, as indicated in the Environment Chapter.

External assurance has not been performed on this report. Nonetheless, the supplied data and information have been subjected to an interactive review process to identify any potential inconsistencies and ensure reliability.

GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-5

# CONTENTS

# 01

# INTRODUCTION

This chapter provides an introduction to QAFAC and its integral association as a key member of the QatarEnergy family and the energy sector of the State of Qatar.

- Introducing Our Report
- About QAFAC
- QAFAC at a Glance

# INTRODUCING OUR REPORT

## 2022 KEY PERFORMANCE HIGHLIGHTS AND ACHIEVEMENTS

### GROWTH

**99%** MTBE Plant reliability

**100%** Methanol Plant reliability

**104%** Attained of the targeted annual production for Methanol

**104.5%** Attained of the targeted annual production for MTBE

**63%** Of our total supplier contribution is spent on local suppliers

### ENVIRONMENT

**13.58** Energy intensity (GJ/ton of production)

**0.62** GHG intensity ($TCO_2$ e/ton of production)

**122%** Reduction in flaring off-spec gases

**~4%** increase in $CO_2$ (from 2021) capture by the Carbon Dioxide Recovery (CDR) unit

### SAFETY

**ZERO** LTI and TRI

**ZERO** Fatalities

**6,688** Total HSE Training hours of employees and contractors (increased by 38% from 2021)

**21.8%** Safe acts observed at the sites from 2021

### PEOPLE

**323** Employees

**7.7%** Female employees

**36.1%** Qatarization
*Calculation excludes open vacancies

**41** Trainees and interns

**77%** Qatarization amongst senior management

# MESSAGE FROM OUR CHAIRMAN

**Sheikh Thani Bin Thamer Al-Thani**
Chairman, Qatar Fuel Additives Company

Dear Stakeholders,

I am pleased to share QAFAC's 2022 Sustainability Report, notably, this represents twelve years of the organization's dedication to transparency in reporting on sustainability performance.

QAFAC's corporate strategy strives to achieve economic development that is both environmentally and socially conscientious by keeping up with global trends and catering to the needs of those we serve and beyond. This is enabled by various sustainability levers that aim to address the challenges of climate change, such as resource efficiency, business continuity, diversity & equal opportunity, and many others.

We are confident in our capacity to adapt to changing circumstances and to prevail in the course of evolving business dynamics. Through our value-driven strategy, we have been able to stay focused on our key goals of creating wealth for our shareholders.

As industries are recovering, and markets realigning after the initial shock of COVID in 2020 and 2021, Russia-Ukraine conflict in 2022, the demand for petrochemicals has observed consistent growth. The petrochemicals industry is well-positioned to be a driving force in the promotion of global energy security and environmental protection. QAFAC continues its commitment to approaching economic growth with a sustainable mindset and considers this opportunity to achieve meaningful change in the highest regard.

QAFAC is committed to a sustainable future, our vision, mission and values are well understood and supported by our Executive Leadership Team, Board members, employees, contractors and other business partners.

Thank you all for your contribution towards another excellent, safe and productive year and for your dedication to sustainable development.

GRI 2-22

# MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

**Ahmed Abdulqader Al-Ahmed**
Chief Executive Officer, Qatar Fuel Additives Company

Dear Stakeholders,

I am pleased to present QAFAC's 12th Annual Sustainability Report, 'Accelerating Value Generation through Sustainable Development'.

QAFAC is committed to enhance our culture of safety, environmental protection, and good governance practices. To drive the achievement of our sustainability goals, we are progressively integrating KPIs for sustainability into our performance management planning.

We prioritize the safety, health and well-being of our employees, contractors, and communities and have currently recorded over 19 million safe work-hours achieved over the past 11 years. We remain vigilant and eager to improve proactive risk management measures to maintain a safe workplace, and conduct our operations with due care to the natural environment.

We have increased our focus on digitalization and employ a digital-first mindset to improve business function and sustainability. Digitalization has improved the measuring and tracking of sustainability progress.

2022 saw increased profitability, this was achieved through the high recorded volume of methanol production at QAFAC. This excellent achievement was made possible by having 100% plant reliability throughout the year.

We are aligned to the State of Qatar's National Vision for 2030 and QatarEnergy's climate action commitments. QAFAC operations are environmentally conscious, and we continue to seek opportunities for further reduction of Greenhouse Gases emissions.

QAFAC has a highly skilled, diverse workforce, supported by a well-defined and focused Qatarization strategy. We continue to prioritize the inclusion of skilled Qatari nationals in our workforce, actively contributing to the economic priorities of the nation. We endeavour to develop their competencies through training and development plans to ensure that qualified Qatari employees are available to take up suitable positions.

QAFAC will continue to strategize, benchmark, and implement challenging sustainable goals and to keep our commitments to support the goal which is to ensure the securing of a sustainable future.

GRI 2-22

# ABOUT QAFAC

## Our Profile

Qatar Fuel Additives Company (QAFAC) was founded in 1991 as a joint venture and commenced operations in 1999. QAFAC is currently owned by Industries Qatar (IQ), OPIC Middle East Corp. (OMEC), International Octane L.L.C. (IOLLC), and LCY Middle East Corporation (LCYMEC). Our headquarters are in Doha, Qatar, with a production plant is in Mesaieed Industrial City (MIC), Qatar.

QAFAC is an important part of Qatar's downstream value chain, producing two commercial natural gas derivatives, viz., Methanol and Methyl-tert-Butyl-ether (MTBE) from natural gas and butane. Our integrated facility procures the input natural gas from QatarEnergy. Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.J.S.C. has exclusive rights to purchase, market, distribute, and sell specified regulated chemical and petrochemical products produced in the State of Qatar, hence, handles the marketing and distribution of QAFAC's finished products worldwide, in addition to the domestic market.

**Methanol**

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

**MTBE**

- Specialty Product
- QAFAC facility is designed to produce 1,830 MTPD
- Used as an emissions-reducing additive in gasoline for the state of Qatar and clients worldwide

GRI 2-1, GRI 2-2, GRI 2-6

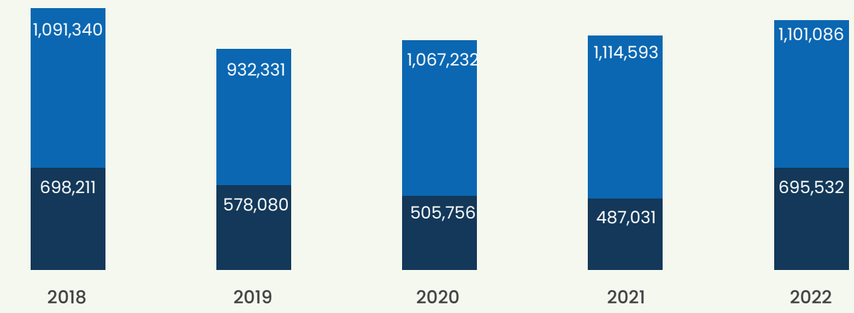
**841,409 MT**
**Methanol was sold in 2022**
6% higher than the budget

**711,639 MT**
**MTBE was sold in 2022**
7% higher than the budget

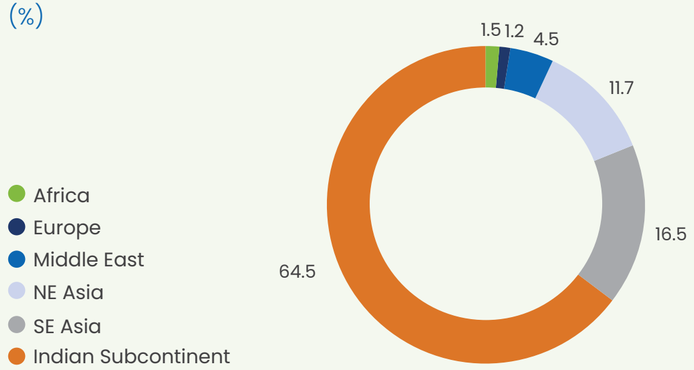
Our domestic sales contribute to both QAFAC and stakeholders' earnings. We fulfill the MTBE requirements for all domestic gasoline sold in the State of Qatar. Gulf Formaldehyde Company Q.S.C, a subsidiary of Qatar Fertilizer Company (QAFCO), uses our Methanol to generate Formaldehyde. Beyond Qatar, our product footprint is prevalent across the Middle East, the Americas, Europe, and Asia. The statistics provided on this page depict the production volumes (2019-2022) of our Methanol and MTBE products, including the geographic sales distribution for 2021 and 2022.

In 2022, we observed a slight decrease in the market prices of Methanol. For MTBE, we witnessed a sharp increase in MTBE prices, which reached its peak in the second quarter of 2022, as a direct impact of the events triggered by the Russia-Ukraine conflict invasion and its aftermath, leading to an economic and geopolitical crisis in Europe. QAFAC's sales figures for the year 2022 depict an upward trend of sales as against 2021.

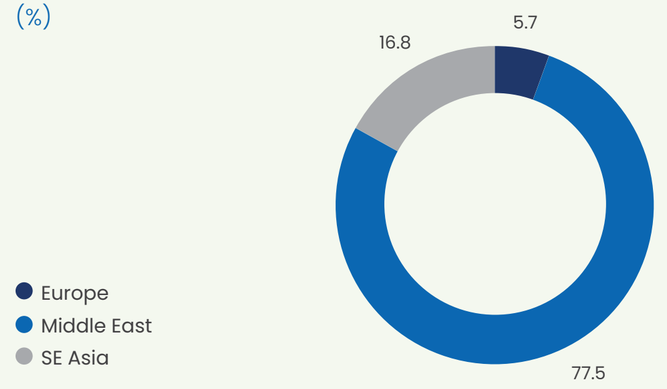
**QAFAC Methanol and MTBE Production**
Production (MT/year)




**2022 Methanol Sales**
(%)




**2022 MTBE Sales**
(%)




GRI 2-6, GRI 2-27

In 2022, QAFAC engaged PTAI (Phillip Townsend Associates, Inc.) for Methanol plant benchmarking study

QAFAC's Methanol plant has been ranked #1 in the top quartile of similar size assets

QAFAC's MTBE plant has been ranked in the top quartile of similar size assets

Qatar has embarked on a transformational journey to prepare the State for hosting FIFA's World Cup 2022. Several corporations, businesses, regulatory bodies have pledged support and mobilized plethora of resources to enable the nation's transformational goals, including QAFAC, wherein we developed an ambitious strategic plan to meet the commitments established under Qatar National Vision 2030.

Qatar's national energy company QatarEnergy has announced the expansion of its Liquefied Natural Gas (LNG) exports from 77 MMT[1] to 126 MMT in two phases by 2026. As a direct result, QatarEnergy has emboldened its upstream and downstream subsidiaries to pursue investments, allocate adequate resources and explore innovative ways to sustain their revenues and new pathways to monetize their existing assets. To support these expansion goals and QatarEnergy long-term vision, QAFAC refreshed its business strategy in 2019, first presented in our 2020 Sustainability Report. To meet the strategic goals established under the pillar, 'Prepare for new Growth in our Strategy' to explore debottlenecking projects (MTBE revamp, Methanol Revamp) and screen new derivatives from Methanol, we have embarked on several sustainability-linked projects and portfolio exploration studies.

[1] Million Metric Tons

# METHANOL AND ITS UNDERLYING ROLE IN DAY-TO-DAY LIFE:

## AS CHEMICAL ADDITIVES

Methanol is a flexible chemical compound that has numerous applications in various industries. One of its primary uses is as a chemical additive in various products. As a solvent, it is commonly used in the production of adhesives, paints, and coatings. In the pharmaceutical industry, it is used as a component of several medicines. Methanol is also used in the production of plastics, fibers, and resins. Its low cost and high availability make it a popular choice for many applications. Methanol's unique properties make it an essential ingredient in many industrial processes, and its versatility ensures that it will continue to play a crucial role in various industries.

### Garments and Fabrics

Chemicals made with methanol can extend the durability and life of consumer products like fleece clothing and carpeting. New applications can also make these products more easily recyclable.

### Technological Use

Methanol is used in technology that keeps us connected, like LCD TV, Laptop and computer screen, and mobile phones.

### Construction Materials

Methanol is used to make several construction items such as plywood subfloors, and furniture and is also a necessary ingredient in producing paints, adhesives, silicones, glues, and resins.

### Pharmaceutical Products

Methanol is used in the manufacturing of some medicines, vitamins, antibiotics, and other pharmaceuticals. Also, it is used in producing medical supplies like gloves and mask.

## AS ENERGY USE

Methanol is a clean, efficient and adaptable fuel as an alternative energy source. It is derived from natural gas, coal, biomass or even recycled carbon dioxide, making it a sustainable option. Methanol is used in fuel cells, as a gasoline additive, and as a substitute for diesel fuel. Methanol has a higher energy content than ethanol, making it more efficient as a fuel. Methanol has the potential to significantly reduce greenhouse gas emissions and air pollution while providing a reliable source of energy. With increasing interest in renewable energy and a push towards a more sustainable future, the use of methanol as an energy source is set to grow in the years to come.

### Vehicle Fuel

Methanol is used to fuel cars, buses and trucks that transport people and goods, replacing gasoline and diesel. Methanol is also used as a fuel-additive to help reduce tail-pipe emissions.

### Marine Fuel

As a cleaner-burning marine fuel, methanol significantly reduces emissions of $SO_x$ by 99%, $NO_x$ by 80%, Particulate Matter by 95% and $CO_2$ from combustion by 15%.

# METHANOL'S ROLE IN A LOW-CARBON ECONOMY

As society and industry commit to de-carbonization, the world faces a dilemma: while demand for petrochemicals and global transportation of goods is growing, so are the pressures to reduce or eliminate the carbon footprint of these products and activities.

1. **Methanol can support the de-carbonization of the shipping industry** – Methanol is a promising alternative fuel that can help the shipping industry transition towards a more sustainable future. It can support the de-carbonization of the shipping industry by reducing greenhouse gas emissions and improving air quality, and can significantly reduce the amount of sulfur and nitrogen oxide emissions, which are major contributors to air pollution. Additionally, it has a lower carbon footprint compared to traditional fossil fuels, making it a more environment friendly option.

2. **Methanol can support de-carbonization pathways in developing economies** – Methanol holds immense potential in supporting de-carbonization pathways in developing economies. With the global climate crisis looming over us, it has become imperative to find cleaner and more sustainable ways of generating energy. Methanol, also known as wood alcohol, is a versatile and abundant fuel source that can be produced from a variety of feed stocks, including natural gas, coal, and biomass. In developing economies, where energy demand is rapidly increasing, methanol can provide a viable and cost-effective alternative to traditional fossil fuels. Methanol can be used directly as a fuel or as a feedstock in the production of other chemicals and materials, such as formaldehyde and plastics. By embracing Methanol as a clean energy source, developing economies can reduce their reliance on fossil fuels, promote sustainable development, and contribute to the global effort to combat climate change.

3. **Methanol can leverage existing infrastructure** – Methanol is a versatile and efficient fuel that can be used in a variety of applications, including transportation, power generation, and industrial processes. One of the most exciting aspects of Methanol is its ability to leverage existing infrastructure, making it a cost-effective and practical alternative to traditional fossil fuels. As Methanol can be produced from a variety of feedstocks, which means that it can be produced in many different parts of the world. This makes it an ideal fuel for regions that lack access to traditional energy sources. Furthermore, Methanol can 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. With its many benefits, it's no wonder that Methanol is becoming an increasingly popular choice for businesses and governments around the world.

4. **Methanol plays an important role in society as an essential ingredient in everyday life** – Methanol is often referred to as the "building block" of the chemical industry because of its versatility and numerous applications. It plays an essential role in society and is used in a variety of products that we use in our everyday lives. From windshield washer fluid, antifreeze, and solvents to adhesives, paints, and plastics, Methanol is a vital ingredient in the manufacturing process of many products. It is also used as a fuel source and can be blended with gasoline to create a cleaner-burning fuel. Methanol is an essential component in the production of biodiesel, and numerous research studies are being conducted to explore the potential of Methanol as a renewable energy source. With its extensive range of applications, methanol is undoubtedly one of the most important chemicals in modern society.

# 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, owned 51% by QatarEnergy. 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.

**50%**

## 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.

**20%**

## LYC MIDDLE EAST CORP. (LCYMEC)

**15%**

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.

## INTERNATIONAL OCTANE LLC (IOLLC)

**15%**

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 & Associations

## The Royal Society for the Prevention of Accidents (RoSPA)

RoSPA is a registered British charity that was founded in 1916 to safeguard lives and avoid incidents that can result in life-threatening injuries.

## The Gulf Petrochemicals and Chemicals Association (GPCA)

GPCA represents the downstream hydrocarbon industry in the Arabian Gulf. The association manages six working committees – Plastics, Supply Chain, Fertilizers, International Trade, Research and Innovation, and Responsible Care – and organizes six world-class events each year.

## Mary Kay O'Connor Process Safety Center (MKOPSC)

The Center's mission is to promote safety as second nature for organizations around the world with goals to prevent future incidents. In addition, the Center also develops safer processes, equipment, procedures, and management strategies to minimize losses within the processing industry.

## Global Reporting Initiative (GRI)

Established in 1997, GRI is the independent, international organization that helps businesses and other organizations to take responsibility for their impacts by providing them with the global common language to communicate those impacts. The GRI Standards are the world's most widely used standards for sustainability reporting. As confirmed by 2022 research from KPMG, the GRI Standards remain the most widely used sustainability reporting standards globally. Today, more than 10,000 companies in over 100 countries around the world use GRI for their sustainability reporting. The Standards are advancing the practice of sustainability reporting and enabling organizations and their stakeholders to take action that creates economic, environmental and social benefits for everyone.

## Asian Clean Fuels Association (ACFA)

ACFA is a non-profit organization established in 2000 and works closely with fuel policymakers, regulators, and stakeholders in the fuel industry to promote and advance the use of cleaner transport fuels based on principles of sound science, cost efficiency, and sustainability of the environment.

## Methanol Institute (MI)

Methanol Institute is a global trade association for the methanol industry representing the world's leading methanol producers, distributors, and technology companies. The mission of the Methanol Institute is to serve and provide cost-effective value to its members.

GRI 2-6, GRI 2-28

## Vision

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

## Mission

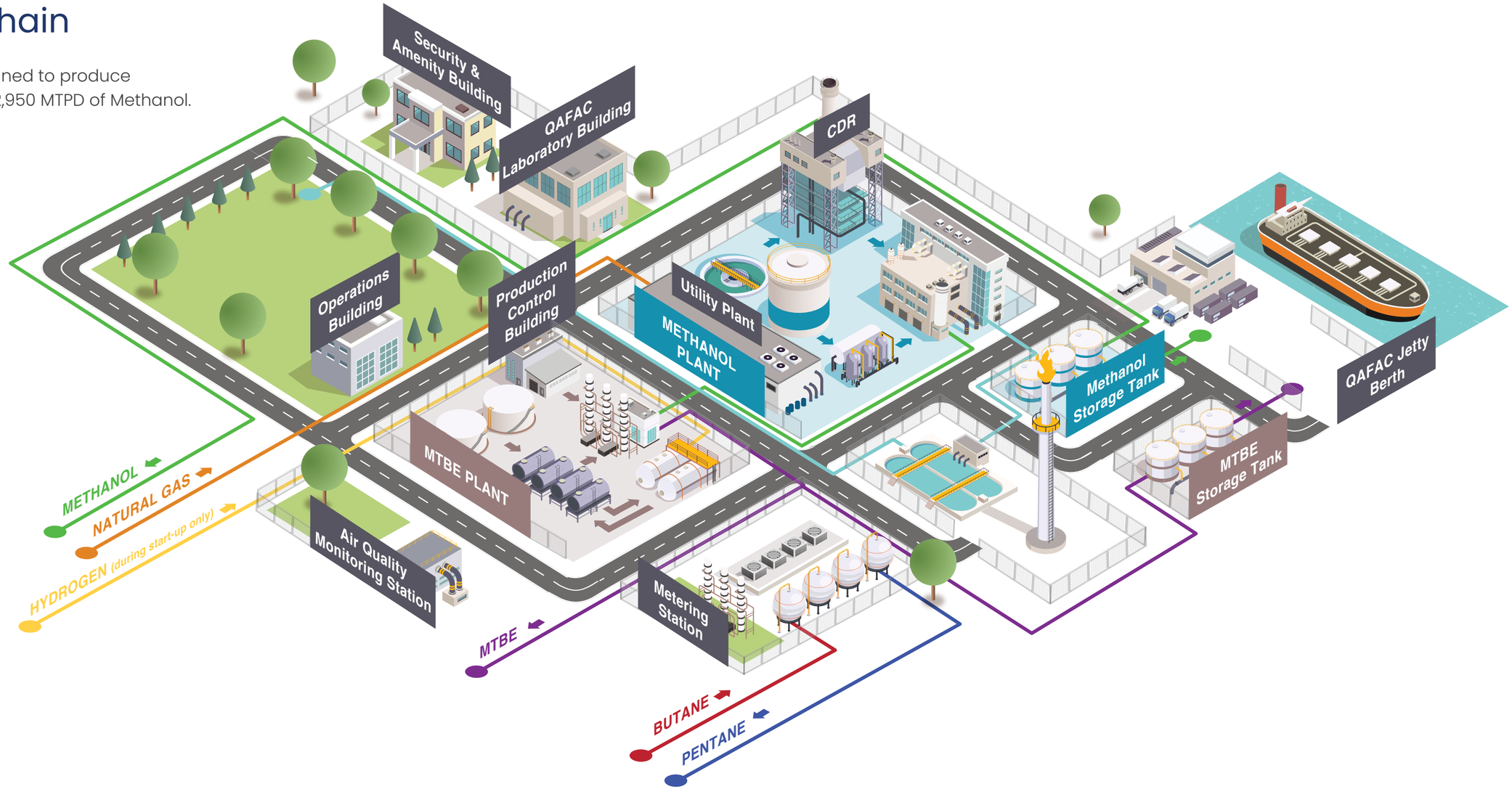
To produce high quality Methanol, MTBE and other derivatives by developing our talent, fostering our culture of excellence and maintaining the highest HSE standards. We create value for all our stakeholders and contribute to Qatar National Vision 2030.

## Our Values

| | | |
|---|---|---|
| **Safety** | *"We ensure safety in everything we do."* | We place the highest priority on health and safety of all the employees, the contractors, their families and the communities around us. We strive for incident free workplace. |
| **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 operating in a sustainable and socially responsible manner. |

# Our Value Chain

The QAFAC plant is designed to produce 1,830 MTPD of MTBE and 2,950 MTPD of Methanol.




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

GRI 2-6

# Our Journey

**1991**
Emiri decree issued establishing QAFAC as a company

**1992**
Basic Engineering initiated designed AEF MTBE and Celanese methanol plants in Edmonton, Canada

**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

**2012**
Signing ceremony for Carbon Dioxide Recovery Plant

**2014**
Reached 3 million man hours without Lost-Time Incident (LTI)

**2015**
Launched of Carbon Dioxide Recovery Plant

**2018**
Achieved 10 million safe man hours

**2019**
Launched of Energy Management System (EnMS) project

Commissioning of Selective Non-Catalytic Reduction (SNCR) unit

Completion of Lost-Time Injury (LTI) free turnaround

**2020**
Implementation of GHG Accounting & Reporting program

Successful completion of 16 million safe working hours without LTI

**2021**
Safe commissioning of Regenerate Gas Scrubbing (RGS) Project

QAFAC Strategy Refresh

Completion of 18 million safe man hours

**2022**
Approval of Security Amenity Building and QAFAC Petrochemical Laboratory buildings from Qatar Civil Defense and QatarEnergy

Successful completion of 19 million safe working hours without LTI

Safe completion of LDAR (Methane) and RATA Program

Community member of Global Reporting Initiative (GRI)

# QAFAC AT A GLANCE

## Corporate Governance

Our Board of Directors (BoD) is the ultimate governing body that supports and oversees the executive management in the following areas – legal and statutory compliance, the establishment of internal controls, and the management of risks. In addition to this, the Board is also responsible for the approval of strategic matters such as direction, plans, and priorities for the Company. The monitoring of performance against strategic goals and business plan is also included, through monthly reports and meetings, which mandate the attendance of all BoD representatives, and the Audit Risk Committee (ARC).

The BoD is comprised of the Chairman, Vice-Chairman, Chief Executive Officer (CEO), and five other directors that represent all shareholders. In compliance with the Companies Law, an annual meeting (AGM) is held between the BoD and shareholders, referred to as an Ordinary Meeting Assembly (OGA). Matters related to the BoD's remuneration are also discussed at the annual OGA, approved through a shareholder's resolution.

In 2021, we reported an ongoing review and update of QAFAC's Corporate Governance Manual to reflect the changes in the Article of Association. QAFAC's Corporate Governance Manual is undergoing revisions and updates primarily to incorporate the changes in the Articles of Association approved by QAFAC's shareholders and BoD. The new Articles of Association has been submitted to the Ministry of Commerce and Industry for approval.

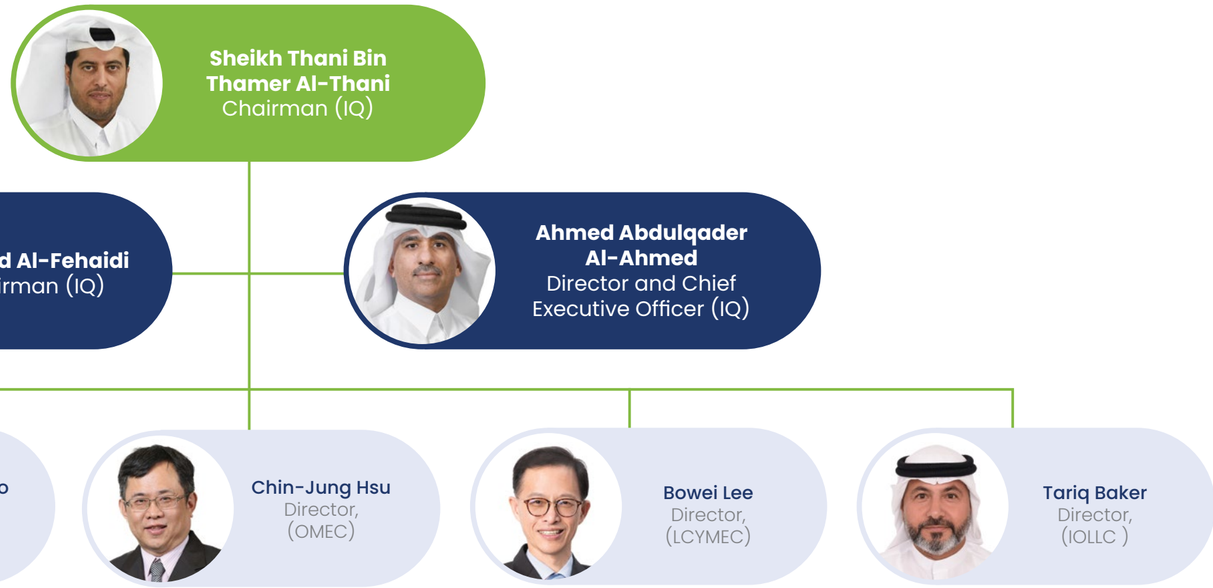
In 2022, we revised our organizational governance structure to adopt a more focused approach to managing matters of human capital, technology, sustainable production, supply chain and risk. While the leadership team comprises of the same individuals, the roles and responsibilities have been revised to reflect the strategic direction of our organization.

Below are example of few changes to QAFAC organizational structure are:

1. 'Chief Administration Officer' to 'Chief Human Capital & Technology Officer', assuming leadership of human capital management, technology management and general organizational services.
2. 'Chief Corporate Officer' to 'Chief Business Planning & Commercial Officer', assuming leadership of enterprise risk management - streamlined to focus on both HSEQ and other risks, supply chain and corporate planning matters.
3. Reorganization of QAFAC Legal team - a title change from legal Manager to General Counsel

GRI 2-10, GRI 2-12, GRI 2-17, GRI 2-23, GRI 2-24

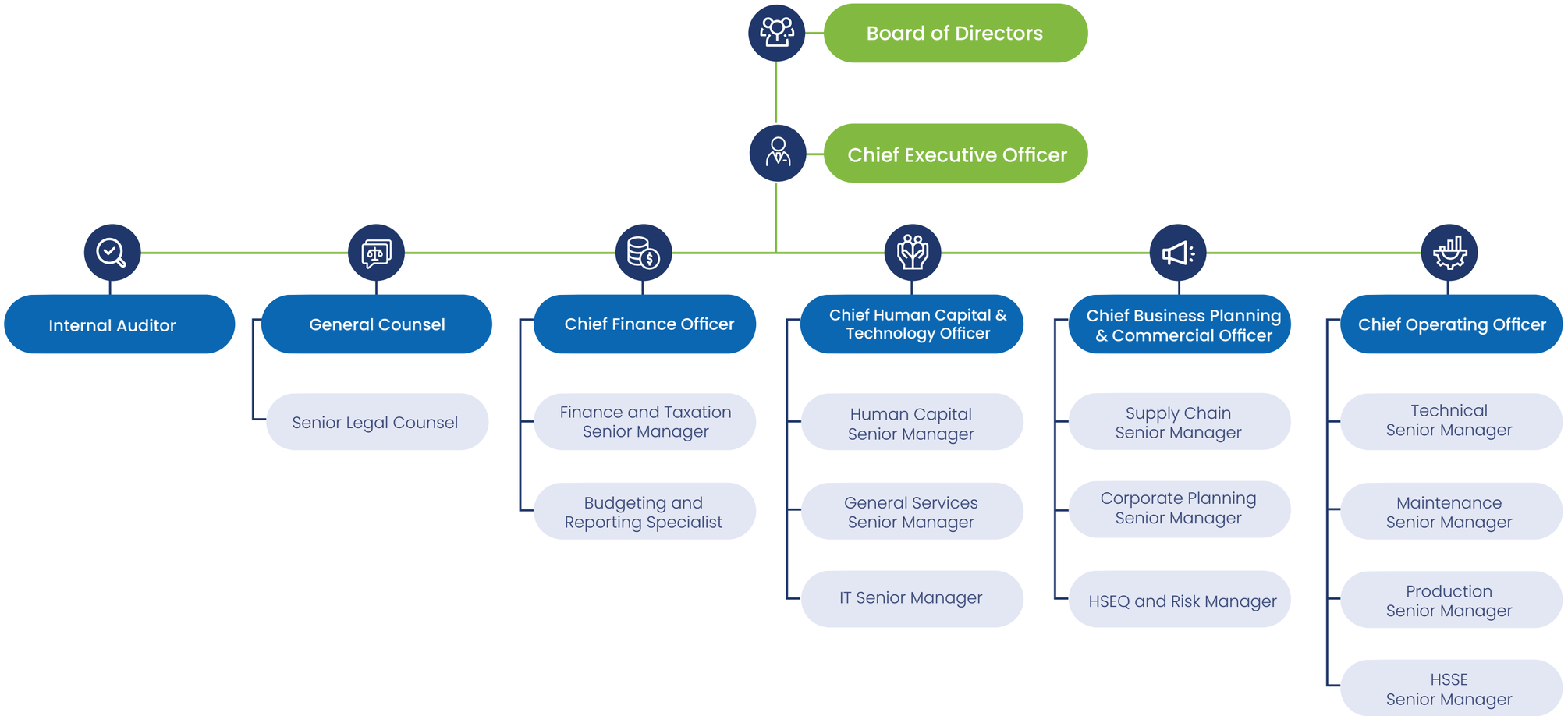
## OUR DIRECTORS




## LEADERSHIP TEAM


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

## ORGANIZATIONAL STRUCTURE




## QAFAC'S Strategic Priorities

Our vision, mission, and values have been simplified to reflect our future direction as we approach a significant milestone marking the end of our current Joint Venture in June 2024. Our values incorporate aspects of Safety, Employees (Teamwork, Trust), Efficiency (Pursuit of Excellence, Accountability), and Sustainability (Green Thinking).

GRI 2-9, GRI 2-13

## QAFAC'S STRATEGY, VISION & MISSION

# 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<br>Achieve **business excellence** to optimize efficiency and quality | Continue exploring **de-bottlenecking** and prepare for potential **brownfield plant expansion** for **Methanol & MTBE**<br>Screen **Methanol derivatives** portfolio |
| **HOW TO WIN** | Maintain high **plant availability and reliability** in the **most economical way**<br>Continue to **improve efficiency of operations, project execution and support functions**<br>Enhance **cost synergies with QatarEnergy system** | Explore **technical ideas to optimize/ de-bottleneck** the plant within current constraints<br>Develop **technical & market intelligence** with support of QatarEnergy & Muntajat *(Includes Methanol derivatives and alternative production route for Methanol)*<br>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**<br>**Strive for excellence in environmental protection**<br>High Performance Organization, focus on **talent management, Qatarization and succession planning**<br>Boost **digitalization** to become a **'reference'** in our industry<br>Strengthen **stakeholder alignment**<br>**Support shaping regulations** impacting our products | |

# Strategy and Risk Management

## Strategy

QAFAC continued to efficiently manage our leadership economics, operational safety, reliability, and satisfy all its customer requirements. We acknowledge the inevitable changes in the markets and customer preferences which helped us ensure preparedness and contingency planning to adapt to the changes. QAFAC's Corporate Strategy activities are aligned with the policies and procedures of QatarEnergy, QAFAC Management Guidance, QAFAC Risk Management, and QAFAC Operational Excellence.

Our initiatives and projects to adapt to the restraints caused by the recent global pandemic and the emerging positive environmental footprint are discussed in the following sections. Cost optimization framed by sustainability thinking, operational excellence, safety, and reliability are the key values that are instrumental to QAFAC's growth.


QAFAC's Corporate Strategy  continued its implementation, monitoring, and reporting. The three strategic  priorities of the corporate strategy are **Leadership Economics, Growth Engines, and Sustainability.** Relevant key performance indicators (KPIs) are continuously tracked and monitored to understand and respond effectively. These KPIs are distributed amongst the relevant departments, wherein monthly report are generated and submitted by the concerned department (e.g., HSSE, Production, Technical, IT, etc.) for a strategic review. The strategic review calendar is both a quarterly and an annual cycle, wherein QAFAC's Chief Executive Officer (CEO) together with Executive Leadership Team (ELT) reserves the authority to review and oversee QAFAC's performance against established KPIs. As a definite result of this timely and accurate tracking and review of strategic KPIs, QAFAC's performance and progress in achieving its strategic priorities are projected to strengthen for the foreseeable future.

## THE STRATEGY JOURNEY

### 2019

Launch of Project Advance to refresh QAFAC's corporate strategy

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.

## VALUE AMBASSADOR

| | |
|---|---|
| Safety | Balqis Al-Emadi |
| People | Wesal Saleh Al-Nahdi |
| Excellence | Mohammed Abdulla Al-Heidous |
| Integrity | Maha Eisa Al-Kuwari |
| Responsibility | Khurram Mukhtar |

## Risk Management

Organizational management is one of the critical components for business performance.  In 2021, QAFAC has undergone reshuffling of departments which includes integration of corporate planning, corporate risk management, and corporate strategy departments. This ensured a streamlined approach to integrating the enterprise risks into the corporate planning of QAFAC and vice-versa.

QAFAC has identified eight major risk categories which will continuously ensure the proper management and minimization of consequences of its risk management. This was based on the ISO 31000:2018 or the Enterprise Risk Management (ERM) framework. The eight categories are presented in the following.

### Financial Risk

- Poor cash flow management
- Unfavorable market variables (low profitable product mix)

### Human Resource Risk

- Inability to attract the right talent
- Poor employee retention
- Poor knowledge transfer

### Legal Risk

- Litigation or loss incurred due to negligence in compliance with contracts, laws and regulations

### Operational Risk

- Poor management of asset integrity
- Ineffective reliability and maintainability to sustain plant availability
- Interruption of raw materials

### Information and Technology Risk

- Ineffective IT infrastructure to manage hardware and software failures, viruses, malicious and cyber attacks
- Ineffective IT systems to meet business demands

### Energy Performance Risk

- QAFAC is currently undergoing the implementation of ISO 50001:2018 Energy Management System. Energy performance risks shall be defined upon the complete implementation of EnMS

### Reputational Risk

- Constraints on the execution of strategic initiatives
- Lack of responsiveness to industry changes
- Inability to sustain or grow with profitable business operations
- Failure to meet customers' demands leading to reputational loss

### Health and Safety Risk

- Failure to implement a robust system to proactively identify hazards to prevent incidents or injuries
- Failure to manage the integrity of safe operating systems and processes to ensure a safe and healthy work environment
- Failure to implement an effective system to manage the safety of the environment

GRI 2-16, GRI 2-18, GRI 2-19, GRI 2-25, GRI 2-26

Throughout the reporting year, QAFAC successfully maintained its ISO certifications, as indicated below:

- 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

In order to give independent assurance of our company operations, QAFAC's Internal Audit division independently reviews all of the organization's business processes and procedures. The Internal Audit division remains independent of QAFAC's organizational management, directly answering to the CEO of QAFAC before reporting to the Board of Directors (BoD). Periodic internal audits are carried out and adhered to as required by applicable standards.

## LIST OF COMMITTEES

- Audit and Risk Committee (ARC)
- QAFAC Tender Committee (QTC)
- Policies and Procedures Committee (PPC)
- Conflict of Interest (COI) Committee

# Ethics and Culture

The organizational culture of QAFAC is guided by our core values of Safety, People, Excellence, Integrity, and Accountability. These values underscore our commitment to achieving overall excellence that demonstrates a genuine commitment and integrity to safe operations, people, and the environment. We strive to incorporate QAFAC values into every decision we make, carefully evaluating how the results relate to our objectives and business goals.

We are guided by our Code of Ethical Conduct and Conflict of Interest policies, as well as an employee handbook titled "Guide to the QAFAC Code of Ethical Conduct". As reported in our 2021 sustainability report, we chartered new paths and possibilities to formalize our organizational culture with our revised code of conduct (CoC), enabled by the steadfast support of QAFAC's Executive Leadership Team (ELT) and QatarEnergy guidance. Our revised CoC consisting of 19 policies, address QAFAC's environmental, social and governance (ESG) focus areas. These policies are expected to be approved in 2023, with a targeted roll-out to employees within the same year. This suite of 19 policies can be found in page 28 of our 2021 Sustainability Report.

Through the formalization of the policies referred above, we underline our commitment to ethical business practices. Policies establishing our commitment to human rights have been formulated. Existing anti-corruption and anti-bribery policies have been strengthened. These policies are part of the suite of policies that are expected to be approved by the CEO in 1Q 2023. Existing anti-corruption and anti-bribery policies are being strengthened. However, QAFAC has never encountered human rights issues throughout its supply chain. Similarly, QAFAC has not had an incident of forced labor, and discrimination based on gender, color, ethnicity, or any other factor since the organization's founding. In addition, no corruption was found during the fiscal year under review.

QAFAC's ethical values are clearly extended to impact our contractors. While QAFAC does not include human rights terms in its contracts or have a binding criterion for resolving human rights concerns, it maintains different HSSE forums, committees and inspections where contractors performances are reviewed at highest management level. Also, when it comes to contractual conditions, QAFAC focuses on and incorporates the contractor's HSSE duties. Violation of these terms may result in the contract being terminated or the contractor being suspended under the general rights of termination  provisions contained in the contract. These termination rights, which are not restricted to HSSE duties, might be enforced, and extended to circumstances where coercive or compelled labor is seen inside the contractor organization.

GRI 2-15, GRI 205-3

# Sustainability at QAFAC

Our sustainability framework and strategy are based on our organizational values and strategic commitments and aligned with our material topics. QAFAC's corporate strategy has a pillar dedicated to sustainability – "Prepare for long-term sustainability", reinforcing its commitment to carrying out its operations and day-to-day activities in a sustainable manner. Our efforts and resources as a company are being utilized to align operations to address the six sustainability enablers. Together with this, we are also aiming to recalibrate our sustainability priorities to achieve and materialize our broader organizational goals.

QAFAC has a Sustainability Policy in the works that is a testament to our commitment to sustainable growth and development and the generation of stakeholder value. As previously disclosed, we have partnered with QatarEnergy and our policy is aligned with their policy as well. A Sustainability Framework is also underway that encompasses our established KPIs at the business level. Our core team members also work to help track the progress of our KPIs related to sustainability practices adapted in our sector, along with its impacts on the production of Methanol and MTBE. We also receive communications from other members and associations of the industry regarding best sustainability practices.


## Stakeholder Engagement and Materiality Assessment

Our relationship with our stakeholders is founded on a transparent, proactive, and responsive culture. We recognize the need for a healthy and active synergy between both our upstream (suppliers, investors, etc.) and downstream (customers, communities, etc.) stakeholders. Since we value and recognize this synergy, our upcoming Stakeholder Engagement Policy is going to reinforce this. The policy aims to create trust-based relationships through engagement with our people, business partners, local communities, civil society, educational institutions, and the government. This also expresses our commitment to engaging with identified stakeholders, communicating our expectations, and defining minimum compliance requirements. By applying these stakeholder engagement principles and commitments in conjunction with the sustainability reporting framework requirements, we will reinforce our internal and external communication regarding sustainability matters.

QAFAC continues to and pledges to maintain our accountability, transparency, and responsibility towards our stakeholders.

GRI 2-14, GRI 3-1

| Stakeholder | Focus Areas | Channels of Engagement |
|---|---|---|
| State of Qatar and Regulatory Bodies | • QNV 2030<br>• Development of national talent<br>• Qatarization<br>• Compliance with regulations | • Meetings with government entities<br>• Partnerships with government entities<br>• Conferences and exhibitions<br>• Performance reports to regulatory bodies<br>• Annual sustainability report |
| Shareholders | • Maintenance of safe and reliable operations<br>• Process efficiency<br>• Financial returns<br>• Reputation<br>• Participation in local economic and social development | • Monthly meetings with shareholder representatives<br>• Quarterly meetings<br>• Shareholder market presentations<br>• Board meetings<br>• Annual sustainability report |
| Local Community | • Responsible business practices<br>• Minimal environmental impacts<br>• Employment opportunities<br>• Safe operations<br>• Development of national talent | • Interaction with employees and their families<br>• Educational awareness sessions<br>• Public reports<br>• Career fairs |
| Employees | • Health and safety<br>• Competitive pay and benefits<br>• Continuous career development<br>• Open and transparent<br>• Communications<br>• Supportive<br>• Management | • HSSE Newsletter<br>• Regular departmental/team meetings<br>• Employee satisfaction surveys<br>• Email communications<br>• QAFAC newsletter<br>• Annual sustainability report |
| Media | • Transparency<br>• Health and safety | • Annual Sustainability Report (Online Version)<br>• Press Releases (as needed) |
| Customers and Muntajat | • Reliable, timely supplies of methanol and MTBE<br>• Supply chain management<br>• Service excellence<br>• Quality products | • Contracts and agreements<br>• Offtake requirements (issued by Muntajat)<br>• Meetings with Muntajat<br>• Conference and exhibitions<br>• Customer feedback surveys<br>• Memberships in industry associations |
| Contractors and Suppliers | • Fair contract bidding/awarding<br>• Timely payments<br>• Good working conditions | • Contractual arrangements and bidding<br>• Conferences and exhibitions<br>• Third-party endorsement<br>• Medical screening for contractors |
| Non-Governmental Organizations | • Responsive communications<br>• Support to local NGOs | • Presentations/Briefings<br>• Meetings |

GRI 2-29

We conducted a materiality refresh in 2021, available in our 2021 sustainability report. Upon careful consideration of business priorities and our sustainability goals, we are taking adequate steps to conduct detailed materiality assessment in the upcoming year, involving the identification and prioritization of QAFAC's material areas with exhaustive stakeholder inputs. In light of this decision, we have observed the same material topics* as priority areas of action in the reporting year, 2022.

*Restatement of material topic from 'Business Continuity' in the previous sustainability report to 'Operational Reliability and Business Continuity' in the current sustainability to rectify an error and maintain consistency and comparability across reporting years.

## MATERIALITY MATRIX


GRI 3-2

# 02

# OUR GROWTH

This chapter discusses QAFAC's commitments to matters concerning its economic performance and business continuity matters. Using the following material topics as guidance, our management and performance is disclosed on the key focus areas.

- Economic Performance
- Innovation and R&D (including Digital Transformation)
- Sustainable Supply Chain Management
- Operational Reliability and Business Continuity
- Product Responsibility

## Key Enabler to Our Strategic Priority "Prepare for Long-term Sustainability"

High performing organization, focus on talent management, Qatarization and succession planning

Strengthen stakeholder alignment

Support shaping regulations impacting our products

Boost digitalization to become a 'reference' in our industry

Aligning our Material Topics to our Strategic Priorities and to Global and National Reporting Frameworks, Goals and Targets

| Material Topic | Alignment to Global and National Reporting Frameworks, Goals and Targets | | | |
|---|---|---|---|---|
| | QNV 2030 | UN SDGs | GRI | QSE |
| Product Responsibility | | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | GRI 416 | QSE E 2, S 14 |
| Operational Reliability and Business Continuity | | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | GRI 416-2, GRI 417-2, GRI 417-3, GRI 417-1 | - |
| Economic Performance | | 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | GRI 201 | - |
| Sustainability in the Supply Chain | | 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | GRI 204, GRI 308, GRI 414 | QSE S 22 |
| Innovation and R&D (including Digital Transformation) | | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 8 DECENT WORK AND ECONOMIC GROWTH | - | - |

Human development | Economic development | Social development | Environmental development

# ECONOMIC PERFORMANCE

QAFAC values its commitment to achieving a progressive economy. In line with the Economic Development pillar of Qatar National Vision 2030,  we continually extend our effort to improve our economic performance.

QAFAC's financial performance is closely managed by the Chief Finance Officer (CFO). As reported in our 2021 Sustainability Report, QAFAC's Cost Optimization Policy governs our financial performance metrics, targets, and practices. The policy serves as a guide to QAFAC's Finance department throughout its optimization exercises.

Through our Cost Optimization Policy and Strategy, the Finance Department develops the annual departmental budget which is distributed by our  CFO on 15th of December of each financial year. The latter was established as a requirement by  QatarEnergy and is aligned with the organization's strategy and mandate on cost optimization. With this strategy, we have established a commitment to  reach 10% Controllable Cost by 2023 and have implemented various cost-saving measures that enabled us to optimize capital and operating expenditures in comparison to the set budget.

The Finance department uses several tools for its day-to-day management and reporting. The department has deployed an integrated management software, aligned with the International Financial Reporting Standards (IFRS). This management software assists QAFAC's executive management in taking strategic decisions and enables us to identify our budgets, forecasts, taxes, cash flows and investments.

In order to maintain checks and balances for QAFAC's financial ecosystem and ensure financial reliability, an Internal Financial Control Framework is enforced by QAFAC's Internal Audit department. This framework operates in compliance with relevant national laws and regulations; additionally, in accordance with the leading practices such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework.

QAFAC's production capacity is optimized as per market demand. In 2022, we achieved a revenue of USD 949.82 million, which is 44% increase compared to our previous reporting year. This increase is attributed primarily to market demand and increase in prices of the product. We expect a considerable reduction in production, as an effect, reduced sales, and revenues due to the scheduled plant turnaround in September 2023.

## Our Economic Contribution (USD '000)

| KPIs | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **DIRECT ECONOMIC VALUE GENERATED** | | | | | |
| Revenues | **777,856** | **531,604** | **361,633** | **658,428** | **949,824** |
| **ECONOMIC VALUE DISTRIBUTED** | | | | | |
| Operating Costs | 456,696 | 378,651 | 345,969 | 407,462 | 594,820 |
| Employee Wages and Benefits | 64,575 | 69,684 | 64,079 | 61,769 | 65,352 |
| Payments to Providers of Capital* | - | - | - | - | - |
| Payments to Government(s) | 91,150 | 31,000 | 15,000 | 53,000 | 101,500 |
| Community Investment | 307,086 | 28,553 | 146,000 | 3,160 | 16,826 |

*Confidential

Every financial year, QAFAC appoints an external auditor to perform an independent assurance on our annual financial statement, enabling us to maintain the quality, credibility, and transparent disclosure of our financial data.

GRI 201

# INNOVATION AND R&D (INCLUDING DIGITAL TRANSFORMATION)

In QAFAC's 2020 sustainability report, we disclosed our aspiration of progressing towards an agenda of digital enablement through our Information Technology (IT) infrastructure. We have made remarkable progress in the arena of digital systems as well as on the application of QAFAC's operation.

QAFAC's ambition and strategic commitment to "Boost digitalization to become a 'reference' in our industry", is the driving force behind our digital transformation journey. Our IT department ensures tactical and systemic support to the core business functions. The IT protocols and procedures at QAFAC are aligned to 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. The MoI helps in identifying any cybersecurity threats to QAFAC and therefore, countering them. QAFAC and MoI have a continuous feedback system, wherein, both parties exchange information on the organization's exposure to and the nature of cybersecurity threats, information security, control mechanisms and other related elements. Whereas the relationship with the Supreme Committee is limited to an alignment with its cybersecurity framework.

As mentioned in the previous sections of this report, QAFAC is ISO 27001:2013 Information System Management System (ISMS) certified. The collaborations between our IT department, Business Continuity Management (BCM) team and the Corporate Risk Management team simulate the risk management processes. This ensures that IT risks are represented and reflected as part of our strategic KPIs.

A set of KPIs defined by the IT department in alignment with regulatory and business requirements are shown in the table below. In the reporting year 2022, these KPIs continued to maintain its strategic importance and we were successful in meeting the targets for the reporting year.

| Strategic Priorities | Category | KPI | Targets in 2022 | Performance in 2022 |
|---|---|---|---|---|
| Boost digitalization to become a 'reference' in our industry | Digital Projects Funneling | Number of Digital Projects in pre-feasibility study phase with completed pre-feasibility assessments | 8 | 8 |
| | | Number of Digital Projects in the final implementation phase/ successful launch | 4 | 4 |
| | Financial Performance of Digital Initiatives | Project Capex Actual Utilization/ Project Capex allocation (%) = Variance | 5 | 0 |
| | Conferences/Tech Fairs | Number of digital conferences/technology fairs attended | 12 | 22 |

The IT department of QAFAC had made notable achievements through several initiatives and projects on QAFAC's information technology processes in 2022. Some of these initiatives and projects are listed in the table below:

| IT Infrastructure | IT Applications | |
|---|---|---|
| Establishing the Document Management System | QAFAC operates the Document Management System (DMS) to provide employees throughout the organization with a powerful tool for quick data access and retrieval, allowing them to manage and make management decisions more effectively. The centralized document management system is available to all employees and includes various levels of access and | authorization, implying that it is adaptable enough to meet the needs of all employees while maintaining data security. Its primary function is to store, organize, and maintain all company documents and data securely and efficiently. |
| New Digital Platform Assists to Enhance QAFAC's Personnel Development Plan | **Improvement of Personal Development Plan (PDP)**<br>Led by QAFAC's HR Learning & Development Division and developed by the IT department, the Personnel Development Program is intended to improve upon the skills and talents of the developees/trainees included in this career development initiative.<br><br>The digital platform developed in SAP provides a structured approach to defining, monitoring, improving, and reviewing individual career development plans, allowing the HR department and trainees to achieve the desired results and goals. The platform, which reflects QAFAC's | commitment to continuously improving employee skills, provides a wide range of options, such as defining task templates for positions and assigning task templates to respective developees (PDP). It also allows developees to review themselves and provides department level review and approval as well as HR learning and development review and approval features, all with the goal of reducing manual effort and bringing about a more streamlined, focused approach to the personnel development process. |
| QAFAC turns to Predictive Category Management to Boost its Performance | By utilizing predictive analytics, based on solid data foundations, QAFAC is running a Proof of Concept (POC) project using the PiLog Predictive Category Management in an effort to improve its overall performance in procurement-related concerns.<br><br>The goals and expected results, which would bring value to QAFAC, were outlined in the POC, and included removing duplicates, lowering inventory hoarding expenses, ensuring contract compliance, lowering procurement and operational costs, and enhancing existing vendor analyses.<br><br>The initial phase of the project, which concentrated on Material Master Cleaning Services using PiLog iDHS, led to the standardization and classification of Material Master, which included about 20,000 SKUs and 115 categories. | The second phase of the project saw the development of dashboards and tools powered by PiLog Analytics (iVisualize), allowing for a wide range of reporting and control mechanisms. These ranged from reports on spending performance management to customized reports for spend, demand, and inventory KPIs, as well as producing instant performance benchmark reports. Dashboards listing fast-moving and slow-moving items, as well as the average replenishment time for each, were also introduced. The option to control each spend category and coordinate spending across these categories was also available.<br><br>QAFAC would therefore improve the transparency of the end-to-end supply chain and speed up information sharing and decision making by using the capabilities of predictive analytics, collaborative technology, and automated reports, ultimately leading to improved performance. |

In 2023, we conceptualized more digitalization initiatives and projects in line with our value to seek ways to enhance our processes and systems for better efficiency, productivity, and performance. An example of which was the Digital Transformation Committee that we have established in late 2021.

In 2022, a Digital Innovation Hub was initiated in partnership with Google, and is now fully functional in 2023, as of publishing this report. Below are key highlights of the committee.

The Digital Innovation Hub will help QAFAC in achieving its core values of safety, people, excellence, responsibility, and integrity.

### 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:


By continuing to expand our digitalization and automation as we innovate, our IT department has also joined the energy efficiency efforts at QAFAC. The first initiative we made was procuring smart environment monitoring devices for our data centers and server rooms. These devices helped in monitoring three key environmental parameters, i.e., temperature, humidity, and dew point, to have records of historical graphs and trends. To flag any notification or alert in case of a sudden rise of the parameters such as temperature, the devices were integrated with the IT Networking Monitoring Tools. In addition to these monitoring devices is the flood monitoring sensor which detects water leaks or problems in the Data Center and automatically alerts the IT Team for further action.

Moving forward, we will continue to expand our digitalization efforts across multiple functions including production, maintenance, procurement, health and safety and other departments through task automations, wearables that involve devices, such as smart watches which allow our employees to share and view company data. For instance, QAFAC's Advanced Process Control (APC) installation at our MTBE plant to achieve operational excellence and cost optimization through digitalization has been active since 2016. This continues to help us in reducing our energy and butane consumption and enhancing our production volumes by reducing fluctuations affecting plant operations.

# MANAGEMENT OF CHANGE (MOC) AUTOMATION

The Management of Change (MOC) system at QAFAC used to be a manual process, which invariably led to difficulties or challenges with managing the change process and tracking the updates or changes. This frequently resulted in change implementation delays, coupled with a risk of bypassing the existing process.

In order to address these challenges, QAFAC Process Engineering, with the assistance of IT, implemented an electronic Management of Change (MOC) module in SAP to replace the manual MOC procedure. This contributes to QAFAC's strategic priorities of dependable and risk-free operations.

**Key focus areas of this enhancement are the following:**

- Online initiation of change request
- Integrated approval process
- Attachments of documents including pictures online
- Workflows
- Integrated Reporting-Features
- Status Management
- Online and systematic updating of documents in Mechanical Catalogue (MC)
- Digital signature
- Technically supported MTBE Operations in Reducing Flaring by Recycling Gas during RED depressurization


**WAY FORWARD**

MOC is currently being raised for implementation during the upcoming turnaround.

# OPERATIONAL RELIABILITY AND BUSINESS CONTINUITY

QAFAC ensures high plant availability, reliability, and dependability throughout the year to satisfy the requirements and demands of our customers. We maintained the earlier modifications we had made at the start of the pandemic and made sure there was sufficient labor support by permanently changing the working shift (having fewer working days with longer hours). This enabled us to maintain our operations effectively while adhering to the pandemic norms and regulations.

Since its inception in 2015, our Operational Excellence (OE) Program helped us maintain our leading position in the market to produce methanol and MTBE. We continue to adopt leading tools and practices as part of this program to improve our performance as well as the reliability and effectiveness of our plant.

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

Please find below a holistic set of governing procedures, committees and projects undertaken by QAFAC to maintain and improve its operational reliability and plant productivity.

| **Documentation: Procedures/Manual** | **Mechanical Integrity and Quality Assurance (MIQA) Manual** |
|---|---|
| Year of integration | 2019 |
| Description | This manual includes the installation, maintenance, and asset improvements in accordance with the design specifications of every piece of equipment. |
| Governance | MIQA Committee consists of all QAFAC's function heads to ensure proper implementation of the manual and the associated procedures. |
| Internal controls | A sub-committee was developed to identify and resolve matters affecting the MIQA program's effectiveness, and whenever needed, to provide and arrange related training and guidance to all site employees. Additionally, the sub-committee establishes and reports to management all KPIs of MIQA, conducts an audit of programs, and ensures appropriate tracking and documentation of all the results and recommendations from the MIQA audits. |
| Benefits and process improvements | • Integrated management system that primarily manages production performance to assist in monitoring, tracking, and reviewing data improvements at all operational levels.<br>• Daily and monthly production dashboard meetings to discuss and review production performance, targets, and options for improvements.<br>• A critique meeting to evaluate production procedures, operations, and areas for improvements, which is chaired by our Chief Operations Officer (COO) and participated by key employees and senior managers, to ensure the continuous communication of strategic initiatives within QAFAC. |

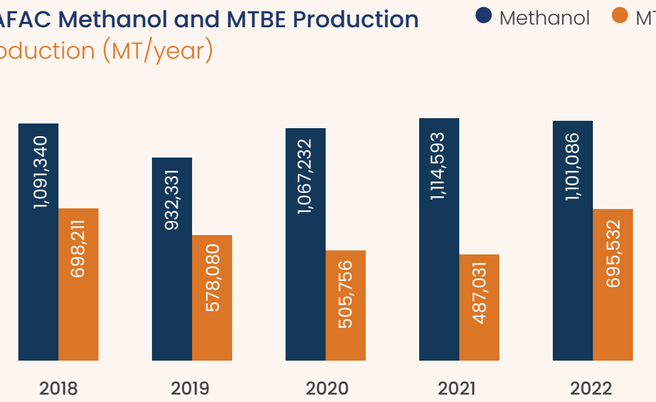
| Documentation: Procedures/Manual | Introduction of Operator Training Simulator (OTS) |
|---|---|
| Year of integration | 2018 |
| Description | A state-of-the-art simulator that generates real-time scenarios for the methanol and MTBE plants thus enhancing plant reliability and efficiency. |
| Governance | - |
| Internal controls | All existing process controllers received refresher training during 2022. It is also being provided to ASEs, new graduate engineers, and some PC-2 for orientation and evaluation purposes. |
| Benefits and process improvements | • Provides plant operators with regular trainings that enhance their competencies through scenarios such as normal operations to upset conditions.<br>• Enables us to meet our commitment to reduce any operational interruptions caused by manpower, thereby generating higher output levels, and delivering sound Health, Safety, Security, and Environmental (HSSE) performance. |

Establishing ongoing targets and conducting annual reliability assessments for our Methanol and MTBE plants are constantly driven by having annual KPIs on plant reliability as well as assessing the difference between our set targets and our actual performance.

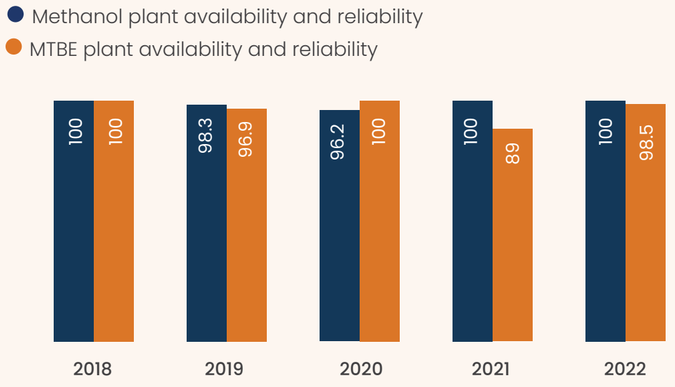
To increase the effectiveness of our operations, we make sure that our big projects are completed in the allotted budget and timeline. Our goal is to remain consistent with QatarEnergy recommendations, which support automating time-consuming operations and using cost-cutting strategies. In addition, we developed KPIs to monitor and control our operations' productivity and efficiency in manufacturing. These KPIs include consumption rates, quality compliance, and equipment efficiency. As a result, we project that we will be able to reach our goal in 2023 while cutting our controllable costs by 10%.

Our dependability and efficiency initiatives have resulted in the production of 1,101,086 MT of methanol and 695,532 MT in 2022. This is considered our third highest yearly production of methanol.

**QAFAC Methanol and MTBE Production**
Production (MT/year)




**QAFAC Plants' Reliability Performance** (%)



# SUSTAINABLE SUPPLY CHAIN MANAGEMENT

We have improved our supply chain operations, minimized our related costs, realized market and economic value, enhanced customer service and strived to bring out a competitive advantage over our business competitors by building positive risk management capabilities and being resilient through global and regional disruptions.

We are consistently contributing to the economic development of Qatar's local communities by ensuring our alignment with the Economic Development Pillar of QNV 2030. Our Procurement Department is focused on dealing with local suppliers to ensure continuous compliance. This is presented in our Procurement Policy as well, where it highlights collaboration with Qatari companies, Qatari nationals or companies controlled by the latter as a preference. We engage with the former supplier or contractor as preference, if the cost given by Qatari companies or nationals does not exceed a margin of more than 10% of the cost provided by non-Qatari companies or nationals.

QAFAC continues to emphasize the importance of supporting Qatar's local economic infrastructure. In addition, QatarEnergy has begun developing metrics for awarding local contracts based on ICV (In-Country Value) ratings for all our suppliers. QAFAC Procurement maintains 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. For instance, gradually reduced our costs by committing to Ta'win Synergy Development Program. The program started in 2017 in collaboration with QatarEnergy subsidiaries, including Qatar Chemical Company (Q-Chem), Qatar Aluminum (QATALUM), Qatar Fertilizer Company (QAFCO), Qatar Steel and Qatar Petrochemical Company (QAPCO). It prioritized large aggregates orders across companies for preferential pricing, to achieve a sustainable and efficient supply chain.

The monitoring and tracking of supply chain-related data including payments to suppliers, contractors, and local suppliers are managed by our Procurement Department. We follow an official tendering process where tenders are floated either by QAFAC or in collaboration with QatarEnergy as part of the Tawteen Initiative to reduce our cost in procurement. Security services agreements, Personal Protective Equipment (PPE) purchases, etc. are some examples.

Our Procurement Policy reflects our dedication to environmental and social responsibility through our value chain, and further guides us in achieving a sustainable supply chain. All our procurement-related decisions, follow the below mentioned priority:

- Contractors and suppliers with high social, environmental, economic standards and practices.
- Local goods and services; thus, encouraging local economic development and enhancing local skills and expertise.

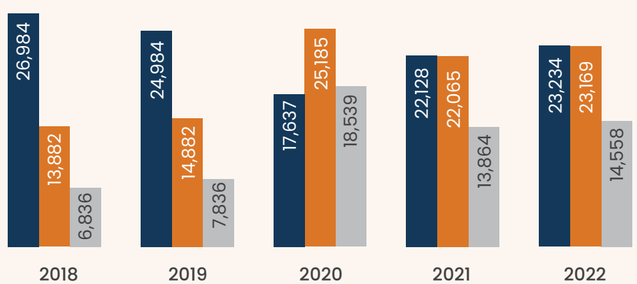
GRI 204, GRI 414, GRI 308

The application of our Procurement Policy to our Supplier Performance Evaluation Procedure enables us to evaluate our suppliers and contractors through a systematic approach, in view of their technical and commercial competencies, ISO certifications such as ISO 9001, ISO 14001, and ISO 45001, and their relationships with Qatari companies in the oil and gas industry. We have identified high-performing suppliers that gain priority and a competitive advantage over their peers through the results of these evaluations. We eventually select our suppliers and contractors based on the DIFOTIC criteria (Delivered in Full and On Time and Invoiced Correctly).

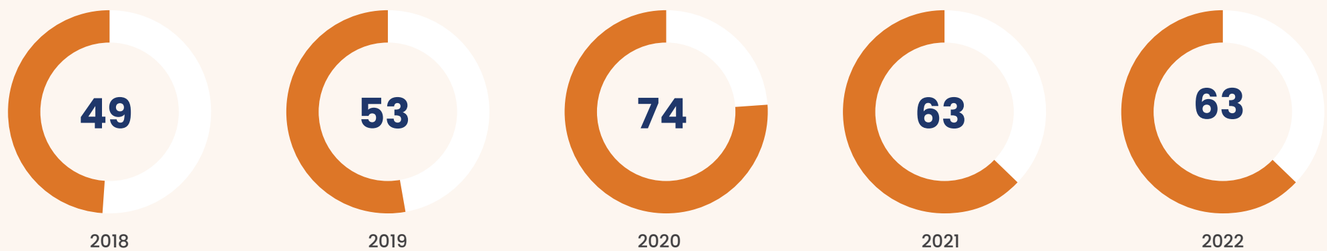
In 2018, we integrated an advanced and automated Vendor Categorization System, to improve our supply chain performance, enhance value and savings, and leverage opportunities for consolidation and contingency development. In addition, this allowed us to categorize the active vendors parallel to their offerings and the interrelation of their goods and services.

In 2022, we paid a total of USD 46.403 million to our suppliers and contractors for their goods, products and services which is 4.8% more than what we paid in 2021. On contractors, we spent USD 23.234 million which is 4.7% more than that spent in 2021.

## Procurement Contributions
(USD '000)




## Proportion of Spending on Local Suppliers (%)




*Note: Figures have been restated due to adjustments in calculation methodology*

GRI 204-1

# PRODUCT RESPONSIBILITY

The two main petrochemical products that we produce at QAFAC are Methanol and MTBE. These two products have an extensive variety of applications and are vital ingredients in different industries.

Methanol is a clear, water–soluble liquid chemical also known as methyl alcohol, the simplest of a long series of organic compounds called alcohols, consisting of a methyl group linked with a hydroxyl group. It is commonly used in the production of a huge type of daily products such as plastics, LCD TV, adhesives, glues, computer screens, furniture, vaccines, pharmaceuticals, cosmetics, fuels, and paints. In different sectors like automotive, electricity and marine sectors, methanol serves as an energy source.

We produce our Methanol from natural gas provided by QatarEnergy which is then reacted with steam in the reformer unit to produce the synthesis gas, converting it into Methanol through the methanol synthesis reaction. In our Methanol plant, we send the methanol stream to the distillation section to attain our 99.9% purity. This purified methanol is either sold or used to produce MTBE at our MTBE plant.

Methanol can also serve as a renewable energy source that reduces environmental impact as it is a clean and sustainable biodegradable fuel. It reduces emissions such as Greenhouse Gas (GHG) and Nitrogen Oxide ($NO_x$) and Particulate Matter (PM) emissions. With this positive impact, methanol is a known alternative fuel for ships and vehicles. China is one of those countries which considered the use of methanol on vehicles in its industrial green development plan, where it will replace fossil fuel-powered vehicles with clean, Methanol burning vehicles[2].

On the other hand, Methyl Tertiary-Butyl Ether (MTBE) is a colorless, flammable liquid that's most often synthetically created through the combination of isobutylene and methanol. MTBE has low production costs and good blending characteristics. It is mostly used as an oxygenate to gasoline to improve air quality.

At QAFAC, we produce our MTBE from butane supplied by QatarEnergy which is then converted to isobutane through the isomerization reaction. The isobutane produced undergoes a dehydrogenation process, producing isobutylene that is essential for MTBE synthesis. The isobutylene is then reacted with Methanol that was already produced at our Methanol plant to obtain our MTBE.

Our certification in Quality Management System (ISO 9001:2015), assures that our products completely meet all the regulatory requirements and product quality standards, and meet our customers' needs strengthened by our systematic comprehensive checking during the production stage. We ensure that there is an associated highest standard of quality, health, safety, and environmental protection which reduce our negative impact on our production process given that these products are essential for many industries.

[2] Two sessions' 2022: Carbon neutrality high on agenda as delegates offer proposals on new energy vehicles, green AI, and blue carbon | South China Morning Post (scmp.com)

## Commissioning of new QAFAC Laboratory and certification by Bureau of Indian Standards

In the third quarter of 2022, QAFAC's Laboratory has passed the BIS Laboratory Audit without any non-conformities and observations, as concluded by a BIS Scientist & the BIS Auditor. The audit occurred in the presence of QatarEnergy's representative, Muntajat QATAR & Muntajat India Representatives.

The audit's observations have a direct impact on QAFAC's sales of Methanol. As a result of this BIS certification, QAFAC Laboratory is now in adherence to BIS standard and, IMPCA and ASTM international Standards of Methanol.

**QAFAC Laboratory is world-class latest Petrochemical Laboratory in the State of Qatar, one of its kind facilities in the MIC & RLC.**

In addition to above all it is worth mentioning QAFAC has shifted to the new Laboratory building after obtaining necessary approvals from QatarEnergy and Qatar Civil Defense.

Shifting of Laboratory equipment was done very smoothly without any hindrance to normal operations. It was quite critical to shift more than 150 Online Equipment, which includes their mobilization, dismantling, reconfiguration, re-installation & commissioning. Whereas the following targets have been achieved as well:

- ZERO Incidence
- ZERO Drop Sample
- ZERO Drop Analysis

**QAFAC new laboratory consist of six main laboratories:**

- Gas Chromatography Laboratory
- Analytical Laboratory
- Shipment Laboratory
- Physical Testing Laboratory
- Thermal Scientific Laboratory
- Microbiology Laboratory

**The new laboratory building is well equipped with state-of-the-art safety features:**

- FM-200 Fire Suppression System
- Gas Detection System
- Fire Sprinkler System
- Smoke Detection System
- Once through HVAC system on the Laboratory Workplace
- Massive Draft Chamber Unit
- Nine Fume Hood Units with Digital Air Flow Monitoring
- 2-Hours Fire Rated Walls
- 2-Hours Fire Rated Doors
- 2-Hours Fire Rated Windows
- Explosion Proof Lights
- Access control & Surveillance CCTV system


In addition, our Material Safety Data Sheet (MSDS) which was developed in line with the United Nations Globally Harmonized System of Classification and Labelling (GHS), guides us to have relevant information on safety measures for the workplace and the environment. This allows us to work at the highest standard in terms of material and product handling. To provide safety data information for our employees, handlers, and the users of our products, we also publish the MSDS on our website and can readily be accessed by the public.

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

We continuously implement several safety measures throughout the production processes to ensure that safe production and highest product quality standards are met. As an example, we choose appropriate coal gasifiers and optimize process conditions such as temperature and pressure, which we monitor and control to achieve high conversion and product quality. To avoid static discharge hazards, we label our pipes and valves and indicate the flow direction, and we store our production above-ground in tank farms.

In 2022, we upgraded our methanol / MTBE product storage tanks gauging system with radar type level measurement. We also upgraded our water treatment chemicals storage and handling system with GRP tanks and transfer pumps. In addition, we also completed a CP system upgrade of TK-3101-C.

In 2022, we have zero recorded incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products.

We aim to establish technical and market intelligence with support from QatarEnergy and Muntajat where we will be considering the market potential of prioritizing brownfield expansions for Methanol derivatives including Methyl methacrylate (MMA) and Acetic Acid. We are driven on investing in this initiative due to brownfield expansion's environmental mitigation and cost efficiency as we would acquire, or lease existing facilities as opposed to the critical economic and environmental costs that would support building a new facility. From a product perspective, we are eager to invest in MMA specifically due to its positive environmental impact and high recyclability.

# 03

# OUR ENVIRONMENT

This chapter discusses QAFAC's commitments to matters concerning environmental impacts: energy and emissions, resources and utilities. Using the following material topics as guidance, our management and performance is disclosed on the key focus areas.

- Resource Efficiency
- Climate Change
- Water Management
- Waste Management
- Biodiversity

## Aligning our Material Topics to our Strategic Priorities and to Global and National Reporting Frameworks, Goals and Targets

### Key Enabler to Our Strategic Priority "Prepare for Long-term Sustainability"

Strive for excellence in environmental protection

Boost 'digitalization' to set a benchmark in our industry

| Material Topic | Alignment to Global and National Reporting Frameworks, Goals and Targets | | | |
|---|---|---|---|---|
| | QNV 2030 | UN SDGs | GRI | QSE |
| Resource Efficiency | Environmental development | 8, 12 | GRI 301 | - |
| Climate Change | | 3, 7, 8, 12, 13, 14, 15 | GRI 302, GRI 305 | QSE E1-E7 |
| Waste | | 3, 6, 8, 11, 12, 15 | GRI 306 | QSE E9 |
| Water | | 6, 12 | GRI 303 | QSE E8 |
| Biodiversity | | 6, 14, 15 | GRI 304 | - |

# Introduction

Qatar Fuel Additives Company Limited (QAFAC) is maintaining its strong commitment to work towards development and maintenance of policies, guidelines, processes, and management systems in line with leading sustainability practices, standards, and regulatory requirements to mitigate any adverse environmental impacts caused by its processes and operations.

The Qatar government published the Qatar National Environment and Climate Change Strategy (QNE) in 2021, establishing a framework for Qatar's long-term sustainability goals and highlighting the urgency of taking meaningful action to address the climate issues. To achieve its objectives, the Strategy identifies five environmental priorities: Reducing greenhouse gas and air pollutant emissions, restoring biodiversity abundance, establishing sustainable water management, improving waste management and building a circular economy, and enhancing land use productivity. An integral part of the Qatar National Vision 2030 and in line with the UN Sustainable Development Goals (SDGs), the plan sets out Qatar's commitment to tackle climate change by diversifying the economy, building capabilities, and optimising the use of natural resources. It establishes national climate targets to enhance climate resilience through more than 35 measures and over 300 adaptation initiatives focused on mitigation. In consideration of these developments, we have been proactive and consistently adding further enhancement to QAFAC's environmental management.

To position QAFAC strongly for its long-term sustainability, one of our strategic priorities is to strive for "excellence in environmental preservation", which further encourages the company to adopt actions towards environmental stewardship.

This chapter highlights QAFAC's sustainability ambition as outlined in the description of approach, framework, drivers, and actions towards each environmental material topic.

# RESOURCE EFFICIENCY

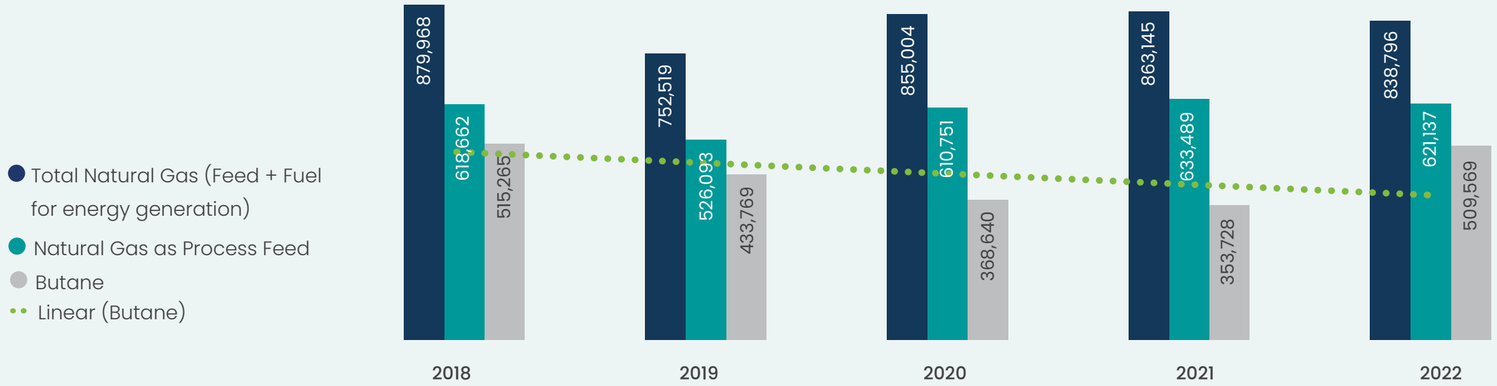
For many years, the availability and accessibility of energy resources have been subject to supply and demand shocks that have a significant geopolitical impact on the chemicals industry. It is crucial for energy-intensive sectors to regularly recalibrate and reorient given the increasingly scalable and possibly equalizing power of renewable energies with conventional fossil fuel sources, such as natural gas. The advent of a circular economy or circularity concepts and their seamless integration with resource efficiency principles have aided businesses in developing a deeper grasp of the benefits of effective resource utilization. We have been able to put into practice initiatives and projects that have added advantages like better resource usage, including the Regenerate Gas Scrubber technology, which is covered in more detail in the subsequent sections.

QAFAC is committed to diversifying its energy mix and ensuring optimal utilization of its natural resources. Currently, there are no existing policies and strategies that guide QAFAC in achieving resource efficiency. However, considering the topic's material importance, we aim to develop and establish guidance efficient and effective use of resources, which guide our day-to-day operations.

QAFAC uses natural gas and butane as the main raw materials in the synthesis of Methanol and MTBE. Natural gas is used by QAFAC for both fuel gas and as a process feed for converting to methanol and MTBE (comprising natural gas and other fuels, further discussed in the Climate Change section). QatarEnergy is the only natural gas supplier to QAFAC, and source for butane purchase.

The goal of the Integrated Gas Supply to Mesaieed Industrial City (MIC) Consumers (IGSMC) project, which QatarEnergy and its partners in the manufacturing hub of the Mesaieed Industrial City (MIC) launched in 2021, is to guarantee uninterrupted natural gas supply to all QatarEnergy customers in the MIC, including QAFAC. This project would minimize potential systemic inefficiencies in logistics, transportation, consumption measurement, material losses, etc. in addition to guaranteeing a continuous supply. IGSMC supports our efforts to ensure continued operations and meet production targets, which eventually contribute towards meeting our customers' needs, enhancing our reputation, and retaining our market capitalization. In 2021, QAFAC has erected the tie-in line to the main network. The project commissioning date will be announced by QatarEnergy in 2023.

**Materials Used by Weight**
Consumption (MT)



# CLIMATE CHANGE

QAFAC acknowledges and comprehends the deep interrelated nature of energy reduction translating into emissions reduction. Considering the nature and intrinsic energy potential of hydrocarbons which QAFAC handles, we remain cognizant of the energy considerations and the damaging potential of our raw materials, as well as our finished products. We actively work to fulfill our obligation to manage our impact on the environment by implementing efficient and effective process controls that have a direct or indirect impact on QAFAC's energy use. Our long-term objective is to invest in technology and performance management procedures that will increase the efficiency and sustainability of our production operations.

The responsibilities for managing the topics of energy and emissions are distributed under the aegis of QAFAC's Technical department and the Health, Safety, Security, and Environment (HSSE) department. While the sponsorship and implementation of QAFAC's many projects may lie with the Projects, Technical and (or) Production departments, the aspects of monitoring, managing, evaluating, and reporting of these projects rest with the HSSE department. A symbiotic relationship amongst each of QAFAC's departments has been established in a robust manner which allows for successful outcomes of energy and emissions initiatives.

The company has successfully built a foundation for better energy symbiosis to design and implement an organization-wide ISO 50001: Energy Management system (EnMS). While the project is in its final stages of completion and has made considerable progress in terms of development and modification of relevant policies and procedures, such as the Energy Management (EnMS) Guidebook, Energy Planning and Review, Energy Management Improvement, etc., the implementation phase is expected to be deferred to the next reporting year to prioritize activities in preparation of the planned turnaround in 2023.

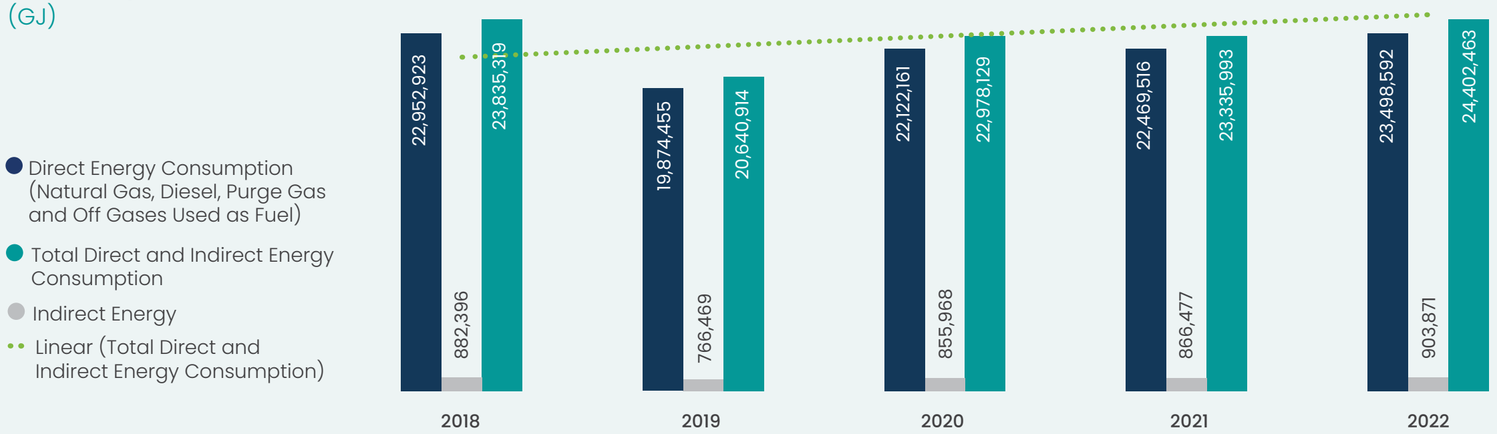
In addition, as part of QAFAC's corporate policy refresh, we are currently developing a Climate Change policy, in alignment with QatarEnergy climate change policy commitments. This policy highlights QAFAC's commitment to being a responsible steward in combating the risks of climate change. The policy is outlining the principles informing QAFAC's approach, defining the commitment to minimum compliance requirements, and to all stakeholders - employees, partners, local communities, and the world at large - as well as identifying the actions that we are taking to build resilience as an organization in the face of climate change. It is aligned to QAFAC's Sustainability and Environment Policies and supports the goals of the Paris Agreement.

QAFAC's energy mix comprises of natural gas, MTBE off-gases, MTBE Butamer scrubber off gas, purge gas and diesel, along with MTBE Net Gas and MTBE PSA Tail gas which were added in 2021. The MTBE Net Gas and MTBE PSA Tail gas are a result of the Regenerate Gas Scrubber (RGS) - QAFAC aims to further study the fuel potential attributes of these in the upcoming years. The direct energy generation by virtue of fuels is 96% of QAFAC's energy mix, whereas the remaining 4% is from electricity supplied by Qatar General Electricity and Water Corporation (KAHRAMAA). Further, the regenerated gas is used as a fuel in the major combustion units, i.e., methanol-reformer and boiler.

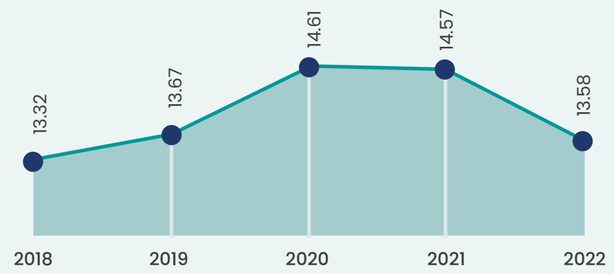
The total energy consumption for QAFAC has increased by 5% from 23,335,993 GJ in 2021 to 24,402,463 GJ in 2022, with a decrease in energy intensity by 7% to 13.58 GJ per ton of production in 2022. The increase in total energy consumption is related to an upward trend for direct energy consumption owing to an increase in production for this financial year.

GRI 302-1, GRI 302-3, GRI 305-1, IQ-3, IQ-4, IQ-5, IQ-7, GPCA

### Total Energy Consumption
(GJ)




### Energy Intensity
(GJ/Ton Production)




Diving deeper into QAFAC's energy mix and its emissions' implications, we presented a detailed case study of the successful commissioning of the Regenerant Gas Scrubber (RGS) unit in page 57 of our 2021 Sustainability Report. This RGS unit has led to the recycling of the MTBE regenerant gas, thus, generating the MTBE Net gas fuel as a result and contributing to a reduction in flaring.

The Regenerant Gas Scrubber (RGS) project is QAFAC's initiative focused on creating sustainable positive environmental impact in line with the Qatar National Vision 2030. The RGS has reduced the flaring of the MTBE plant incredibly and further, it saves 4.2MT/hour of QAFAC's natural gas consumption. This project is a major milestone that contributes successfully to the company's environmental and financial goals.

## REGENERANT GAS SCRUBBER UNIT

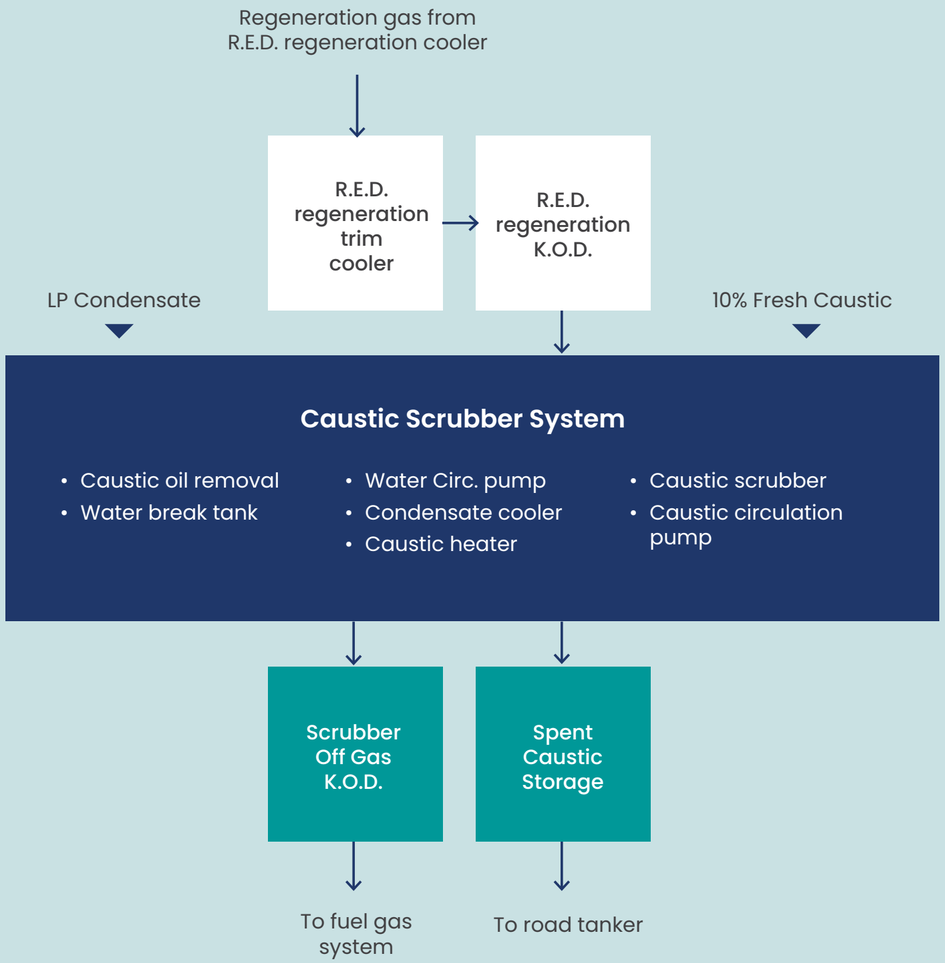
Regenerant Gas Scrubber Unit was commissioned in the last quarter of 2021. The purpose of installing RGS unit in the existing Oleflex unit of MTBE Plant was to remove $H_2S$ gas from Reactor Effluent Driers (RED) Regenerate gas (In the Oleflex unit of MTBE plant) by passing through circulating caustic scrubber and use regenerate gas as fuel in the existing fuel network.

### ABOUT THE PROJECT

The Regenerant gas scrubber aids in the removal of $H_2S$ gas from the regenerant gas, which is typically used to regenerate the reactor effluent driers in the Oleflex Unit. The Regenerant effluent's $H_2S$ concentration lies between the range of 100 - 3,000 mole ppm[3] . In the scrubber, the $H_2S$ is absorbed in 10% caustic solution, that further converts $H_2S$ to sodium di-sulphide ($Na_2S$) and sodium sulphide (NaHS). These products from the scrubber typically contain <1 ppm of $H_2S$ and is water saturated. A Caustic Oil Removal Package is provided in the scrubber's caustic circulation system, to separate the entrained hydrocarbon from an aqueous stream of spent caustic, further reducing the concentration of entrained hydrocarbon from 100 - 5,000 wppm[4] to <20 wppm. Once the spent caustic reaches 50% concentration in the final products, it is dumped in batches and sent to spent caustic storage tank, following which the solution is pumped to trucks for disposal.

[3] Parts per million (unit of mass concentration)
[4] Weight parts per million (unit of mass concentration)

GRI 302-1, GRI 302-3




## OUTCOMES

RGS Unit has enabled QAFAC to reduce the amount of gas flaring and recover regenerate net gas, which is suitable for reusing as fuel in the fuel network. The table presented below provides a comparison of the MTBE plant's flaring figures with and without RGS unit.

| MTBE Plant Flare Reduction with RGS Unit | |
|---|---|
| Flaring/month without RGS | Flaring reduction with RGS |
| Quantity | Quantity |
| 2,253.82 MT | 1,250.40 MT |
| 541.45 MMSCF | 140.51 MMSCF |

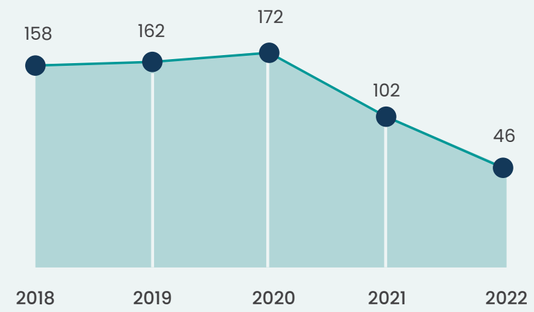
## VALUE GENERATED

This RGS project is reducing air emissions and minimizing the consumption of natural gas in the fuel mix.

## WAY FORWARD

As the project has been commissioned in 2021, QAFAC is steadily monitoring the performance of the plant and exploring optimization of spent caustic waste generation from RGS unit, expected to have environmental and economic benefit.

**Flaring of Off-Spec Gases**
(MM SCM)




QAFAC is cautiously driven by several regional and national forces to obtain a gradual decline in our Greenhouse Gas (GHG) emissions. To ensure better monitoring, tracking and verification of our data, we have established a set of KPIs consolidated into a dashboard, which allow for real-time data monitoring and improve reporting practices on the performance of QAFAC's GHG and air emissions. In addition, from an emissions reduction perspective, QAFAC has a Carbon Dioxide Recovery (CDR) unit, commissioned in 2014. This unit effectively reduces GHG emissions by capturing carbon dioxide and converting it to Methanol within the production process. This operation is not limited to emissions reduction, but further, to optimized resource usage, and elimination of product or resource loss, depicting excellence in manufacturing processes. In 2022, QAFAC has successfully captured 181,574 metric tons of carbon dioxide and converted it into Methanol. This is approximately a 4% increase from 2021, where the $CO_2$ captured was 175,122 MT.

GRI 305-7

# GREENHOUSE GAS (GHG) ACCOUNTING & REPORTING (A&R)

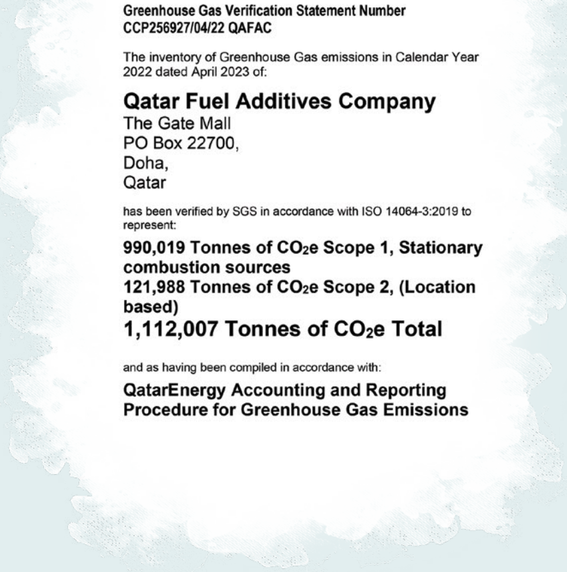
In 2020, we enacted the QatarEnergy directive to implement a Greenhouse Gas (GHG) Accounting & Reporting (A&R) program, which is aligned with QatarEnergy's approved GHG Accounting and Reporting Procedure. This follows the European Union (EU) and Intergovernmental Panel on Climate Change (IPCC) guidelines to ensure accurate emissions reporting. QAFAC has made immense progress on this project in 2021, receiving high accolades and commendations from QatarEnergy.

## ABOUT THE PROJECT

With the support of a third-party vendor and QAFAC's own IT infrastructure, a Data Integration and Automation Application (DIA) software, had been implemented by QAFAC. This project has successfully established the integrated management system for GHG A&R. The software application communicates constantly with the plant information (PI) and Uniformness process history database (PHD) system and lab information management systems (LIMS). In 2021, we enhanced this program by setting a comprehensive mechanism with calibration systems, equipment, protocols, monitoring, and certification programs for GHG accounting, reporting and verification processes.

## OUTCOMES

A high degree of automation had been achieved in emissions data management with the help of this software.



**Greenhouse Gas Verification Statement Number CCP256927/04/22 QAFAC**

The inventory of Greenhouse Gas emissions in Calendar Year 2022 dated April 2023 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:

**990,019 Tonnes of $CO_2e$ Scope 1, Stationary combustion sources**
**121,988 Tonnes of $CO_2e$ Scope 2, (Location based)**
**1,112,007 Tonnes of $CO_2e$ Total**

and as having been compiled in accordance with:

**QatarEnergy Accounting and Reporting Procedure for Greenhouse Gas Emissions**

**GHG Scope 1 and 2 Emissions Inventory Verification Certificate**

## VALUE GENERATED

Strengthening of GHG monitoring and measurement tools with a direct net positive effect on GHG emissions management.

## WAY FORWARD

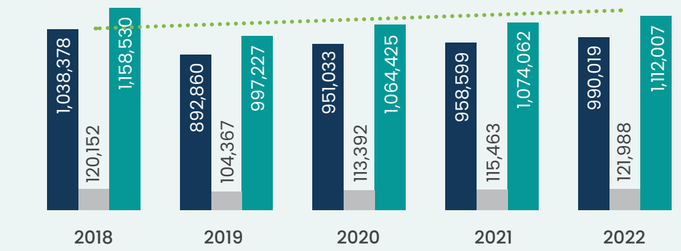
In 2023, we look forward to undertaking a trends analysis to monitor GHG emissions. This analysis will help QAFAC to visualize GHG emissions intensity of it's plant operations.

The total GHG emissions for the reporting year 2022, increased with a minor change of 4%, reporting a total of 1,112,007 $MTCO_2e$ in 2022 as compared to 1,074,062 $MTCO_2e$ emissions in 2021. On the other-hand, GHG emissions intensity decreased with 7% at 0.62 $MTCO_2e$ per ton of production in 2022.

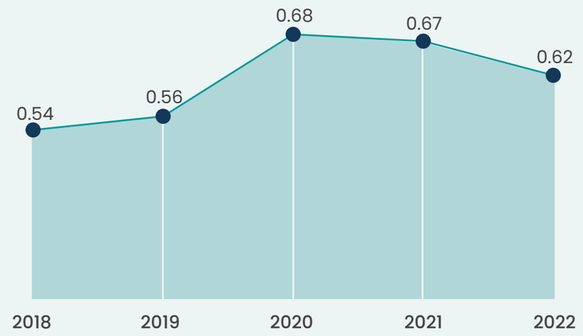
In addition to GHG inventory development and emissions reduction motive, QAFAC tackles the release of harmful and toxic air emissions with a high level of importance. The commissioning of the selective non-catalytic reduction (SNCR) system in 2019, to meet the MoECC's directive to maintain $NO_X$ limits has led to a stable operating system for air emissions at QAFAC. As per the directive, the annual $NO_X$ levels of an entity have to be limited at 125 mg/$Nm^3$. The installation of new analyzers further enhanced the emission monitoring for the SNCR unit. Data shown in the following graphs provides an insight into the $NO_x$ emissions reduction since 2019. A vast reduction of approximately 58% in emissions has been recorded in a three-year period, owing to the $NO_x$ emissions plummeting from approximately 260-280 mg/$Nm^3$ to around 110-125 mg/$Nm^3$. Since 2021, we have observed a consistent performance of the SNCR unit.

Further, QAFAC has taken measures to prevent the discharge of fugitive volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) in addition to the projects and systems described above. The Leak Detection and Repair (LDAR) program, which is run in accordance with US EPA Method 21 and QatarEnergy principles, is the strategy chosen to achieve these reductions. In 2021, QAFAC started Methane emissions monitoring through LDAR program wherein the Toxic Vapor analysers (TVA) and Optical Gas imaging camera (OGI) were used for carrying our LDAR activities.

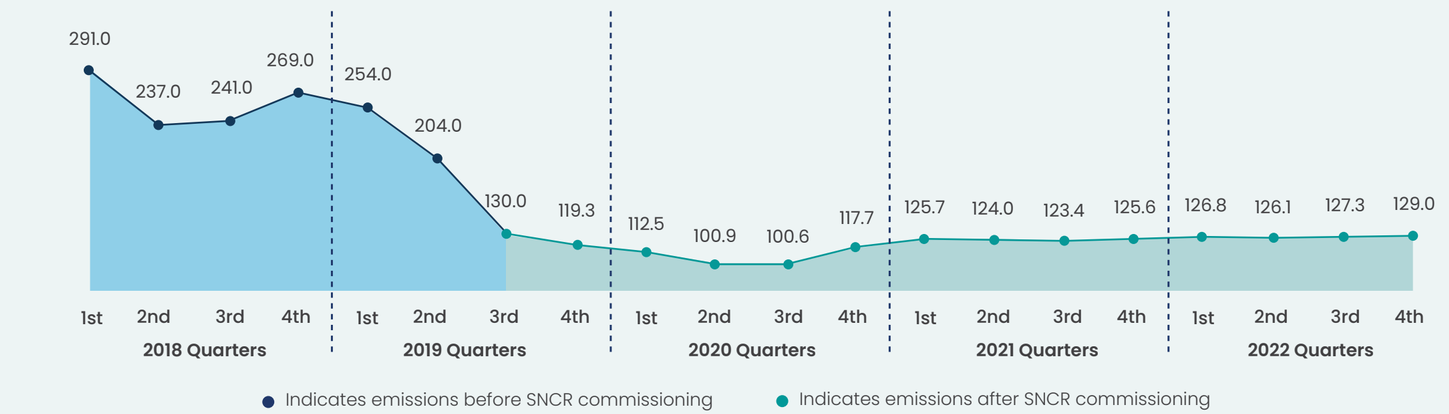
**Total GHG Emissions**
($MTCO_2e$)




**GHG Intensity**
($TCO_2e$/Ton of Production)



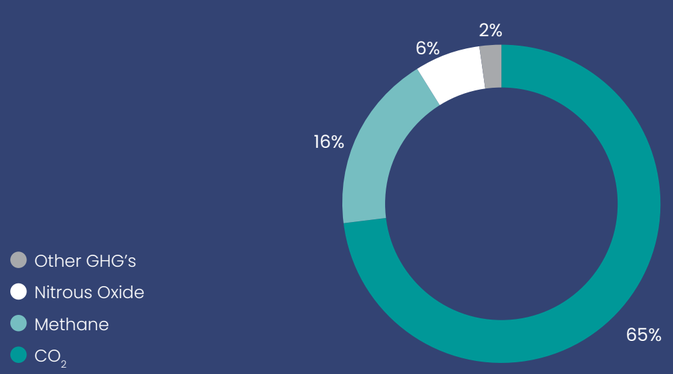

**Commissioning of SNCR and Reduction in $NO_x$ Emissions**
($mg/Nm^3$)



## METHANE & CLIMATE EMERGENCY

Methane is a powerful greenhouse gas, with a Global Warming Potential more than 27-30 (used for QAFAC GHG calculations 28 times) times greater than that of carbon dioxide ($CO_2$). It is the primary contributor to the formation of ground-level ozone, a hazardous air pollutant and greenhouse gas, exposure to which causes 1 million premature deaths every year. Cutting methane emissions is the fastest opportunity we have to immediately slow the rate of global warming, even as we decarbonize our energy systems. Even though $CO_2$ has a longer-lasting effect, methane sets the pace for global warming in the near term. The Paris Agreement cannot be achieved without reducing methane emissions by 40-45% by 2030.

### Most Prevalent Man-made Greenhouse Gases (%)




## QAFAC WAY FORWARD IN $CH_4$ EMISSIONS REDUCTION

QAFAC has successfully been working for many years to reduce Methane emissions through its Leak Detection and Repair Program (LDAR) and remains strongly committed to tackle this issue, the reduction of Methane emissions being a unique climate opportunity because Methane emissions are an important contributor to global warming. In 2022, following QatarEnergy guidelines and in accordance with US EPA Method 21, Leak Detection and Repair program for methane sources has been carried out.

The program checked all methane sources components of the facility that are subject to any leak.

- Identified the leak and calculate the possible amount of gas leaked.
- Total 32,479 potential methane sources were scanned at QAFAC using TVA and OGI camera during LDAR-2022 program.
- All possible leaking sources were repaired immediately and the remaining will be addressed during upcoming Turnaround.
- Re-measurements are done after completion of repairs to ensure that leaks are properly arrested.

# RATA (RELATIVE ACCURACY TEST AUDIT)


To ensure accuracy of all our emissions data, QAFAC conducted Relative Accuracy Test Audit of all its Continuous Emission Monitoring Systems (CEMS) in July 2022. A third party was contracted to conduct the CEMS certification following the United States Environmental Protection Agency (USEPA) Title 40, Code of Federal Regulations (CFR), Part 60 on the Continuous Emission Monitoring Systems (CEMS) associated with four (4) units at the QAFAC facility. The CEMS associated with these units, designated as Boiler 1 (B-3201), Boiler 2 (B-3202), Methanol Reformer, and Oleflex Heater are operated by QAFAC and are installed to monitor the concentration of NOx and $O_2$ of each applicable stack. In accordance with aforementioned regulations, a calibration drift assessment and a relative accuracy test audit (RATA) were performed on the CEMS associated with each applicable unit. In addition, the cylinder gas audit was conducted following the procedures defined in the 40 CFR 60 Appendix F, Procedure 1.

This CEMS Audit Program was conducted to demonstrate the accuracy and reliability of the QAFAC CEMS. The program was conducted to satisfy the requirements of the Qatar Ministry of Environment and Climate Change (MoECC) as outlined in the QAFAC consent to operate permit (CTO). All testing and audit procedures were conducted in accordance with the requirements set forth in the USEPA Title 40, Code of Federal Regulations (CFR), Part 60, Appendix B—CEMS Performance Specifications, which defines the CEMS specifications and testing procedures.

The RATA test is a direct comparison of the CEMS monitoring data with that data collected from an independently operated USEPA reference method test for each pollutant, following all the quality assurance and quality control procedures as required in the particular method. In this case, USEPA Method 3A was used to determine the $O_2$ concentration, and USEPA Method 7E was used to determine the $NO_x$ concentration. The mobile laboratory was parked near the sampling location and a heated sampling line was temporarily installed up the emission stack and affixed to a probe installed in the appropriate location in the stack. The heated sample line was then be connected to the mobile test van and the exhaust gas sample was routed through a sample conditioning system to a series of analyzers for pollutant concentration measurements.

As required by the USEPA Part 60 test procedures, a minimum of nine (9) EPA reference method tests were conducted for each pollutant monitored by the CEMS system. Each of these test runs were conducted for a minimum duration of twenty-one (21) minutes. The results of these reference method tests were compared to CEMS measurement data from the same time periods to determine the relative accuracy of the CEMS. The results of the RATA test is considered acceptable if the calculated relative accuracy does not exceed 20% when compared directly to the reference method.

# WASTE MANAGEMENT

QAFAC recognizes its responsibility to ensure responsible waste management to align with QNV 2030 and other national strategic objectives. A significant amount of hazardous and non-hazardous waste is generated as a result of QAFAC's operations, and these waste streams may have potential negative influence on the environment. Below is a representation of QAFAC's waste composition:

**Hazardous Waste**

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

**Non-hazardous Waste**

- Domestic waste
- Electronic waste (100% recycled)

We engage efficient waste management contractors to handle, transport, and dispose of different wastes, including hazardous waste, general garbage, electronic waste, incinerable waste, and medical waste. This is done in order to ensure safe disposal of QAFAC's waste streams.

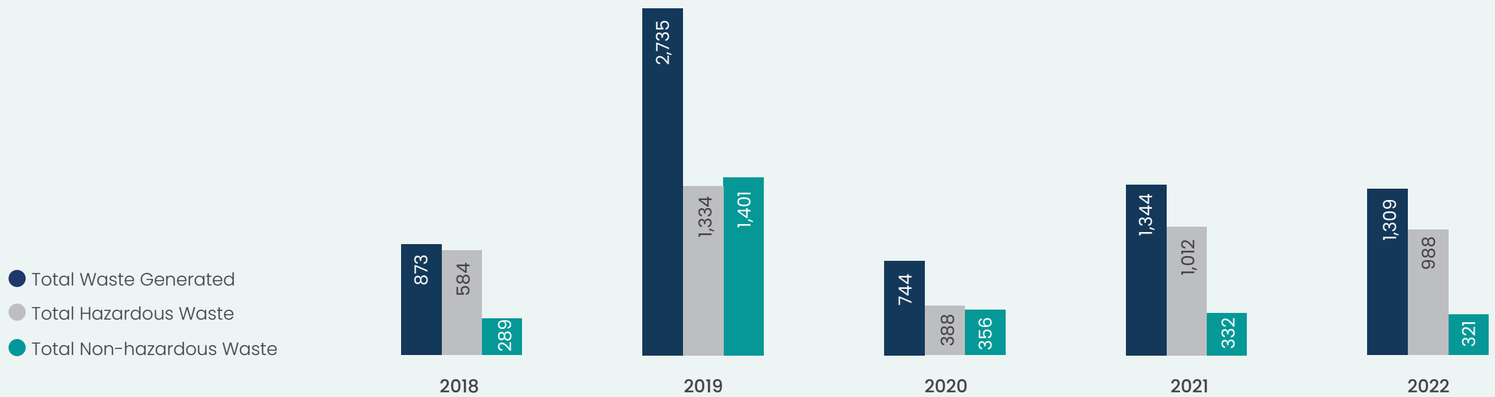
We comply with the operational requirements established by the Ministry of Environment and Climate Change (MoECC), and strengthen QAFAC's waste disposal-related targets, the company fully commits to existing and introducing new KPIs at departmental and executive levels. The performance against these KPIs and parameters is tracked through our HSE dashboards.

| Enabler: Strive for Excellence in Environmental Protection | | | |
|---|---|---|---|
| **Category** | **KPI** | **2022 Target** | **2023 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** |

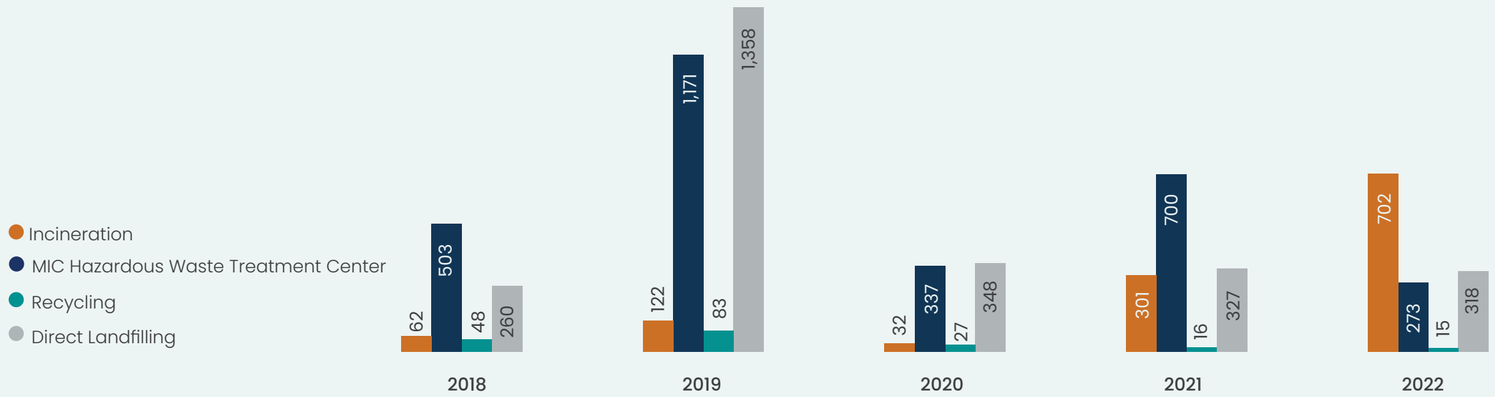
*New KPI


GRI 303, IQ-8, IQ -9, GPCA

## Total Waste Generated
(Tons)




## Total Waste by Disposal Method
(Tons)





The total waste generated remained consistent with a slight decrease of 2.6% in 2022.

QAFAC has various waste disposal pathways as mentioned below:

| Nature of Waste Stream | Type of Waste | Disposal Pathway |
|---|---|---|
| Hazardous waste | Industrial waste | Sent to Mesaieed Industrial City (MIC) Hazardous Waste Treatment Center |
| | 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 |

The Environment section within HSSE Department has launched the 'Recyclable Waste Management Program' in 2019. In the subsequent years, this program is further enhanced to drive waste management agenda in QAFAC and also raise awareness among the employees related to proper waste disposal and the importance of recycling. Under this initiative, a stepwise approach to recycling is followed as represented below:

**1** Several color-coded recyclable waste bins in the buildings are placed for collection of empty plastic water bottles, aluminum cans and paper.

**2** Each bin comprise of four compartments with different color codes, each representing a specific waste category as yellow for plastic bottles (e.g., water bottles), red for aluminum cans (e.g., beverage cans), blue for paper, and green for non-hazardous general waste.

**3** The recyclable waste is collected and stored in respective storage bins placed outside the buildings.

**4** An approved contractor collects the waste on call basis, which is then handed over to the recycling facilities for recycling of plastic, aluminum, and paper.

**5** Accordingly, monthly reports are submitted by the contractors to QAFAC.

As part of this initiative, 1,310 kg of total recyclable waste was collected in 2022, with details given below:

| **Type of Waste** (kg) | 2021 | 2022 |
|---|---|---|
| Paper/Carton | 659 | **1,270** |
| Plastic Bottles | 63 | **25** |
| Aluminum Cans | 47 | **15** |
| Total Waste | | **1,310 kg**<br>2021: 769 kg |

There have been significant activities that occurred in 2022 with regards to this non-hazardous waste recycling project, and upon further evaluation of QAFAC's environmental improvements in 2022, the company recognizes the holistic impact on environment to be positive, as depicted below.

| | |
|---|---|
| Trees | **21.59** |
| Air Pollution | **76.20 lbs.** |
| Landfill Space | **4.14 $m^3$** |
| Oil | **524.66 gal.** |
| Energy | **5,434.35 KW** |
| Water | **10,874.13 gal.** |

# WASTE FREE ENVIRONMENT CAMPAIGN TO CLEAN-UP AT AL WAKRA FAMILY BEACH

Waste Free Environment Day is dedicated to promoting recycling, encouraging a more responsible attitude towards litter disposal, and urging the community to proactively respond to environmental issues. The initiative was launched by the Gulf Petrochemical and Chemical Association (GPCA) and organized by Qatar Petrochemical Company (QAPCO) and other member organizations on 10th March 2022. More than 1,500 participants from various industries, schools as well as public and private sector companies were part of this year's beach clean-up campaign. Awareness-building is at the core of the initiative. Everyone should be ardently following the 3R's: Reuse-Reduce-Recycle!

The responsibility for sustaining our planet ultimately falls on our children, and then to theirs. Hence, it is paramount that we educate our children on the importance of recycling and creating a litter-free environment, and to support the governmental initiatives to educate people on waste management practice and recycling so that it becomes a part of their everyday habits and lifestyle. We aim to change the mind-set of both the old and the young by creating awareness on how waste can be reused as well as on different ways to take care of our environment.


Initiatives like this, which gives businesses and the community the opportunity to get actively involved in, aims to promote a greater sense of responsibility that can be passed on to future generations. In addition to touching the mindsets of the new generation, Waste Free Environment day contributes to the UN's Sustainable Development Goals (SDG) 12 and 14 by promoting sustainability, the preservation of our oceans, alongside responsible and efficient resource and energy use.

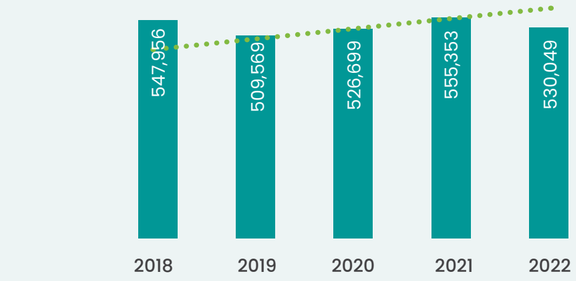
# WATER MANAGEMENT

Qatar's arid environment and acute water stress year-round makes it one of the most water-stressed regions to operate. The main sources of freshwater in the country are rainfall and groundwater since there are no rivers or lakes. Desalinated water is therefore widely used to satisfy the nation's water needs.

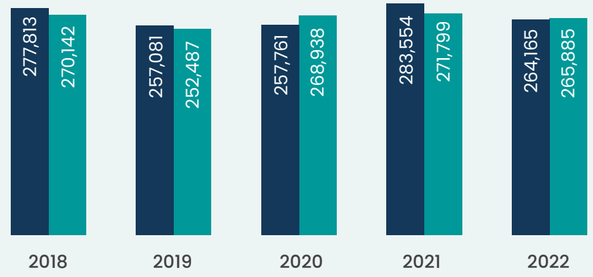
Our utility needs are met by Qatar General Electricity and Water Corporation (KAHRAMAA), a third party is supplying water to QAFAC. QAFAC Carbon Dioxide Recycling (CDR) plant, also recycles recovered water vapor from flue gases. QAFAC needs water for creating steam to meet process needs. Treated recycled wastewater from our sanitary wastewater treatment plant is used for irrigation purposes. Non-contact cooling water is drawn from the sea.

We have incorporated water-efficient methods into our environmental management approach to guarantee a balanced approach to water management. Within QAFAC, water management is not currently covered by any codified policies; however, our planned Environment policy will do so. Hence, as part of our continual efforts to manage water resources, we carefully track how much water we use with the aid of key performance indicators that are part of our corporate scorecard and are compared to goals and targets.

**Wastewater Generated**
(Quantity of Wastewater - $m^3$)




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

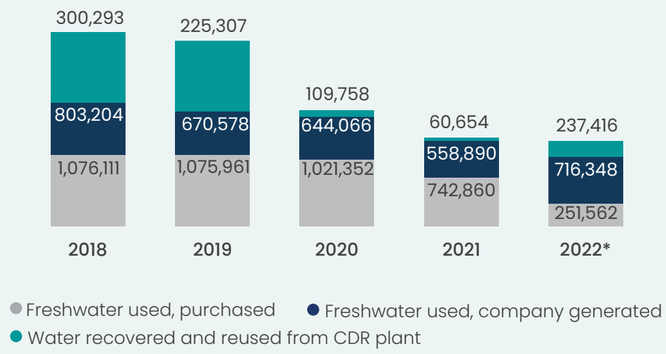



The effluents released as a result of QAFAC's operations are categorized as:

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

The company is making efforts to reduce the wastewater discharge, with a decrease of 7% in quantity of water discharged in 2022 as compared to 2021. QAFAC ensures to recycle a large portion of wastewater quantity to ensure safe discharge of wastewater and effluents, with a consistent trend of recycling its sanitary wastewater . All treated sanitary wastewater is utilized internally for irrigation purposes in our designates green belt area.

**Distribution of Freshwater Consumed**
(Quantity of Water Consumed - $m^3$)




*Meter was faulty during 2022, it was replaced in 2023 first quarter

GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

## NEAR ZERO LIQUID DISCHARGE (N-ZLD) PLANT

QAFAC's effluents discharge has a detrimental impact on the environment, if unregulated. As a response to this, the N-ZLD project had been initiated to manage the disposal pathways and quality of effluents such as, oily wastewater, process wastewater and demineralized wastewater. QAFAC has conceived the N-ZLD plant in compliance with the requirements of MoECC State of Qatar.

The objective of the project is to promote water conservation as well as gain commercial benefit by utilizing the treated effluent, resulting in a substantial annual saving of 604,440 $m^3$ and 69 $m^3$/hour load of water sourced from KAHRAMAA - with an equivalent cost savings of approximate QAR 3.5 million.

### ABOUT THE PROJECT

The NZLD plant is equipped with systems to treat the process wastewater streams (i.e., oily wastewater, process wastewater and demineralized wastewater) and upgrade them to potable water standards. The plant is equipped with advanced automation and is being implemented in three phases, following the format of a PCIC (Procurement, Construction, Installation and Commissioning) contract. Phase 1 involved the pre-requisite documentation checklists, approvals, and permits, such as the Construction Environment Management Plan (CEMP). The CEMP, for instance, is carried out by a third party and approved by the Ministry of Environment and Climate Change (MoECC). The CEMP includes manpower planning, waste generation, impacts to groundwater tables, etc. Obtaining of permits like Consent to Construct (CTC) and Consent to Operate (CTO) is also part of phase-1. Phases 2 and 3 involve invitation to bid, contract awarding for the additional aspects of construction, inspections, testing, etc. In first Quarter of 2023, QAFAC has received all equipment at site (except chillers), awarding of construction contract is in progress.

### OUTCOMES

The N-ZLD plant, once fully operational, will recover approximately 85% of QAFAC's wastewater for utilization as makeup water in our demineralization plant. The remaining 15%, which is mainly brine water, will be rejected to the sea.

### VALUE GENERATED

Efficient and circular processes with minimal impacts on land and marine ecosystems. Additional benefits are process efficiency and resource reduction.

### WAY FORWARD

The project construction will begin after successful award of construction contract. The N-ZLD plant is expected to be fully operational by the end of 2025.

GRI 303-2

# BIODIVERSITY

QAFAC commits to aligning with Qatar's National Biodiversity Strategy Action Plan (NBSAP), covering seven goals and associated targets proposed to be achieved by 2025. From the perspective of marine biodiversity, the consequences, and measures for QAFAC may be substantial and in light of the same, the company commits to the protection, mitigation, and investment needed to limit the impact on biodiversity by including provisions for biodiversity management in our upcoming Environment Policy. As per the latest materiality assessment, Biodiversity is one of the significant material topics for QAFAC and the company focuses to meet the stakeholder expectations and achieve alignment with the anticipated national biodiversity targets.

The responsibility towards biodiversity is well-reflected in QAFAC's chemical handling and transportation safety. Committing to its constant endeavor for safety excellence, QAFAC has a history of zero reportable spill incident. The N-ZLD project's projected outcomes, and the range of current efforts and projects undertaken by QAFAC include environmental benefits, principally the reduction in effluent discharge into marine waterbodies.

In addition, the ongoing joint environmental studies of the Mesaieed Industrial City (MIC) would aid us in taking the further steps towards understanding the current state and urgency for the preservation of biodiversity elements in our operating environment. Similarly, performing the Construction Environmental Management Plan (CEMP) and related assessments like the benthic studies, and hydrodynamic modeling for projects that pose a considerable impact on the environment through effluent discharge, help QAFAC in sound decision-making and preparedness.

QAFAC is part of Environmental sub-committee that comprises of the members from all MIC industries. Industries are initiating a joint long-term study plan to address climate challenges. Following are main objectives of the program:

1. To identify environmental issues and its negative impacts in MIC on human health and the environment.
2. Promote awareness and environmental culture among industries and community.
3. Encourage environmental activities, programs and events aimed at promoting and preserving the environment.
4. Provide advice and guidance to individuals and entities engaged in environmental activities.
5. Aiding and coordinating with government and non-governmental agencies working in the field of environment.
6. Prepare database and analyze information about the environment and provide it to individuals and entities.
7. Developing conservation programs within the framework of applicable laws and providing these programs to individuals and environmental stakeholders.
8. Encourage field visits to nature reserves and other places to introduce the importance of environmental conservation
9. Participate in any activities that will preserve the environment and normal life in Qatar objectives.

# 04

# OUR SAFETY

This chapter discusses QAFAC's commitments to health and safety issues such as occupational health and safety, process safety, and emergency preparedness. Our management and performance in the key focus areas are disclosed using the material topics listed below as a guide:

- Health and Safety
- Contractor Safety Management
- Occupational Health and Safety
- Process Safety Management
- Emergency Preparedness

## Aligning our Material Topics to our Strategic Priorities and to Global and National Reporting Frameworks, Goals and Targets

### Key Enabler to Our Strategic Priority "Prepare for Long-term Sustainability"

Sustain top-quartile health and safety performance

Boost 'digitalization' to set a benchmark in our industry

| Material Topic | Alignment to Global and National Reporting Frameworks, Goals and Targets | | | |
|---|---|---|---|---|
| | 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 416, GRI 417, GRI O&G Standard | QSE S14, 15 |

# HEALTH AND SAFETY

## Introduction

Personnel and operational health and safety are essential components of the operations of QAFAC. With the recent threats like the COVID-19 pandemic, the health and safety of our employees as well as the safety of our operations bore utmost significance. As a responsible business, we want to make sure that everyone who interacts with us, including our visitors, customers, and other stakeholders, may do so without suffering any harm.

QAFAC's health and safety principles are formulated in line with international frameworks and standards such as the Environment, Health, and Safety (EHS) Program of the Organization for Economic Co-operation and Development (OECD), the Occupational Safety and Health Convention and its accompanying recommendations by the International Labor Organization (ILO), and the safety standards of the American Petroleum Institute (API) and Occupational Safety and Health Administration (OSHA) standards.

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 (QNV) 2030. This section summarizes our performance on health and safety matters and emergency preparedness.  In the reporting year 2022, QAFAC continued its streak of yet another safe year with zero Loss Time Incident (LTI) and has achieved a milestone of 19 million safe working hours for over 11 years of its daily operations. This is a testimony to the commitment that health and safety in the workplace holds highest priority and remains integral to every segment of our operations. Apart from this, the implementation of Process Safety Management system set a robust framework for QAFAC in reducing the potential for any major disaster involving toxic, reactive, flammable, or explosive chemicals to occur in the workplace. Lastly, the senior leadership employed a reward and recognition program that allows all employees and contractors to report anything relevant to improving safety standards. This program rewards individuals for their continuous effort and highly valued observations that help QAFAC a safer and better workplace overall.

Our leadership has always given utmost importance to the health and safety of our workforce, which includes both employees and contractors. As a testimony to that, QAFAC has achieved 19.17 million safe working hours with zero LTI for our employees and contractors by 31st December 2022. Our approach to safety includes identifying potential risks, implementing measures to prevent the same and educating our workforce with targeted and carefully designed health & safety and process safety programs. QAFAC's approach and principles toward health and safety are captured in our Integrated Quality, Health, Safety and Environment (QHSE) policy. It is a guiding document for our workforce on any matters that are related to health and safety.

## Our Corporate Alignment to Our Health and Safety Priorities

We have aligned our health and safety priorities with our corporate vision, mission, values, and overall strategy.

### Vision

**Being recognized for our reliability**

### Mission

**Maintaining the highest HSSE standard**

### Values

**Safety:** We ensure safety in everything we do

### Strategy

- **Approach to winning in the market:** maintaining high plant reliability
- **Key enablers to our long-term sustainability:** sustaining top quartile health and safety performance

We are an active member of the Gulf Petrochemicals and Chemicals Association (GPCA), and participating in the GPCA Process Safety Taskforce Committee. We also sponsor the Mary Kay O'Connor Process Safety Center of the Texas A&M University in Qatar.

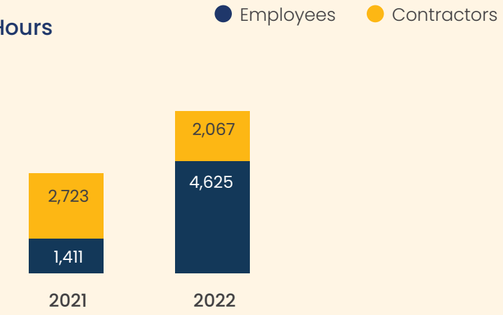
To uphold the highest health and safety standards at QAFAC, we have developed QAFAC's Health, Safety, Security and Environment (HSSE) principles as an additional commitment to our HSSE excellence. The HSSE principles provide platform and foundation for all systems and activities at QAFAC. Along with the HSSE principles, QAFAC implements nine Life Saving Rules. These simple and powerful Life Saving Rules establish QAFAC's intention to protect personnel against life threatening injury/illness and life-threatening accidents. Willful negligence of these rules will lead to accountability.

QAFAC's focus towards effective and continuous management of health & safety matters is best explained by the established governance and communication protocols. QAFAC follows a multi-tiered approach to HSE governance with ELT oversight, formally integrated under the QAFAC Process Safety Management Governance structure available in page 83 of our 2021 Sustainability report.

This governance structure enables the ELT to oversee various facets of health and safety governance by forming different committees. As an example, the monthly departmental HSSE meetings contribute to implementing health and safety aspects into everyday activities, and the Process Safety Management (PSM) Sub-committee looks after the impacts of process safety. A case study on the Management of Change (MoC) automation, is already discussed in this report.

To sustain excellent health and safety culture, continuous learning is imperative. Hence at QAFAC, we provide our employees with internal and external trainings covering diverse topics to improve their skill, knowledge and awareness in the domain of health and safety. In 2022, we have reported a total of 4,625 training hours on HSE topics, which is a ~70% increase in learning capacities. More details on the modules of training are provided in the table below.

**Total HSE Training Hours**



## HSSE Training Conducted in 2022

| Training Name | Type | Description | 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. | 196 | 1,568 |
| 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. | 20 | 40 |
| 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). | 62 | 496 |
| 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. | 68 | 136 |
| 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. | 151 | 151 |
| Food Safety & HACCP | External | A comprehensive training program necessary to maintain high standards of food safety. It primarily focuses on identifying potential hazards and implementing control measures to prevent them. It also involves proper handling, storage, processing, and distribution of food products. | 4 | 96 |
| Advance First Aid | External | This program goes beyond the basic first aid knowledge and teaches individuals how to handle more complex medical situations. Participants are also taught how to deal with environmental emergencies such as hypothermia or heat stroke. It may also cover the use of advanced medical equipment such as defibrillators. | 16 | 192 |
| Lifting Supervisor | External | Is designed to provide participants with the necessary knowledge and skills to ensure the safe and efficient handling of heavy loads. This training program covers a range of topics including crane and rigging safety, load calculations, and proper use of lift equipment. Participants will learn how to identify potential hazards, perform pre-lift inspections, and communicate effectively with the lifting team. The program also emphasizes the importance of compliance with relevant regulations and standards. | 42 | 840 |
| Scaffolding Supervisor | External | A scaffolding supervisor training program is designed to equip individuals with the knowledge and skills they need to manage scaffolding projects effectively. It also includes safety practices, regulatory compliance, equipment inspection, and maintenance. This training program is crucial for any works that involves scaffolding works. | 27 | 324 |
| Certified PHA/HAZOP Leader | External | The program covers the fundamental principles of risk management, hazard identification, and evaluation techniques. Participants will learn how to lead a PHA/HAZOP team, facilitate discussions, identify hazards, evaluate risk, and develop effective recommendations to mitigate risks. This training is structured to provide a balance of theoretical knowledge and practical application, enabling participants to apply the skills learned in real situations. | 3 | 90 |

| Training Name | Type | Description | No. of Trainees Attended | Training Hours |
|---|---|---|---|---|
| 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. | 60 | 240 |
| 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. | 19 | 19 |
| 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. | 1,840 | 1,840 |
| Fire Marshall | Internal | It is designed to teach employees about fire prevention, emergency response, and evacuation procedures. The training covers various topics such as identifying fire hazards, using fire extinguishers, and creating an emergency evacuation plan. | 31 | 62 |
| Noise Management | Internal | These programs are designed to educate employees on the dangers of excessive noise exposure and how to minimize its impact. The programs typically cover topics like the anatomy of the ear, how sound is measured, and the effects of noise on hearing. Additionally, training include strategies for reducing noise levels, such as engineering controls, administrative controls, and personal protective equipment. | 52 | 104 |
| Basic Fire Extinguisher Awareness Training | Internal | It is designed to educate people on the safe and effective use of fire extinguishers in the event of a fire. The training also covers the types of fires and the different types of fire extinguishers that are available, along with their proper use and limitations. | 39 | 39 |
| Chemical Handling | Internal | This type of training provides the employees knowledge on how to safely handle chemicals, how to identify potential hazards, and how to respond appropriately in case of an emergency. The training typically covers topics such as the proper use of personal protective equipment, labeling and handling requirements for different types of chemicals, and best practices for storage and disposal. | 94 | 188 |
| Industrial Hygiene Management Program | Internal | Industrial hygiene management is a critical aspect of maintaining a safe and healthy workplace. The Industrial Hygiene Management Training Program is designed to understand potential hazards in the workplace. It is also an excellent way to promote a culture of safety in the workplace and demonstrate commitment to the well-being of employees. | 18 | 54 |
| PPE/RPE Training | Internal | PPE and RPE training are essential in many workplaces to protect employees from potential hazards. Proper training on the use and care of these equipment is crucial in ensuring their effectiveness. The training includes information on how to properly wear the equipment, how to check for proper fit, and how to recognize when it needs to be replaced. | 82 | 41 |
| Basic First Aid | Internal | It provides employees with the necessary knowledge and skills to respond promptly and appropriately to medical emergencies that may occur in the workplace. The training program is designed to provide employees with the confidence and competence to handle emergency situations effectively. | 86 | 172 |
| Yearly Total (YTD) | | | **2,910** | **6,692** |

# QAFAC NEWSLETTER 2022


Company newsletters are periodicals that are disseminated regularly to employees and stakeholders to share information about the company and where it stands. It keeps the stakeholders engaged and up to date about the details of the company's activities, news, promotions, and events communicated in print or electronic form. This year, QAFAC shared its company newsletter highlighting internal news, latest IT innovation, environment updates and a message from the CEO. QAFAC's commitment to enhance and improve upon the talents of its personnel and processes are reflected through its new digital platform for Personnel Development Program and through the centralized Document Management System. Moreover, the company also expressed its recent accomplishment in protecting the environment through its Regenerant Gas Scrubber project which was successfully commissioned in 2021 and minimized flaring from MTBE plant.

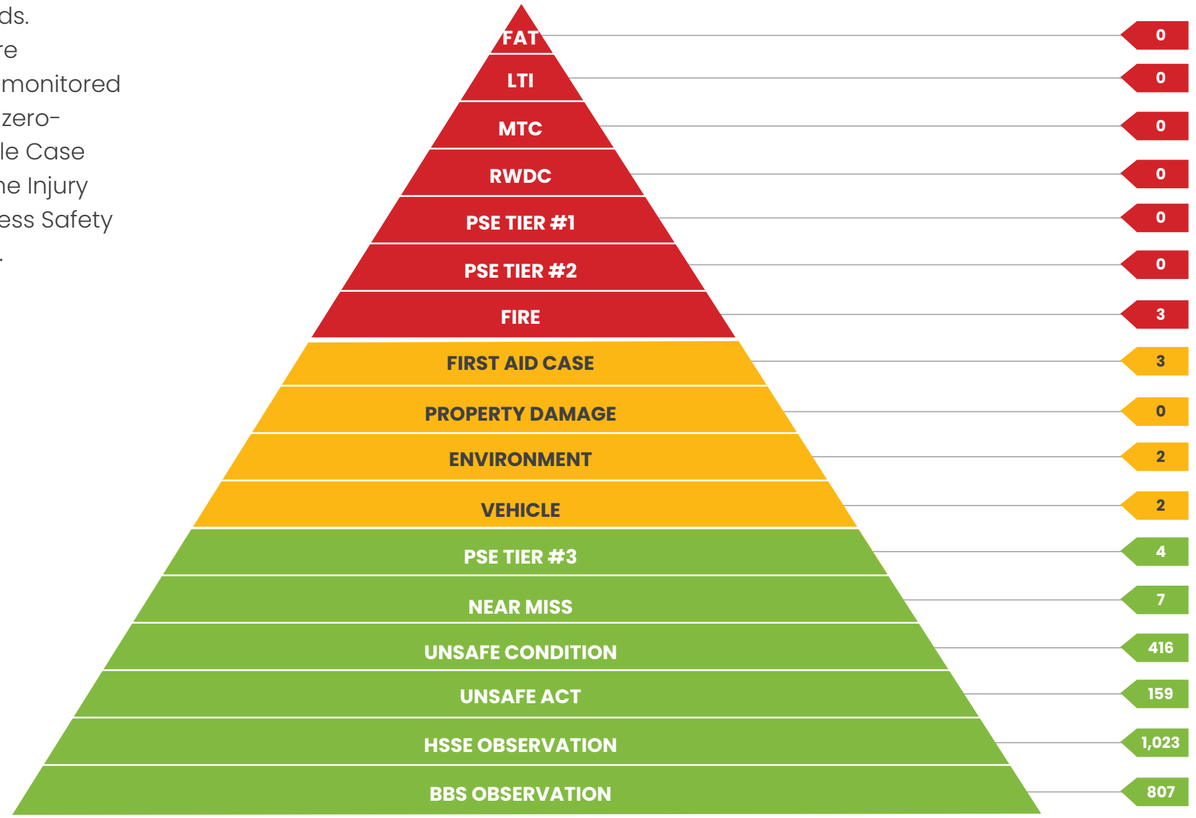
## HSSE Dashboard

To assess our performance in health and safety management and to translate our commitments to quantifiable insights, our leadership established multiple key performance indicators (KPIs), monitored, and tracked on a month-on-month periodicity, with the help of dashboards. The prominent KPIs that are continuously tracked and monitored by the management with zero-target are Total Recordable Case Frequency (TRCF), Lost Time Injury Frequency (LTIF) and Process Safety Total Incident Rate (PSTIR).

### HSSE INDICES - 2022

**FAT:** Fatality
**LTI:** Lost Time Injury
**MTC:** Medical Treatment Case
**RWDC:** Restricted Workday Case
**BBS:** Behavior Based Safety
**PSE:** Process Safety Event

- Lagging Indicator
- Lagging Indicator
- Leading Indicator



# Contractor Safety Management


We respect our contractors right to a safe working place. This is enforced by a structured contractor management program governed by QAFAC leadership. We also continue to maintain the Contractor Safety Board, an initiative started in 2018 to demonstrate our collaborative management commitment to encourage and improve contractor safety performance.

All contractors in QAFAC are selected under Procurement department processes but HSE integrity and performance are key factors to be considered during screening and selection in the contract tendering process. Contractors are required to complete and submit the HSE questionnaire with all supporting documents as a part of bid documents. QAFAC HSSE evaluates the HSE performance and contractor HSE management system based on these documents. Where it is required to have verification from previous company then it is also done as a part of evaluation process. Only selected contractors from HSSE department are further considered in the next step of bid. This process of screening ensures that the contractor having a strong HSE management systems are only working in QAFAC. Information on the frequency of engagements with our contractors is presented in page 29 'Stakeholder Engagement' section of this report.

Periodic interactions between QAFAC representatives and the contractors are used to discuss findings, lessons learned, trainings/training needs, observations, etc. on contractor's health and safety performance. In addition to this at a Management level, the top leadership at both QAFAC and the respective contracting firms organize to discuss high-level performance reviews and associated topics. Lastly, our contractor management program 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 (OHN) before they can get the appointment to proceed for safety induction. We started maintaining a separate record for those contractor workers who have some medical history. Doctor's advice is duly followed to ensure workers are following necessary instructions for maintaining their health and well-being.

During the COVID-19 outbreak, we took prominent measures to manage contractor health and safety and we continued to follow appropriate COVID-19 protocols for our contractors. As part of our continued response to the pandemic, we ensured the continuation of the measures we undertook in 2020. For example, we continued to implement the 'COVID-19 guidelines for contractors' with protocols for worker camps and provided awareness trainings on the precaution and safety measures to every contractor engaged with QAFAC. We also communicated with various contractor management entities to ensure that QAFAC's guidelines as well as the protocols from QatarEnergy and the directions from MoPH were followed.

We also implemented several initiatives to manage contractors' health and safety at our facilities, including checking the status on the EHTERAZ app before they enter the plant, temperature checks, minimal staffing of contractors (including authorizing only one focal person to enter the buildings in order to obtain the permits and avoid frequent entries), provision of soaps and sanitizers at all prominent locations, sanitization of contractor fleet and ensuring only 50% occupancy in the buses, etc.

Furthermore, we continued to conduct meetings as part of the contractor safety management program to share COVID-19 updates, new guidelines, awareness, and precautions.

We continued to enforce protocols wherein, if any contractor was identified as a positive case of COVID-19, they were required to quarantine and submit medical reports for having completed the treatment until becoming COVID-19 negative. In addition, our QAFAC nurses also conducted follow up discussions about the health conditions as well as checked the medical certificates before the contractors resume their duty to ensure the safety of our entire workforce. During lockdowns, we also faced challenges in managing the health of some of our contractors who were critical to our business operations. Therefore, we closely coordinated with QatarEnergy to transfer these business-critical contractors to the safe concession camps in Mesaieed Industrial City (MIC) that were managed and controlled by QatarEnergy. The concession camps were sanitized regularly and administered with stringent controls and measures including frequent medical assistance and temperature checkups to manage the contractor health and safety.


## HSSE Kick-off Meeting

We launched the 'HSSE kickoff meeting' program in 2020 to engage contractors with QAFAC. The objective of the HSSE kickoff meeting program is to ensure contractors are prepared in advance for any safety requirement, in line with QAFAC procedures of "Contractor's HSE requirements" and "Contractor HSE performance" thus avoiding safety violations. We also conduct daily meetings with contractor safety officers and discuss HSSE concerns, safety focus areas, planned work, and any other safety-related issues that require attention.

# Occupational Health and Safety

At QAFAC, we place a strong emphasis on creating a healthier and safer environment for our employees and contractors. We ensure effective actions and preventive measures are being implemented and aligned with our health and safety management systems and 'Bill of Safety Rights and Duties'.

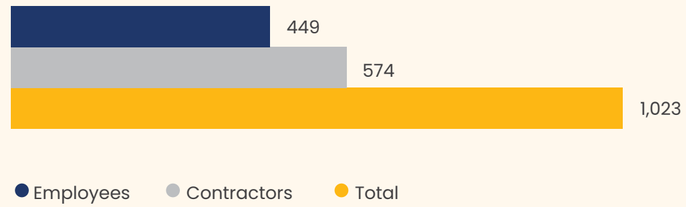
As we transitioned from OHSAS 18001 to the ISO 45001 occupational health and safety standard, we managed to develop new procedures and updated our existing procedures in accordance with the ISO 45001 standard requirements. In addition, we have improved our procedures for safe operations of excavation by developing the procedure "excavation safety", which cover the assignment of responsibilities and the establishment of safety requirements for excavation activities. Moreover, our compliance with QatarEnergy requirements enables us to strictly adhere to the Smart Watch Policy. The policy restricts the use of non-intrinsically safe smart watches and earbuds in the plant and process areas, as these can be a source of ignition in the process area.

A variety of internal and external third-party audits are conducted regularly to monitor occupational health and safety management system (ISO 45001). Purpose of these audits is affirming the sound implementation of our protocols. QAFAC's internal audit function is co-sourced with an external service provider and reports to the Audit and Risk Committee, a subcommittee of the QAFAC Board of Directors. In 2022, an external recertification audit was conducted by TUV for ISO 45001. During these audits, there was no major or minor non-conformance was identified.

We encourage all employees to report any unsafe conditions through our HSSE observation program to prevent additional unforeseen hazard and risk on-site. In 2022, we continue to enhance and improve our safety performance and embedded a culture of safety across the workforce. As we continue to develop and support this program, we have set a target of 950 observations to achieve during this period. As a result, we recorded 1,023 HSSE observations, 449 by employees and 574 by contractors. We had 85 observations on average per month.

| Nature of HSSE Observations in 2022 | Number of HSSE observations |
|---|---|
| Unsafe Condition | 403 |
| Unsafe Behaviour | 18 |
| Unsafe Act | 141 |
| Security Observation | 6 |
| Safe Condition | 43 |
| Safe Behaviour | 18 |
| Safe Act | 79 |
| Process Improvement Suggestion | 18 |
| HSSE Improvement Suggestion | 44 |

### HSSE Observation 2022




### Safety Performance Statistics

| Indicator | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Number of employee fatalities | 0 | 0 | 0 | 0 | 0 |
| Number of contractor fatalities | 0 | 0 | 0 | 0 | 0 |
| Employee lost time injuries | 0 | 0 | 0 | 0 | 0 |
| Contractor lost time injuries | 0 | 0 | 0 | 0 | 0 |
| Employee total recordable injuries | 0 | 1 | 0 | 0 | 0 |
| Contractor total recordable injuries | 1 | 2 | 1 | 0 | 0 |
| Employee Occupational Illness | 0 | 0 | 0 | 0 | 0 |


**Key projects completed in 2022 without any injuries are:**

## PRODUCT STORAGE MAINTENANCE PROJECT

### OBJECTIVE

Revamp of CP (Cathodic Protection) system, Inspection and maintenance of top shell and roof umbrella, tank bottom plate cutting, plate replacement, patch plate welding, blasting, and painting.

### OUTCOME

The project scope was to revamp CP system in 3 months' time from the date of de-inventory of tank. The height of each tank was 17.70 meter and diameter was 65.02 meter. The activities were critical being a confined space and working at height using rope access for inspection and repair of top shells and roof umbrella. The activities inside included tank bottom plate cutting, plate replacement, patch plate welding, blasting and painting. To address the threat of fire inside confined space and falling from height, dedicated training provided to all workers about hazards, controls and what to do in case of an emergency. All supervisor level contractor employees were familiarized with QAFAC emergency response system. To ensure the effectiveness of training and awareness of emergency response protocol, an unannounced evacuation exercise was done and the response was observed very satisfactory. The rope rescue team competency was checked before they were assigned for the rope access job. Worksite supervisors and HSE team at site had daily Last Minutes Risk Assessment with working crew. Various methods were used to verify and ensure compliance of QAFAC contractor HSE requirement of procedure e.g. PTW audit, safety round, PPE, hand tools, lifting tools/tackles inspection as few. To promote safety culture and appreciate the efforts of workforce, reward and recognition program was arranged at work site. This was facilitated by senior management of contractor and QAFAC HSSE team with QAFAC project focal. Daily safety meeting with contractor safety officer with QAFAC HSSE team was done that gave the platform to discuss any project safety issues to address and plan anything new that can help in project as far as safety in workplace is concerned.

| Safety Performance Statistic during Methanol Storage Tank TK-3101 B & C, CP Revamp Project | |
|---|---|
| Safe Working Hours | 109,790 |
| HSSE Induction | 116 |
| LMRA | 176 |
| Working at Height Training Session | 20 |
| Confined Space Trained Workers | 93 |
| Confined Space Attendant | 6 |
| Fire Watch Trained | 6 |
| Emergency Exercise | 1 |
| HSSE Campaign | 1 |
| COVID-19 - Symptom's and Controls | 1 |
| Heat Stress Training | 2 |
| Power Tools Safety | 1 |
| Reward and Recognition | 2 |
| Management Site Visit | 3 |
| Joint PTW Audit | 5 |
| HSSE Inspection | 4 |
| PPE Inspection | 6 |

| Lagging indicator | |
|---|---|
| First Aid Case | 0 |
| Medical Treatment Case | 0 |
| Lost Time Injury Case | 0 |
| Restricted Work Day Case | 0 |

## REPLACEMENT OF EOT CRANE

### OBJECTIVE

Replacement of the existing X-1105 5 Ton capacity EOT (Electric Overhead Traveling) crane with a new EOT crane of 7 Ton capacity

### OUTCOME

Chiller plant at site was commissioned in Year 2007 and X-1105 EOT Crane was used to lift various loads within the chiller plant shed since that time. Considering several facility and equipment upgrades, the EOT crane was no longer equipped to lift machines such as, motors in the chiller plant. Hence, QAFAC intended to upgrade the crane's capacity. Enhancements to the chiller plant were made to support the new EOT crane, requiring personnel to work at heights, replace electrical cables, LV feeder and switches, dismantling of existing overhead crane and retrofitting the new crane. The activities were properly assessed, and the necessary protection was provided to ensure the operational and personnel safety was ensured at all times. Method Statement (MS) and Job Hazard Analysis (JHA) were reviewed and approved jointly with all stakeholders. All working crew were communicated about the hazards and risks those are involved in the job. Necessary controls were implemented to mitigate the risks.

## FIRE HYDRANT UPGRADE PROJECT

### OBJECTIVE

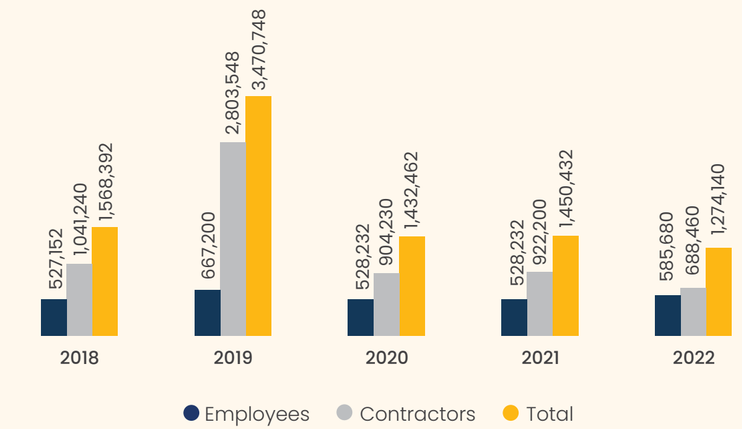
Replace all fire hydrants to comply with QatarEnergy specifications

### OUTCOME

To comply with QatarEnergy fire hydrant configuration requirement, it was recommended by QatarEnergy to change the system to accommodate four 4 x 2.5" outlets. QAFAC fire hydrant had 2.5" hose outlets / deliveries – pillar hydrant 6" vertical barrel with 4" horizontal manifold with two outlet deliveries. QAFAC replaced all hydrant based on QatarEnergy specification. It was decided to make all fabrication job in contractor fabrication shop to avoid any hot work activity inside plant. QAFAC team regularly visited the contractor facility to check the work progress. Once the fabrication and painting was done for hydrant, a sample was installed and checked before approval for bulk manufacturing given. Contractor did the unbolting of existing assembly including pillar and manifold section from the flange section above the main control valve, replace with 6" pillar manifold system with 4 x 2.5" hydrant deliveries.


In 2022, we have reported 1.27 million safe working hours from our employees and contractors.

**Work Hours for Employees and Contractors**




Apart from designing and maintaining operational integrity and safety of operations, we have deployed an Occupational Health Program, to run a range of health information campaigns promoting awareness of health-related issues such as COVID-19 prevention, thyroid disease, healthy Ramadan, heat stress awareness, hypertension, diabetes, high cholesterol, and cardiovascular disease (CVD). These campaigns are aimed at raising awareness on need for healthy lifestyles, including a balanced diet and the benefits of food safety.

# OCCUPATIONAL HEALTH PROGRAM

## MANAGING COVID-19

Occupational Health Nurses implemented information campaigns for prevention against COVID-19 by following frequent handwash practices, maintain social distancing, etc. Distribution of facemask and monitoring of hand sanitizers for both QAFAC plant and Gate Mall office was implemented. Regular updates and announcements from QatarEnergy and MoPH were immediately communicated to employees to ensure strict compliance. OH nurses maintained communication and interaction with COVID-19 positive employees for recovery progress and to update QAFAC crisis management team.

## HEAT STRESS MANAGEMENT PROGRAM

We have a comprehensive approach to heat stress management at QAFAC. In order to manage employees' and contractors' ability to work in highly challenging, hot weather conditions, we use a heat index monitoring system to keep all employees and contractors aware of the heat conditions, potential heat-illnesses, and the precautions to be taken. In line with our Heat Stress Management procedure, we updated our flag system to notify employees and contractors of the weather conditions and updated the heat index in MANARAH - QAFAC Intranet. Random site visits were also carried out for fatigue assessments, identifying any individual showing abnormal health status while working in hot weather.

## PERIODIC MEDICAL CHECK ON QAFAC EMPLOYEES

QAFAC employees are given a periodic health check to determine their fitness for performing their role. Thereafter, we require all our employees to undergo periodic medical checks at the MIC clinic, which has been certified by the Ministry of Public Health. These periodic checks allow us to carefully monitor and manage any health risks. The medical clinic also carries out a wide range of health awareness campaigns and medical consultations. In 2022, these covered heat stress awareness, blood glucose, blood pressure monitoring and cholesterol check. The clinic also leads health monitoring activities including drinking water sampling, first-aid box and eyewash inspection, hygiene inspections, canteen inspection, contractor's hygiene facility, nurses training, and first aid training. QAFAC's clinic provided employees with flu vaccinations and COVID-19 screenings to minimize the risk of illness.

## MANAGING THE SAFETY AND WELL-BEING OF CONTRACTORS

We work closely with our contractors to meet our safety standards and make no distinction between the standards we expect of employees and contractors. Every contractor should submit a valid medical certificate that must be reviewed and approved from the OH nurse before they can get the appointment to proceed for safety induction. We started maintaining a separate record for those contractor workers who have some medical history and advise by doctors to ensure workers are following the instruction and they are healthy when coming to work in QAFAC.

# Process Safety Management

QAFAC is committed to maintaining incident-free operations by improving capabilities and strengthening the process safety culture throughout the organization. QAFAC is committed to maintaining incident-free operations by improving capabilities and strengthening the process safety culture throughout the organization.

The HSSE Central committee plays a significant role in the overall governance and management of the PSM. The Central committee is chaired by our CEO and is responsible for overseeing the process safety matters. In addition, all factors of the PSM performance are audited by the committee to maintain development in our safety systems and performance.

Pertinent to our membership with QatarEnergy Process Safety & Risk management forum, PSM related initiatives and queries are discussed in detail. Forum addresses the member companies queries and concerns. As part of the committee proceedings, forum sets annual targets, review PSM implementation, and discuss any significant incidents, including causes, outcomes, mitigation actions, and lessons learned.

Our integrated HSSE and PSM system procedures, provide a framework for managing PSM implementation. PSM key element Process Hazard Analysis (PHA) procedure outlines comprehensive guidelines for process risk management program into action. Our incident reporting & investigation procedure management supported by SAP system provides a guidance on process safety incidents reporting and classification.

Our process safety incident rate (PSTIR) for Tier-1 and Tier-2 remained zero as per the set target.

# QAFAC PROCESS SAFETY FUNDAMENTALS

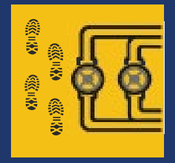
WE RESPECT HAZARDS

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

QAFAC is committed to Process Safety enhancement and has introduced a set of Process Safety Fundamentals (PSF) in a formalized manner and to facilitate the entrenchment of PSF through a governing procedure. PSFs guiding procedure Process Safety Fundamentals has been developed and approved by the Management.

Process Safety Fundamentals are informed by data and designed to support those working in the front-line operations and maintenance. PSFs draw attention to situations that are most likely to lead to process safety event fatalities. They are not intended to exhaustively address all process safety risks and hazards in the oil and gas industry, but to be deployed in addition to a company's underlying systems for process safety management.

### What are Process Safety Fundamentals?

The Process Safety Fundamentals (PSFs) are a set of basic principles for front-line workers, supervisors, and managers that emphasize existing good practices to prevent fatalities from Process Safety Events. Preventing Process Safety Events is important because they can escalate into catastrophic events.

### Why use Process Safety Fundamentals?

International Association of Oil & Gas Producers (IOGP) developed a set of Process Safety Fundamentals tailored to improve process safety performance and to reduce the incidence of fatal incidents in process safety. We believe that adoption of the IOGP Process Safety Fundamentals will contribute to further reductions in Process Safety incidents. PSF is a supportive tool to help improve process safety performance, they are based on well-known good process safety principles and practices. They have been developed to support companies as they seek to reduce, and ultimately eliminate, fatal and high severity process safety events. When practiced regularly, PSF will become self-generative and lead to safer work practices and may reduce operational error.

After the development of these PSFs, training sessions are being planned to the relevant group of personnel. PSFs posters and banners are being prepared for field awareness. These will be formally launched through the campaign in 2023.

## PROCESS SAFETY MANAGEMENT (PSM) INTERNAL AUDIT 2022

During the PSM audits, auditors monitor the implementation and effectiveness of QAFAC's PSM procedures. These are essential management tools, helping to ensure compliance with our HSSE policies, principles, rules, and procedures in support of the drive to continuously improve our process safety performance. The Audit was conducted between February 28 – March 08, 2023.

PSM elements audited:

- Process Safety Information
- Contractor Safety Management
- Chemical / Utilities Hose Management
- Incident Investigation / RCA
- Deferral Management for PSM Critical Equipment

PSM internal audit was completed successfully for the above mentioned five (05) PSM elements. During HSSE central committee meeting, senior leadership appreciated the contribution for the auditees and the team of auditors for their proficient approach to make the audit successful. The internal audit was sample based and covered the scope of the audit, including the site observations as well.

Based on the audit findings by the QAFAC PSM internal auditors, the lead auditor briefed the auditees about the observations and corrective actions at the end of each audit session.

## HAZARDOUS MATERIALS LOADING / UNLOADING OPERATIONS RISK REVIEW

At QAFAC many hazardous chemical loading and unloading activities are performed regularly. Multidisciplinary team jointly reviewed the associated risks with the loading/unloading of chemicals. The following hazardous chemicals loading/ unloading activities were reviewed.

| MeOH / Utilities | MTBE |
|---|---|
| MeOH tanker loading | Fresh LCO unloading |
| Aq. Ammonia unloading | Spent wash Oil loading |
| Sulphuric acid unloading | Spent caustic loading |
| Caustic soda unloading | DMDS unloading |
| KS-1 solution unloading | |

While conducting the risk assessment, following documents were critically reviewed

- Standard Operating Procedures
- Safety Data Sheet
- Field Checklists
- Previous Incident reports and recommendations implementation
- Previous HAZOP reports and recommendations status

HSSE & Operations team jointly reviewed the study report/ recommendation and committed to improve the loading/ unloading practices at QAFAC.

## MTBE PLANT PROCESS HAZARD ANALYSIS

The cyclic process hazard analysis study for the MTBE Plant was successfully finished in March 2022. This study was conducted to comply with the PHA requirements specified in the QAFAC PSM procedures and to utilize best practices in the industry. The scope for the study included evaluation of the systems for potential equipment failures, human errors, and process problems that could result in consequences of interest. The PHA covered all modes of operations, including normal (continuous mode), startup, shutdown, online maintenance, emergency shutdown, loading, unloading, switching of parallel components, and sampling.

## COMBINE QUANTITATIVE RISK ANALYSIS FOR MESAIEED INDUSTRIAL CITY

### PROJECT BACKGROUND

Mesaieed Industrial City (MIC) is located 40 kilometers south of Doha, Qatar. MIC includes Industrial Area, Industrial Port and Community Area. The Industrial Area includes Heavy, Medium & Light Industries, which cover large scale primary petrochemical and hydrocarbon plants, refining, gas processing, chemical manufacturing, and heavy metallurgical industries; meanwhile, Mesaieed Industrial Port is the primary gateway for all industries located within MIC to facilitate export and import of the industrial products. MIC Community includes large residential accommodation, workers camps, schools, malls, offices, hospital, parks, etc.

The latest overall QRA study for MIC was completed in September 2015. Subsequently, certain new hazardous facilities have been commissioned, aging facilities were mothballed, and a few projects are under design and construction stage. The above changes during the past years would alter the existing risk profile of the industrial city. Therefore, to evaluate the facility potential risks against New QatarEnergy Standard for HSE Risk Management, and to obtain an actual reflection of the risk profile of the Industrial City, QatarEnergy (MIC) HSE Department intends to perform integrated QRA study, which is imperative to manage HSE risks including future land use planning within MIC.

3rd party Consultant has been engaged by QatarEnergy to execute the Integrated Quantitative Risk Assessment for Mesaieed Industrial City. Total twenty (20) asset operators are operating within MIC. The industries within MIC are categorised under three main groups such as Major, Minor and Others.

### OBJECTIVE

The Project Management Plan (PMP) for the Quantitative Risk Assessment (QRA) describes the planning, management and execution of activities associated with the QRA for all Assets Operators within MIC from Project kick off through to completion of work. This is a live document and shall be updated as and when required throughout the project duration, with current emphasis on the Mobilization, Site Visits and Assumption Register development inclusive of Assumption Register workshops.

QRA Consultant team led by QatarEnergy visited QAFAC facility to familiarize with the site and to understand the hazards and risk philosophy. To ensure that the site visit is effective and efficient the support and participation of key Operational personnel for discussion, data collection / verification and other related matters is required.

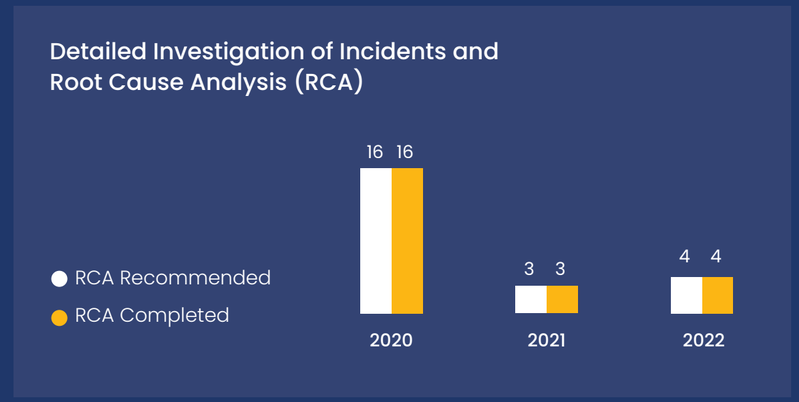
Quantitative risk assessment (QRA) offers several benefits when it comes to evaluating and managing risks in various domains. Here are some key benefits of quantitative risk assessment:

- Risk Communication
- Compliance and Regulation
- Continuous Improvement
- Risk Prioritization
- Risk Monitoring and Early Warning Systems

## QAFAC ROOT CAUSE ANALYSIS (RCA) ENHANCEMENT

QAFAC RCA team conducts incident investigations & root cause analysis as recommended by the approved procedure. To enhance the capability and quality of RCAs this year, the company procured an RCA tool software called 'Incident XP' which is one of the best tools in analyzing all types of incidents utilized in several industries. To effectively use the software, an e-learning training was arranged among the RCA team members including some developee's as part of the development.

- To become proficient in the best methodology for collecting data
- To become proficient in causal factor charting methodology
- To become proficient in root cause determination methodology
- Understand how to develop effective recommendations/ counter measures
- Understand report writing requirements
- Understand the need for and the basics of trending of incident/RCA data




## ROOT CAUSE ANALYSIS (RCA) LEADERSHIP TRAINING

Three (03) days from March 27th to 29th , 2022 incident investigation & root cause analysis leadership training was organized to train group of QAFAC employees who can facilitate and lead the incident investigation and root cause analysis sessions as and when recommended by the management.

Primary learning objectives of the training were

- Understand rationale for using methodology taught in course
- Understand how to start investigations and establish teams

# BEHAVIORAL-BASED SAFETY (BBS) PROGRAM

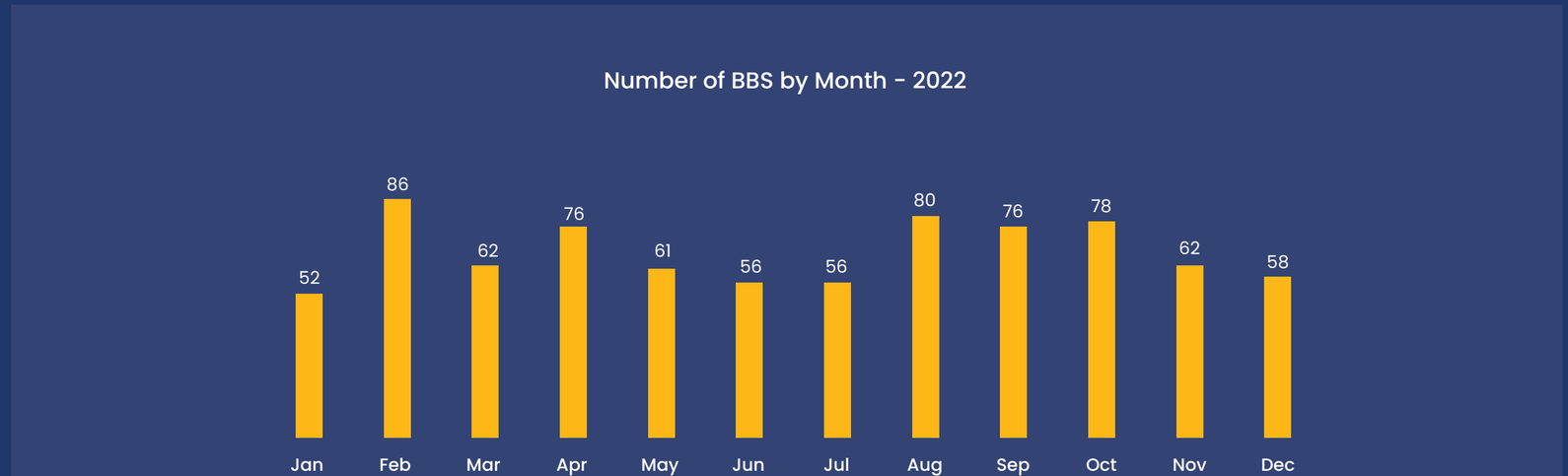
Our Behavioral-Based Safety (BBS) program, which is an integral part of QAFAC's entire safety culture, aims to motivate employees to work safely, rectify unsafe acts and behaviors, and advise employees on safer ways to perform a job. More details on our BBS program are available in our 2021 sustainability report.

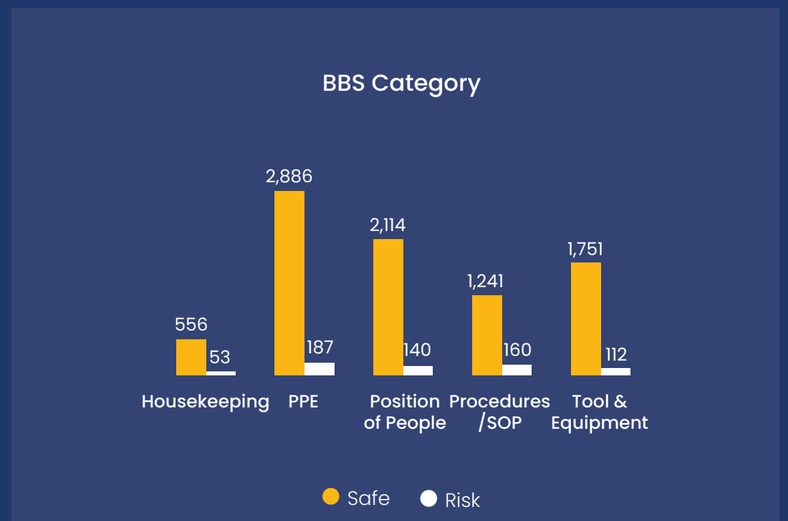
During the year 2022, total 1,023 HSSE observations was reported whereas the target was 950. In last year 2021, our BBS observation reporting target was 700 and we reported 807 BBS observation.

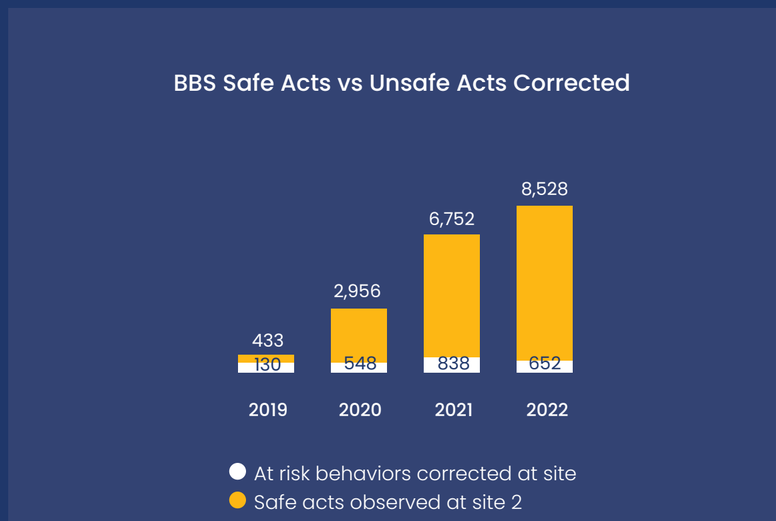
QAFAC acknowledges and appreciates its employees for sincere commitment to report BBS observation. Reward and recognitions is done at highest HSSE forum (like HSSE Central Committee) in-front of all executive leadership.

We initiated a systematic approach to address any unsafe actions in our workplace. An individual is dedicated to conduct and record BBS observations of our personnel during task performance and will engage with the personnel to address safe and unsafe acts, practices, or conditions, and whether those can be planned.

In 2022, we have 8,528 safe acts and 652 at-risk acts addressed at site.



# Emergency Preparedness

Emergency planning is an essential part of safeguarding our people, the environment, asset and reputation. Hence, at QAFAC, we work to reduce risks to an acceptable level and making sure that we have adequate emergency response system in place.

Apart from emergency response preparedness, QAFAC and QatarEnergy Emergency Response Team conduct joint emergency exercise. The main goal of the exercise is to evaluate and identify areas for improvement in the mutual aid response. It is crucial to maintain and improve emergency response readiness, and the combined exercise between QatarEnergy Emergency Response Team and QAFAC serve to build and improve their mutual aid relationship. At the end, the objectives of exercises are critically reviewed and areas for improvement are identified for further strengthening of the emergency response.

One of the major priority for QAFAC is to remain proactive in responding to safety hazards and develop response plans to cover all scenarios, consequences, and measures taking into consideration the available resources and other external mutual assistance. We also ensure that our emergency response personnel are trained and equipped regarding all relevant potential scenarios.

## EMERGENCY SCENARIOS

The Boiling Liquid Expanding Vapor Explosion (BLEVE) type

Fire Hazards

Chemical Spills

Gas Leaks

Emergency evacuation due to structural failures of buildings, plants & operating facilities

Natural Disasters

Vehicle Collisions

Subversive activities including bomb threats, vandalism, sabotage, etc.

Medical emergencies

Note: Above pictogram are for illustration purpose only

We conducted 12 emergency exercises based on different pre-plan scenarios to hone the skills of our emergency responders to diligently respond to any such unforeseen situation. QAFAC recognizes the importance of having skilled emergency responders to manage safety incidents and conducts additional exercises in the future. QAFAC's ERT team is made up of core fire team members and auxiliary members from other departments. They are trained in various scenarios, and their performance is evaluated during exercises to determine the effectiveness of training and individual learning on how to respond in an emergency situation. Emergency exercise scenarios are reviewed regularly based on QAFAC business risk. Unannounced exercises are conducted as a result.

Our plants have strategically placed toxic and combustible gas detectors to ensure the detection of any leaks, and if the detectors are activated, the panel indicates the exact location of the activated detector prompting our fire-fighting team to respond effectively. We also have cameras on-site that enable any of the emergency responders to see the area that needs support and comprehend the emergency faster. Additionally, 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 also extend our emergency controls to our nearby buildings, as part of our extensive measures for emergency preparedness. We have gas detectors at our buildings, inspected quarterly by an external third party to ensure their functionality. Aligning our actions with our strategic direction, we aim to leverage digital transformation as a key enabler to operate in a socially responsible manner. Please refer to page 36 for some of our digitalization initiatives.

## TIER-2 EMERGENCY EXERCISE - QAFAC AND MIC

A joint planned Tier-2 Emergency exercise was conducted on 15th of March 2022, between QAFAC and QatarEnergy Emergency Response Team. The primary objective of the exercise was to test the mutual aid response for Tier-2 emergency, and to identify areas for improvement. The joint exercises serve to enhance and strengthen the mutual aid relationship between QatarEnergy Emergency Response Team and QAFAC and is critically important to sustain and enhance emergency response readiness.

The purpose of the exercise was to test the responders' ability and preparedness from QAFAC and Mesaieed Industrial City (MIC) teams to respond effectively to an emergency scenario related to fire and rescue even during COVID-19 restrictions. The coordination amongst multiple contractors, QAFAC and QatarEnergy ERT to handle emergency situations was also one of the objectives which QAFAC wanted to measure. It was also one of the objectives to check effectiveness of QAFAC ERT members training and how the ERT members utilizes different equipment's while handling such emergency situations. Observers were assigned at the emergency scene and at the FCRC to observe the actions taken by the ERT and MIC team during the emergency exercise.

This is to comment on the response actions and to critically identify improvement opportunities. The objective was also to check contractor awareness on QAFAC emergency response procedure and protocol. The intention was also to check QAFAC electronic headcount system of Rightcrowd and how respective responsible individuals getting live data in control room and in security office. At the end, the objectives of exercise were critically reviewed, and area of improvements were identified for further strengthening the emergency response with mutual aid.

# PROJECT ISTIJABA

Project Istijaba, initiated by QatarEnergy in 2022 and completely launched in 2023. It is for a joint response by MIC Emergency Response Team to handle any emergency event in any complex within MIC. The project is launched with a new Fire and Emergency Response mission to protect people, assets, and environment by providing a world class rapid, safe, and effective response. The scope of the Emergency Management System includes all joint ventures, other non-QatarEnergy tenants in QatarEnergy concession areas, including Contractors. Moreover, the objective of the project is to build an integrated and unified Emergency Management process and an Interoperable Incident Management System for common understanding and standardization leading to coordinated responses.

The emergency planning process is detailed below in the flowchart:

# 05

# OUR PEOPLE

This chapter discusses QAFAC's commitments to matters concerning our key stakeholders: contractors, employees and communities. Using the following material topics as guidance, our management and performance is disclosed on the key identified focus areas.

- Human Rights and Labor Standards
- Learning and Development
- Employee Attraction, Retention, and Engagement
- Diversity and Equal Opportunity
- Community Engagement and Investment
- Qatarization

## Aligning our Material Topics to our Strategic Priorities and to Global and National Reporting Frameworks, Goals and Targets

### Key Enabler to Our Strategic Priority "Prepare for Long-term Sustainability"

- High performing organization, focus on talent management, Qatarization and succession planning
- Boost 'digitalization' to become a reference in our industry
- Strengthen stakeholder alignment

| Material Topic | Alignment to Global and National Reporting Frameworks, Goals and Targets | | | |
|---|---|---|---|---|
| | QNV 2030 | UN SDGs | GRI | QSE |
| Human rights and labor standards | Human development | 8 DECENT WORK AND ECONOMIC GROWTH | GRI 409 | QSE S 16, 17, 18 |
| Employee engagement, attraction, and retention | | 3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES | GRI 401<br>GRI 404-1 | QSE S 10, 11, 12 |
| Learning and 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 | | 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 | QSE S 21 |
| Qatarization | Human development | 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | - | QSE S 20 |

# Our People

The corporate culture of QAFAC is shaped by our leaders, who set the bar high by modelling the company's principles and inspiring their colleagues to follow suit. In addition to ensuring people's safety, fostering mutual respect and empowerment, and conducting business ethically, we are also consistently improving our procedures.

In a continuous effort to live out our principles every day, we work to make our company a great place to work. By providing intriguing opportunities and wide-ranging career options, we hope to establish an attractive and rewarding atmosphere. Every aspect of how we treat our employees is rooted in our desire to carve a purpose and value to an individual's professional life, reflected through our diverse and inclusive workforce.

While we recognize the importance of our employee's satisfaction, we are cognizant of the fact that this can happen only at the outset of a healthy and lively workforce. The health and well-being of our employees and contractors is our priority. We respect and encourage all our employees and value their contribution to the business. The company respects them regardless of race, ethnicity, gender, national origin, religion, gender identity, sexual orientation, age, and different abilities, and provides an equal opportunity for all to grow.

## QAFAC'S CORPORATE VALUES

### Safety

*"We ensure safety in everything we do"*

We place the highest priority on health and safety of all the employees, the contractors, their families and the communities around us. We strive for incident free workplace.

### 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.


We have committed to contribute to various national and international objectives on sustainability such as the Qatar National Vision (QNV) 2030's social development goals, the United Nations Sustainable Development Goals (UN SDGs). To promote decent work for all our men and women employees while protecting their human rights, we have adopted the guidelines of the International Labor Organization (ILO). While QAFAC is not subject to Qatar's Labor Law, we are guided by its principles as a minimum and we go beyond the legal requirements to create an ethical environment for empowering our employees to play an equally important role in making sustainable business decisions.

We also understand that our activities have potential social, cultural, environmental, and human rights impacts. To make a positive contribution to the social and economic well-being of the communities where we operate, it requires long-term partnerships based on respect, transparency, and trust. Our actions and approach to community engagement, social investment, cultural heritage, and working with locals are governed by our commitment.

This section provides insights on our sustainability performance during the reporting period, focusing on the material topics such as employee engagement, attraction, and retention, Qatarization, human rights and labor standards, diversity, and equal opportunity, learning and development, and community engagement and investment. We are aware that businesses must uphold high standards of business ethics in order to earn the trust of their stakeholders. We operate in an ethical and morally upright manner. QAFAC is dedicated to creating an environment at work that values diversity, inclusivity, and everyone's well-being. The leadership at QAFAC places a high importance on its employees' trust and makes sure that everyone is respected, appreciated, and given the opportunity to contribute fully.

For the purpose of maintaining transparency in governance, we have several policies and procedures in place. Each policy outlines what is expected of QAFAC employees and the requirements for adherence in order to ensure equal treatment of all employees and the prevention of workplace discrimination. Our Ethical Code of Conduct includes a variety of issues linked to anti-bribery, conflict of interest, fraud, corruption, and compliance. All of our workforce signs an annual declaration stating that they abide by the ethical code of conduct. However, as part of our policy revamp, we are developing a standalone Respectful Workplace Policy, Anti-Bribery, Anti-Fraud, and Anti-Money Laundering.

Our employees are encouraged to live by our values and voice their concerns in relation to personnel administration, equality, and diversity. Our HR Policy guides us on matters pertaining to human resources and holds all components of policies and procedures in relation to human resources' management, including the Employee Relations Policy. Developed in accordance with the Qatar labor law, QAFAC's Employee Relations Policy is the go-to resource for employee management related practices, prospects, and rights of all QAFAC employees.

The goal of the policy is to ensure that there is reciprocal respect and consideration in attaining the shared objectives of the Company, as well as harmony and collaboration in the relationship between management and employees. This set of policies also includes rules about work schedules and diversity because they are interdependent. Additionally, it also has sections on discipline and schemes for rapid reporting and resolution of grievances. To address their concerns, we have a grievance mechanism and a progressive problem resolution procedure which form a part of our Personnel Policy Manual. Employees are urged to speak up on issues of unfair handling including unscrupulous employment, workplace discrimination, sexual harassment, concern about wages as well as other relevant issues without fear of retaliation. The high-level resolution process is depicted in the figure below.

**ESCALATION LEVEL**

**01**

Immediate Supervisor deals with the grievance

**02**

Department Head in case of no resolution

**03**

At third step matter will be referred to Human Capital Services & Recruitment Manager and if still no resolution then employee have liberty to request referral to Chief Executive Officer for final consideration.

To manage our workforce, QAFAC has formed separate policies, committees, and divisions, each with a specific role to fulfil commitments towards our people. The detailed responsibility of each is highlighted below.

## WORKFORCE MANAGEMENT UNDER QAFAC LEADERSHIP

### COMMITTEES

**Conflict of Interest Committee**
- Responsible for compliance with our ethical standards

**Employee Management Committee**
- Responsible for structured communication process with employees to discuss employee-related conditions

**Policies and Procedures Committee**
- Responsible for reviewing and updating company policies

### DIVISIONS

**Policy and Compensation Division**
- Responsible for employee's performance reviews
- Responsible for maintaining a highly skilled workforce

**Learning and Development Division**
- Responsible for employees leadership programs, trainings and awareness
- Responsible for identifying any gaps in current competencies and how to elevate those in collaboration

**Personnel Administrations Division**
- Responsible for the recruitment and HR Services

At QAFAC, we use a reliable digital system to systematically manage the workforce performance data, enabling our personnel administration division to track and manage the KPIs and staff performance. Other crucial tasks, including hiring, onboarding, managing employee relations, adhering to labor laws, maintaining records, paying employees, and dealing specific performance issues, are also handled by this division.

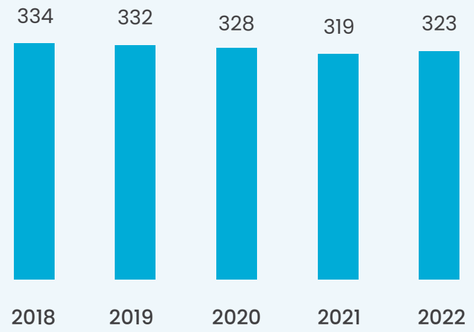
The SAP Fiori Mobile application, which is managed by the Personnel Administration Department, enables our employees to access all work-related processes through their mobile phones, easing the challenges associated with our employees working from home. These processes include leave applications, pay slips, training, work mails, employee lookup, team calendars, and other useful work items. Technical applications like the Behavioral Based Safety (BBS) program can also be accessed for data management in addition to the administrative work streams. QAFAC makes use of the Manarah2 application, which acts as the company's intranet and provides unified access to the policies and procedures of the organization, employee profiles, and QAFAC's most recent developments. This application enhances information dissemination, fosters teamwork, and enriches corporate-wide processes.

Another initiative aimed towards digitization and personnel management is the use of SAP Human Capital Module (HCM) by the Personnel Administration department. This module helps with crucial data related to human resources such as salaries, grades, demographics, reports, employee performance management and other relevant personal information. We ensure that privacy and confidentiality of such information is maintained at the highest level. Additionally, following our learnings from the pandemic, we implemented an expanded Flexible work scheme, empowering employees to have more flexibility in how and where they work. Refer to the report section 'Innovation and R&D (including Digitalization)' on Page 36 to understand the latest improvements to the existing IT infrastructure for a seamless flexible working experience for the employees.

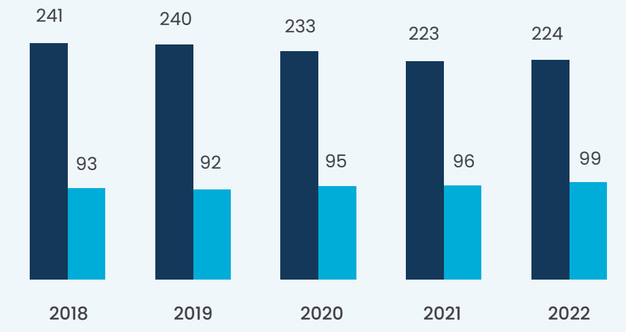
QAFAC hires both permanent as well as temporary employees depending on the business needs. The workforce totaled 323 including both types of employment in 2022, which is a 1.2% increase as compared to a total of 319 total headcounts in 2021. This increase is attributed to an increase in the number of new hires in 2022.

The Mesaieed Plant at Mesaieed Industrial City (MIC) serves as the center of our operations where the majority of QAFAC's workforce is located, while the corporate office in Doha constitutes the remainder of our workforce comprising the Corporate and support teams.

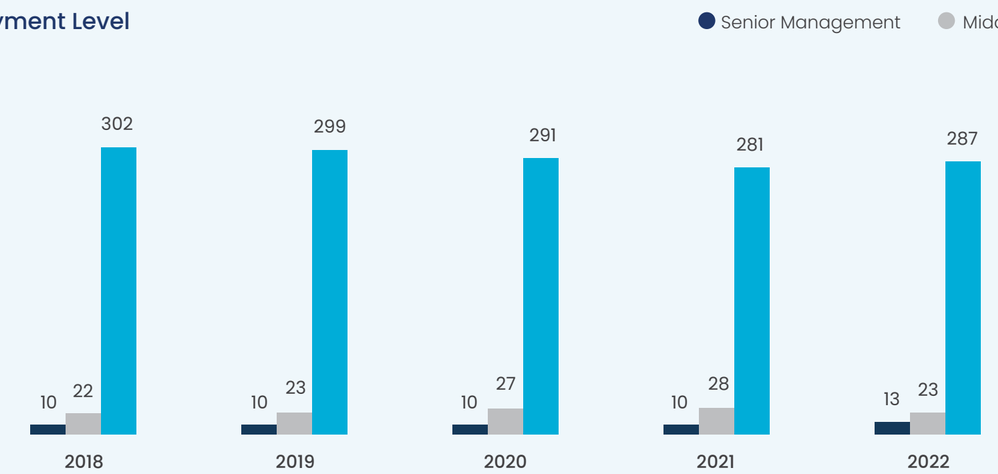
### QAFAC's Headcount




### Workforce by Nationality




### Workforce by Employment Level



# HUMAN RIGHTS AND LABOR STANDARDS

We make sure that all of our workers and contractors receive fair treatment and that all of their rights are upheld. In order to ensure human rights compliance, we also conduct routine audits on the contractor's premises.

A standalone human rights policy is undergoing development as part of the 19 policies mentioned in the earlier sections of the report. The policy is 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; to not discriminate based on race, age, disability, gender, political or religious beliefs; to comply with applicable human rights laws; to not work with business partners involved in human trafficking or forced labor; and to provide safe, healthy, and secure working conditions.

Respect for human rights is a fundamental and unwritten organizational value of QAFAC. The fact that QAFAC is a humane organization with a strong culture of respecting lives and futures is demonstrated by a number of prior events. We make sure that everyone who is on the premises is happy and in good mental health. Due to the potentially dangerous nature of the company's operations, it is crucial that every employee and worker remain vigilant and mindful at all times.


The International Labor Organization (ILO) and the United Nations, which support decent employment for all women and men, are two international frameworks that we adhere to in order to defend and advance human rights. We are proud to report that there have been no instances or grievances involving violations of human rights, discrimination against employees, or forced or compulsory labor during the reporting year and ever since the establishment of our organization.

GRI 2-30, GRI 409-1, GRI 412-1

# EMPLOYEE ATTRACTION, RETENTION, AND ENGAGEMENT

At QAFAC, we strive diligently to prioritize talent development and progress while providing each employee with a safe, secure, and engaging working environment, where everyone receives respect, encouragement, and prospect for career advancement.

A gap analysis of current training initiatives and employee skill sets, learning and development programs, engagement and retention mechanisms, improved talent management, and other factors have enabled us in achieving this and build a new pool of talent. The company invests in its employees by extending job training, vocational training, and skill development programs in order to keep them competitive, improve their competency and retain them to meet business needs.

To attract a diverse set of employees we have a Recruitment, Placement, and Selection Policy. This policy highlights our commitment to maintaining and retaining diversity at our workplace. We also have the Talent and Career Progression Policy which ensures that the right talent is selected for the right job.

Our Work Schedule Policy is the guidance document for all work shift-related matters and is in line with Qatar Labor Law. The shift timings adopted in 2022 are listed below.

| Work Schedules (2022) | |
|---|---|
| Shift | Timing |
| General Shift | 8 Hours daily - 5 days a week |
| Shift Work | 12 Hours (4 consecutive days work and 4 days off ) |

**Talent Acquisition and Retention Policies at QAFAC**

- Recruitment Policy
- Talent and Career Progression Policy
- Allowances and Benefits Policy
- Training Policy
- Employee Relations Policy
- End of Service Policy

To provide opportunities to young minds, we roll out a graduate engineering program each year, which was first introduced in 2015. Each year, the program receives a proactive participation and numerous resumes in our human capital database. Under this program, students from Qatari universities join QAFAC and are exposed to multiple production and maintenance functions. During this period, they learn from the finest minds in the industry and are exposed to cutting-edge technologies. Upon successful program completion, the graduates may even be hired by QAFAC as permanent employees. The graduate/developer works with QAFAC for a brief period and gains work experience and derives an overall understanding of the industry and QAFAC's role in the value chain.

To enhance workforce retention, the company emphasizes appreciating our employees and has programs in place that provide employee benefits amongst others, such as Engagement Activities, Rewards, Annual Awards, and Training and

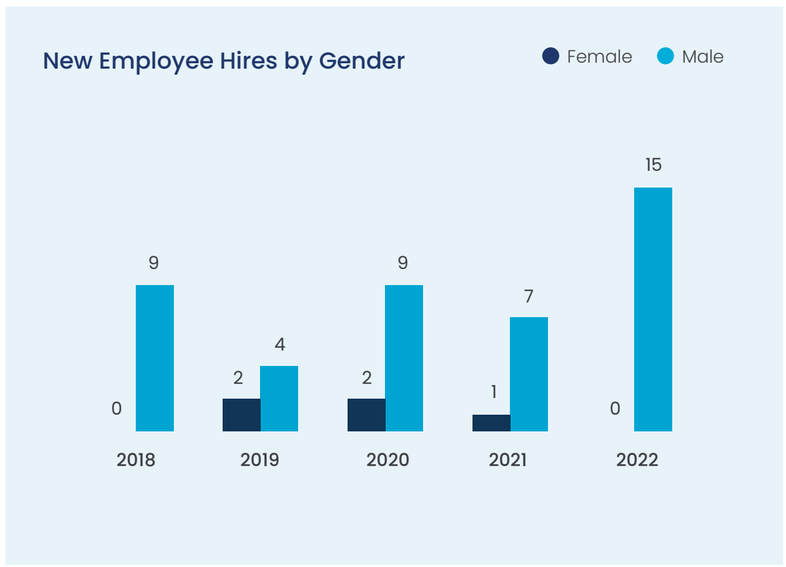
Development Programs.  The age range of 51 to 60 years accounts for the majority of the employee turnover, which may be related to the employees' retirement age. As a sign of gratitude for their dedicated time in the organization, the company offers a bonus scheme for employees who are ending their tenure at QAFAC. The aforementioned is a component of the End of Service Policy, which provides employees with incentives based on the total number of years they have worked for the organization.

As part of its efforts to retain employees, QAFAC takes due care to provide opportunities for employee engagement and retention. In this momentum, the company celebrates Qatar National Day, which serves to accomplish national pride and conserve the nation's culture and legacy.

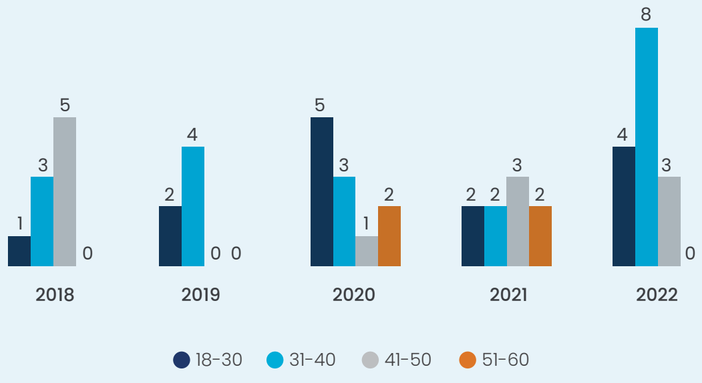
Commitment, loyalty, and dedication are always recognized and rewarded at QAFAC. We appreciate our long-serving employees through our Annual Long Service Awards program, employees are rewarded on completion of 5, 10, 15, and 20 years of their service. There were 38 Long Service Awardees in 2022.

To ensure seamless business continuity it is an imperative requirement of the company to have a progressive succession plan for all critical roles. Over 40% of QAFAC's workforce is above the age of 50 years, so our succession plan program focuses to revamp our succession planning strategies across all divisions. We work effectively on the identification of prime senior roles that can pose a significant risk to our business, and that will not be easy to fill quickly through external hiring. The program helps the organization forecast the retirement of a large section of the workforce over the coming years and prepare accordingly. We follow a systematic approach to selecting motivated and talented individuals suitable for development through this program and strive to develop their capabilities for the identified critical roles in succession planning.

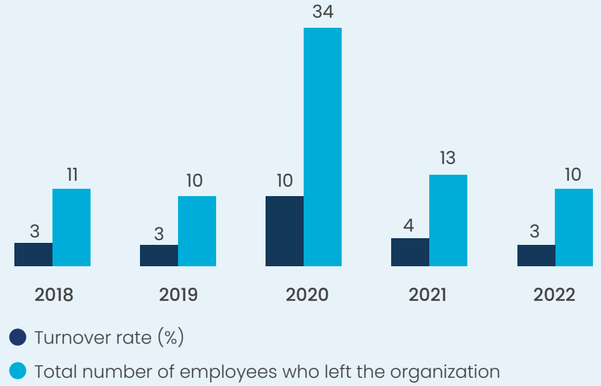
GRI 401-1, GRI 401-2



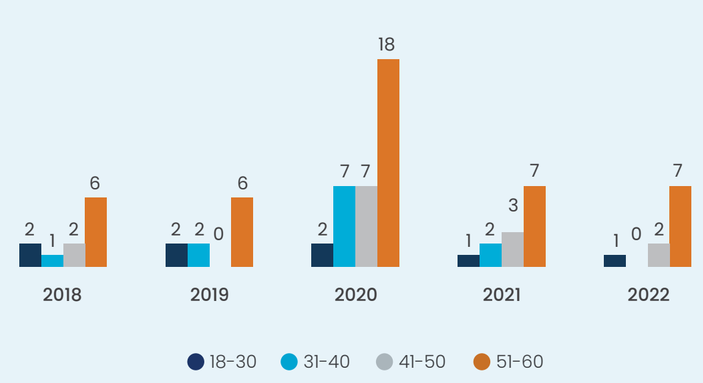
## New Employee Hires by Age Group




## Employee Turnover

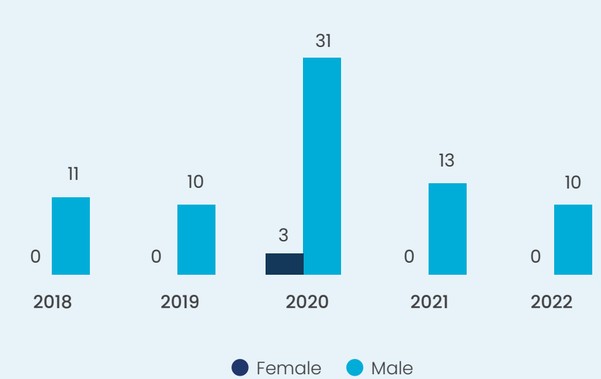



## Employee Turnover by Age Group




## New Employee Hires by Employment Level


## Employee Turnover by Gender




## Employee Turnover by Employment Level


GRI 401-1, GRI 401-2

# LEARNING AND DEVELOPMENT

QAFAC invests in the growth and development of its employees to ensure continuous learning. Employees here undergo continuous enhancement of their competencies. Throughout an employee's career, QAFAC supports them in their personal and professional development by providing training, diplomas, graduation programs, and employee engagement activities.

GRI 404-1, GRI 404-2

Additionally, we have policies for professional development under Learning and Development Department, one such policy is the training policy. The training policy depicts the training programs, materials, and hours required to accomplish the organization's objectives throughout the year. This policy helps employees to build the right skill sets, expand their knowledge, become competitive, and ultimately contribute to the company's success. The policy also supports the employees by offering a range of development and training programs to choose from. Eight new policies were introduced under the learning and development department in 2020, addressing topics such as Grade Progression for Qataris, Internship Programs, Training Processes and Procedures, Succession Planning, Talent Career Progression, and Personal Development Programs for Qatari Developees.

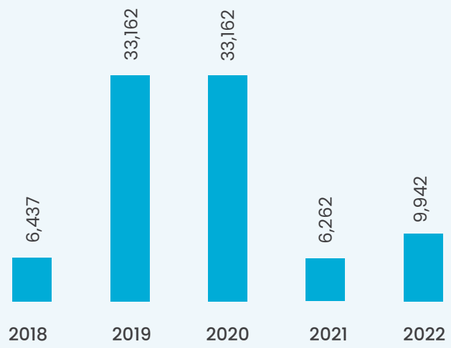
Disparities among current training initiatives and employee skill sets are identified by the training need assessment performed by the Personal Administration Division and this marks the starting point for our training development process. Training needs assessments help in bridging the gap between the current and desired employee performance, aided by the development of various training programs. The training and Nationalization division monitors and manages the training programs and ensures that employees complete their designated training in alignment with their competency development requirements. Upon completion of the training, a Training Feedback form is filled out by employees. This assists in the evaluation of the effectiveness of our training programs and in identifying the necessary changes required for the improvement of the overall program. We support employees with their career growth as well as nominate them for newer and higher roles. Our Talent and Career Progression Program and Shadowing Program are aimed at preparing them for future roles. We also ensure that employee performance and career development reviews and interactions are organized periodically.

A one-stop shop for all learning-related needs within QAFAC is our e-learning platform called "Percipio," which was released in 2020. As part of our efforts to raise awareness about sustainability issues, we also use e-learning tools like Adobe Captivate, Phishme, and National Agency training.

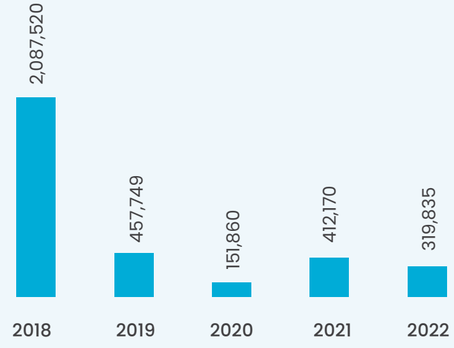
As part of continuous training efforts, QAFAC provided a total of 992 hours of training to all its employees, with an average of 30.9 training hours received per employee as compared to 9.5 hours in 2021.

Our Learning and Development Department received the Alumni Awards Qatar in 2022 which celebrate the outstanding achievements of alumnus who pursued an education in the UK and showcases the impact and value of a UK higher education. The awards are organized by the patronage of Her Majesty's Foreign Affairs- British Embassy and were presented as a token of appreciation for QAFAC's constant support to the academic community in Qatar.

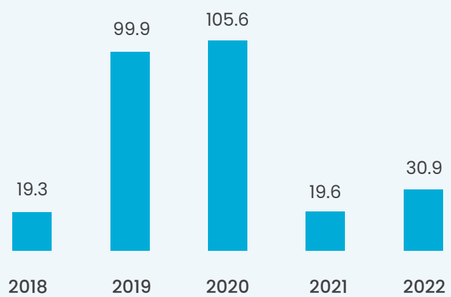
## Training Hours



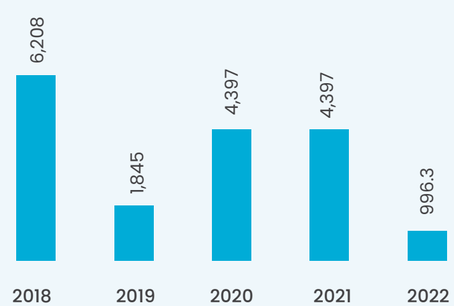

## Total Cost of Training (USD)




## Average Hours of Training per Employee




## Average Cost of Training per Employee (USD)




GRI 404-1, GRI 404-2

# PERSONNEL DEVELOPMENT PLAN (PDP)

Personnel Development Program is a career development program that is designed to improve the skills and abilities of the developees which can help them achieve greater success in targeted position in a structured manner.


## ABOUT THE PROJECT

QAFAC's IT department has developed a digital platform on SAP to define, monitor, improve and review personnel development program which is led by HR learning & development division.

## OUTCOMES

The digitized platform has enhanced the applicability and merit of this PDP program. The automation and simplification of several tasks has enriched the experience of QAFAC employees further, by reducing the required manual effort. The listed features are reflected as the updates to the PDP program execution:

- Defining task templates for positions
- Assigning task templates to respective developees (PDP)
- Developee self-review and acceptance
- Department review & approval
- HR learning & development review & approval

## VALUE GENERATED

The nature of developments encourages and motivate QAFAC employees to engage and have a focused approach towards building their careers.

## WAY FORWARD

QAFAC will continue to explore the available avenues to ensure its employees remain satisfied, exuberant, and prepared to develop their careers at the Company.

# DIVERSITY AND EQUAL OPPORTUNITY

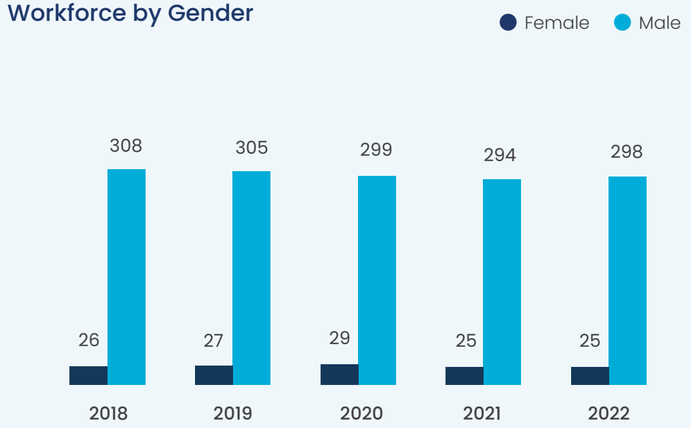
We strive to have a diverse workforce that includes individuals from a range of nationalities, racial backgrounds, gender identities, and employable ages who can collaborate to achieve the company's goals and objectives. We look for individuals who are not just the best fit but who also bring a unique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

We are committed to fostering a progressive, welcoming, and growth-oriented workplace culture. The desire to create a high-performing organization drives us to create policies that safeguard employees, provide competitive benefits, preserve a diverse workplace, and prioritize employee satisfaction. QAFAC believes that one of the important factors in our success as a business is to embrace diversity, inclusivity, and a global mindset.

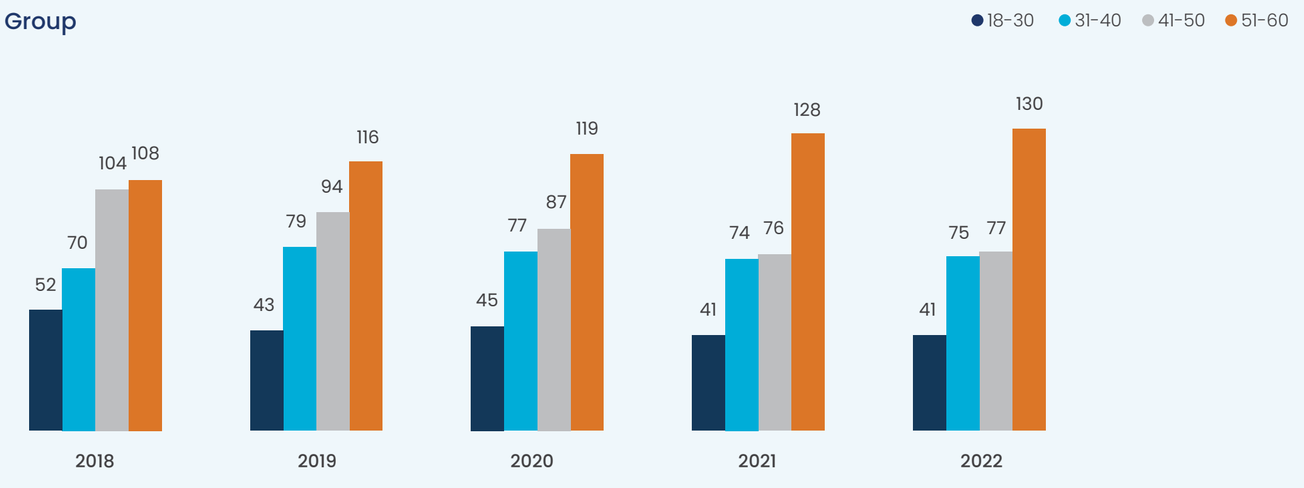
Our Diversity Policy has guided us to identify programs that recognize and nurture a diverse and inclusive workforce. These efforts include programs and policies that promote equity and inclusion, training, and career development opportunities for women as well as address the challenge of youth unemployment through the different initiatives we have put in place. We also believe additional improvements are necessary and attainable to drive further innovation and success. We intend to enable our employees to bring their unique selves to work each day, to allow them to stay motivated and continuously contribute to the success of our organization. Additionally, our Employee Relations Policy, along with the Allowances and Benefits Policy warrants that all employees are provided 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 2022, female employees accounted for 7.73% of our total workforce, which is consistent with 7.8% in 2021. Moreover, the company plans to improve female representation in senior management positions, which is currently at 7.69% in 2022.

**Workforce by Gender**




**Workforce by Age Group**



# COMMUNITY ENGAGEMENT AND INVESTMENT

QAFAC acknowledges and is aware of its duty and responsibility towards contributing positively to Qatari society. We have a long-standing Corporate Social Responsibility (CSR) policy and a CSR Committee that direct and drive our contributions to the local communities in order to support our commitment to the Qatar National Vision (QNV) 2030 and take proactive steps towards sustainability and the well-being of our community. As a further proof to its commitment, QAFAC targets to invest USD 30,000 towards community initiatives in 2023.

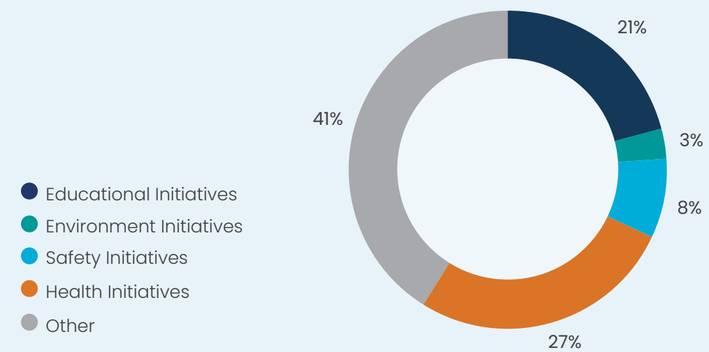
Our corporate social responsibility committee's primary goal is to evaluate CSR projects considering our four core objectives for supporting our community, namely, Health, Education, Environmental Awareness, and Sports. Any ideas that fall under QAFAC's CSR objectives are reviewed by the CSR committee to determine their alignment with QNV 2030 and the UN SDGs to address the needs of all segments of society. Priority is given to the suggestions with the highest potential to improve lives within the communities.

The company contributed a total of USD 16,826 in 2022 towards community initiatives, by investing across the mentioned areas of impact:

| Impact Area Investment | Contribution (USD) |
|---|---|
| Educational initiatives | 6,300 |
| Environmental initiatives | 900 |
| Safety initiatives | 2,400 |
| Health initiatives | 8,100 |
| Other | 12,300 |

QAFAC also organizes 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.

**Community Investment by Focus Area**
(%)




# QATARIZATION

As a flagship government initiative, "Qatarization" aims to boost the proportion of Qataris working in both the public and commercial sectors. At the turn of the 20th century, the expatriate population has risen quickly, although Qatar's population has only marginally grown. As a result, Qatarization has received high priority from the Qatari government in recent years as a way to reduce reliance on foreign labor.

In line with our commitment to the Qatar National Vision (QNV) 2030, we provide job opportunities for Qatari nationals, which backs our growth, and helps in the preservation of our cultural identity as a Qatari organization.

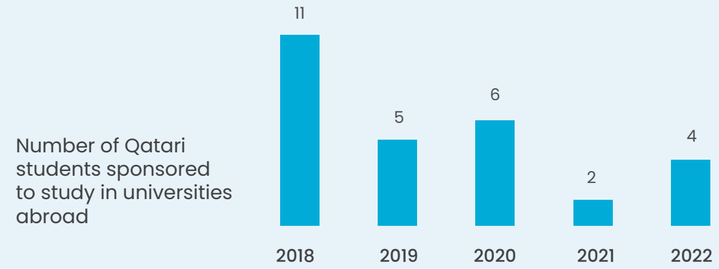
QAFAC is committed to sustaining a growing base of Qatari employees by maintaining an annual average Qatarization rate of approximately, 28% for the past several years.

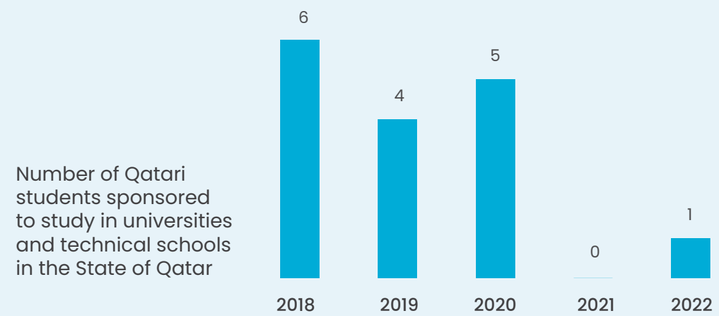
We have an internal Qatarization Committee headed by our CEO and comprised of senior management officials to promote and monitor our Qatarization initiatives. As part of our plans for Qatarization, we hold yearly job fairs to attract and encourage Qatari college and high school students to join QAFAC. Several training programs that support raising the number of Qataris in the workforce and enhancing local employment in accordance with UN SDG 8 - Decent Work and Economic Development - are developed as part of our efforts to better the effectiveness of our Qatarization initiatives.

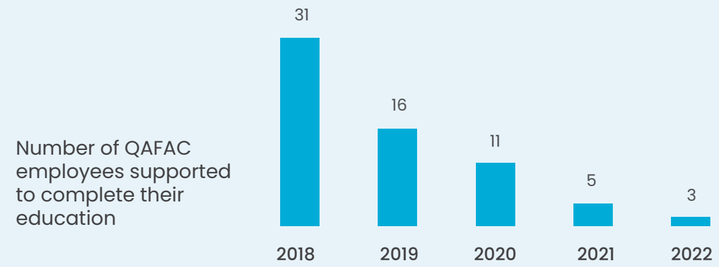
Our Training and Nationalization division monitors and manages the training programs for increasing the participation of Qataris in the workforce. In 2022, we provided 41 trainees an opportunity to join us and learn from our experienced team of professionals.

To further ensure that our Qatarization indicators are updated and tracked against our Qatarization goals, we further deploy our digital technologies across a number of SAP systems. Our HR department manages this computerized system, which keeps tabs on metrics like the overall number of national employees, national trainees, and the minimum number of Qataris that must be employed to meet our goals.

## Developing Qatari Talent



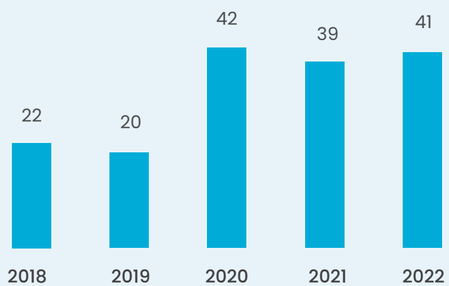



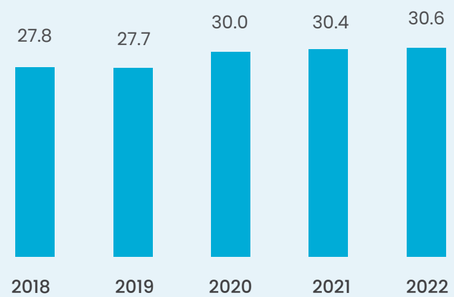
In 2022, QAFAC extended support to 8 young Qatari students pursuing higher education at national and foreign educational institutions. After completion, the company provided selected developees with a full-time employment prospect at QAFAC. Also, in 2022, through our Field Development Program, we supported 19 developees.

The Qatarization rate increased in 2022 by 0.2%, moving from 30.4% in 2021 to 30.6% in 2022. In light of the Qatarization initiatives taken by QAFAC in 2022, out of a total workforce of 323 employees, Qatari nationals constituted 99 employees, which is 3.1% increase from 2021 and a contributing reason for positive Qatarization rate in 2022. A total of 77% of QAFAC's senior management positions are held by national talent.

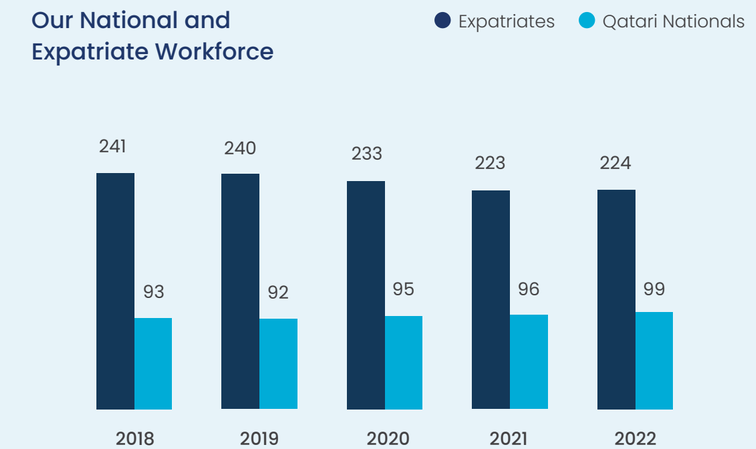
### Number of Interns and Trainees Supported




### Qatarization (%)




### Our National and Expatriate Workforce



# 06

# APPENDICES

Financial Statement

- Annexures
- GRI Content Index
- Glossary of Abbreviations

# ANNEXURES

## STATEMENT OF FINANCIAL POSITION

| Topic | "Indicator USD ('000)" | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| | ASSETS (Non-Current Assets) | | | | | |
| | Property, Plant and Equipment | 320,165 | 330,039 | 272,679 | 213,072 | 145,189 |
| | Catalyst and other Assets | 16,098 | 21,461 | 16,120 | 11,137 | 14,802 |
| | Right-of-use Assets | - | 2,382 | 2,073 | 1,381 | 689 |
| | Total Non-Current Assets | **336,263** | **353,882** | **290,872** | **225,590** | **160,680** |
| | ASSETS (Current Assets) | | | | | |
| | Inventories | 66,825 | 55,997 | 56,011 | 84,699 | 77,844 |
| | Trade and other receivables | 98,678 | 111,812 | 44,232 | 102,587 | 133,216 |
| | Cash and Cash Equivalents | 157,840 | 59,091 | 64,817 | 221,906 | 283,820 |
| | Total Current Asset | **323,343** | **226,899** | **165,060** | **409,192** | **494,880** |
| | Total Assets | **659,606** | **580,781** | **455,932** | **634,782** | **655,560** |
| | EQUITY AND LIABILITIES (Equity) | | | | | |
| | Share Capital | 380,000 | 380,000 | 380,000 | 380,000 | 380,000 |
| | Compulsory Reserve | 1 | 1 | 1 | 1 | 1 |
| | Retained Earnings | 43,828 | 55,560 | 9,985 | 42,394 | 30,477 |
| | Total Equity | **423,829** | **435,561** | **389,986** | **422,395** | **410,478** |
| | EQUITY AND LIABILITIES (Liabilities Non-Current) | | | | | |
| | Lease Liability | - | 2,745 | 2,412 | 1,321 | 341 |
| | Employee's end of Service Benefits | 10,265 | 11,646 | 10,389 | 11,214 | 12,845 |
| | Deferred Tax Liability | 46,699 | 33,288 | 18,972 | 3,451 | - |
| | Total Non-Current Liabilities | **56,964** | **47,679** | **31,773** | **15,986** | **13,186** |
| | EQUITY AND LIABILITIES (Liabilities Current) | | | | | |
| | Lease Liability | - | 1,741 | 1,063 | 1,120 | 1,018 |
| | Trade and other Payables | 51,224 | 41,170 | 25,590 | 103,815 | 100,175 |
| | Term Loan | 14,000 | - | - | - | - |
| | Income Tax Payable | 113,589 | 54,630 | 7,520 | 91,466 | 130,703 |
| | Total Current Liabilities | **178,813** | **97,541** | **34,173** | **196,401** | **231,896** |
| | Total Liabilities | **235,777** | **145,220** | **65,946** | **212,387** | **245,082** |
| | Total Equity & Liabilities | **659,606** | **580,781** | **455,932** | **634,782** | **655,560** |

## STATEMENT OF PROFIT / (LOSS) AND OTHER COMPREHENSIVE INCOME

| Topic | "Indicator USD ('000)" | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| | Revenue | 777,856 | 531,604 | 361,633 | 658,428 | 949,824 |
| | Cost of Sales | (456,696) | (378,651) | (345,969) | (407,462) | (594,820) |
| | Gross Profit | **321,160** | **152,952** | **15,664** | **250,966** | **355,004** |
| | Other Income | 5,771 | 2,967 | 1,033 | 2,379 | 5,885 |
| | General & Administration Expenses | (35,399) | (37,303) | (37,899) | (36,754) | (42,465) |
| | Loss on disposal of property, plant and equipment | - | (1,026) | - | (2,334) | - |
| | Operating Profit | **291,532** | **117,590** | **(21,202)** | **214,257** | **318,424** |
| | Finance Cost | (973) | (600) | (223) | (165) | (106) |
| | Profit / (Loss) for the year before Tax | **290,559** | **116,990** | **(21,425)** | **214,092** | **318,318** |
| | Current Income Tax | (113,589) | (54,630) | (8,466) | (91,204) | (130,686) |
| | Deferred Tax | 11,822 | 13,411 | 14,316 | 15,521 | 3,451 |
| | Tax for the Year | **(101,767)** | **(41,219)** | **5,850** | **(75,683)** | **(127,235)** |
| | Profit / (Loss) of the Year | **188,792** | **(75,771)** | **(15,575)** | **138,409** | **191,083** |
| | Other Comprehensive Income | - | - | - | - | - |
| | Total Comprehensive Income / (Loss) of the Year | **188,792** | **75,771** | **(15,575)** | **138,409** | **191,083** |

## STATEMENT OF CASH FLOWS

| Topic | "Indicator USD ('000)" | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| | **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| | Profit / (loss) for the year before Income Tax | 290,559 | 116,990 | (21,425) | 214,092 | 318,318 |
| | **Adjustments for:** | | | | | |
| | Depreciation | 54,649 | 65,411 | 72,945 | 78,943 | 83,792 |
| | Amortization of Catalyst and other Assets | 2,690 | 6,514 | 5,499 | 5,496 | 4,102 |
| | Amortization of right-of-use Assets | - | 1,146 | 816 | 692 | 692 |
| | Gain/Loss on disposal of property, plant and equipment | - | 1,026 | - | 2,334 | - |
| | Provision of Obsolete Stock | - | - | 324 | (229) | - |
| | Provision of Employees' and of service benefits | 1,686 | 2,779 | 1,177 | 1,961 | 2,519 |
| | Finance cost paid | 972 | 600 | 218 | 169 | 106 |
| | Impact on lease modification | - | - | (12) | (20) | (30) |
| | Interest Income | (3,560) | (2,571) | (712) | (1,410) | (5,568) |
| | | **346,996** | **191,895** | **58,830** | **302,028** | **403,931** |
| | **Changes in Working Capital:** | | | | | |
| | Inventories | (1,543) | 10,828 | (338) | (28,459) | 6,855 |
| | Trade and Other receivables | 22,905 | (13,135) | 67,580 | (58,355) | (30,629) |
| | Trade and Other Payables | (33,519) | (10,054) | (15,580) | 78,225 | (3,640) |
| | Cash Generated from Operations | **334,839** | **179,535** | **110,492** | **293,439** | **376,517** |
| | Employees' end of service benefits paid | (1,180) | (1,398) | (2,434) | (1,136) | (888) |
| | Income Tax Paid | (40,332) | (56,795) | (27,788) | (3,629) | (45,725) |
| | Payment of Tax share of non-taxable shareholders | (40,332) | (56,795) | (27,788) | (3,629) | (45,724) |
| | Cash Generated from Operations | **252,995** | **64,548** | **52,482** | **285,045** | **284,180** |
| | **Cash Flows from Investing Activities:** | | | | | |
| | Purchase of Property, Plant and Equipment | (32,580) | (76,311) | (15,586) | (21,675) | (15,909) |
| | Purchase of Catalyst | (335) | (11,877) | (158) | (513) | (7,767) |
| | Proceeds of Sale of Property, Plant and Equipment | - | - | - | 5 | - |
| | Interest Income Received | 3,560 | 2,571 | 712 | 1,410 | 5,568 |
| | Net Cash Flows used in investing activities | **(29,354)** | **(85,617)** | **(15,032)** | **(20,773)** | **(18,108)** |
| | **Cash Flows from Financing Activities:** | | | | | |
| | Principal Payments on Lease | - | (1,080) | (1,506) | (1,014) | (1,052) |
| | Finance Cost Paid | (972) | (600) | (218) | (169) | (106) |
| | Dividends Paid | (182,300) | (62,000) | (30,000) | (106,000) | (203,000) |
| | Repayment of Term Loan | (16,000) | (14,000) | - | - | - |
| | Net Cash Flows used in Financing activities | **(199,272)** | **(77,680)** | **(31,724)** | **(107,183)** | **(204,158)** |
| | Net increase in cash and cash equivalents | 24,368 | (98,750) | 5,726 | 157,089 | 61,914 |
| | Cash and Cash equivalents at the beginning of the year | 133,472 | 157,840 | 59,091 | 64,817 | 221,906 |
| | Cash and Cash equivalents at the End of the year | **157,840** | **59,091** | **64,817** | **221,906** | **283,820** |

## STATEMENT IN CHANGES IN EQUITY

| | Share Capital | Compulsory Reserve | Retained Earnings | Total |
|---|---|---|---|---|
| Balance at January 1, 2020 | 380,000 | 1 | 55,560 | 435,561 |
| Total Comprehensive Loss for the Year | - | - | (15,575) | (15,575) |
| Payments of Dividends (Note 11) | - | - | (30,000) | (30,000) |
| Balance at January 1, 2021 | 380,000 | 1 | 9,985 | 389,986 |
| Total Comprehensive Loss for the Year | - | - | 138,409 | 138,409 |
| Payments of Dividends (Note 11) | - | - | (106,000) | (106,000) |
| Balance at January 1, 2022 | 380,000 | 1 | 42,394 | 422,395 |
| Total Comprehensive Loss for the Year | - | - | 191,083 | 191,083 |
| Payments of Dividends (Note 11) | - | - | (203,000) | (203,000) |
| Balance at December 31, 2022 | 380,000 | 1 | 30,477 | 410,478 |

# GRI CONTENT INDEX

GRI CONTENT INDEX ESSENTIAL SERVICE + SDG MAPPING ADD-ON 2023

This report has been prepared in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022. The table below provides a reference for GRI content in the report. For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. For the SDG Mapping Service, GRI Services reviewed that the GRI disclosures included in the content index are appropriately mapped against the SDGs. The services were performed on the English version of the report.

| **GRI 1: Foundation 2021** | **GRI 1 does not include any disclosures** | | | |
|---|---|---|---|---|
| **General Disclosures** | | | | |
| **GRI Standard** | **Disclosure** | **Page Number(s) and/ or Direct Answer** | **Sustainable Development Goal** | **Omission** |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | 10 | | |
| | 2-2 Entities included in the organization's sustainability reporting | 10 | | |
| | 2-3 Reporting period, frequency and contact point | 4 | | |
| | 2-4 Restatements of information | 31 | | |
| | 2-5 External assurance | This report has not been externally assured. | | |
| | 2-6 Activities, value chain and other business relationships | 10, 11, 16, 19 | | |
| | 2-7 Employees | 94 | | |
| | 2-8 Workers who are not employees | 72 | | |
| | 2-9 Governance structure and composition | 21, 22 | | |
| | 2-10 Nomination and selection of the highest governance body | 20 | | |
| | 2-11 Chair of the highest governance body | 21 | | |
| | 2-12 Role of the highest governance body in overseeing the management impacts | 20 | | |
| | 2-13 Delegation of responsibility for managing impacts | 22 | | |
| | 2-14 Role of the highest governance body in sustainability reporting | 29 | | |
| | 2-15 Conflicts of interest | 27, 28 | | |
| | 2-16 Communication of critical concerns | 26 | | |
| | 2-17 Collective knowledge of the highest governance body | 20 | | |

| GRI Standard | Disclosure | Page Number(s) and/ or Direct Answer | Sustainable Development Goal | Omission |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-18 Evaluation of the performance of the highest governance body | 26 | | |
| | 2-19 Remuneration policies | Not disclosed | | Confidentiality constraints |
| | 2-20 Process to determine remuneration | Not disclosed | | Confidentiality constraints |
| | 2-21 Annual total compensation ratio | 102, 109 | | |
| | 2-22 Statement on sustainable development strategy | 8, 9 | | |
| | 2-23 Policy commitments | 20 | | |
| | 2-24 Embedding policy commitments | 20 | | |
| | 2-25 Processes to remediate negative impacts | 26, 27 | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | 26 | | |
| | 2-27 Compliance with laws and regulations | 11 | | |
| | 2-28 Membership associations | 16 | | |
| | 2-29 Approach to stakeholder engagement | 30 | | |
| | 2-30 Collective bargaining agreements | 95 | | |
| **MATERIAL TOPICS** | | | | |
| GRI 3: Material Topics 2021 | GRI 3-1 Process to determine material topics | 29 | | |
| GRI 3: Material Topics 2021 | GRI 3-2 List of material topics | 31 | | |
| **Economic Performance** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 34 | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 34, 35 | SDG 8, SDG 9 | |
| **Sustainability in the Supply Chain** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 42 | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 42, 43 | SDG 8 | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 42 | | |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 42 | | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 42 | SDG 5, SDG 8, SDG 16 | |
| | 414-2 Negative social impacts in the supply chain and actions taken | 42 | SDG 5, SDG 8, SDG 16 | |
| **Anti-Corruption** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 28 | | |
| GRI 205: Anti-Corruption 2016 | 205-3: Confirmed incidents of corruption and actions taken | 28 | SDG 16 | |

| GRI Standard | Disclosure | Page Number(s) and/ or Direct Answer | Sustainable Development Goal | Omission |
|---|---|---|---|---|
| **Operational Reliability and Business Continuity** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 40 | | |
| Disclosure: Non-GRI KPI | Plant Reliability of Methanol and MTBE | 40 | SDG 8, SDG 9 | |
| **Resource Efficiency** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 50 | | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | 50 | SDG 8, SDG 12 | |
| | 301-2 Recycled input materials used | 50 | SDG 8, SDG 12 | |
| | 301-3 Reclaimed products and their packaging materials | 50 | SDG 8, SDG 12 | |
| **Climate Change** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 51 | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 52 | SDG 7, SDG 8, SDG 12, SDG13 | |
| | 302-3 Energy intensity | 52 | SDG 7, SDG 8, SDG 12, SDG 13 | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 55 | SDG 3, SDG 12, SDG 13, SDG 14, SDG 15 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 55 | SDG 3, SDG 12, SDG 13, SDG 14, SDG 15 | |
| | 305-4 GHG emissions intensity | 55 | SDG 13, SDG 14, SDG 15 | |
| | 305-7 Nitrogen oxides ($NO_x$), Sulfur Oxides ($SO_x$), and other significant air emissions | 54 | SDG 3, SDG 12, SDG 14, SDG 15 | |
| **Water** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 62 | | |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | 62, 63 | SDG 6, SDG 12 | |
| | 303-2 Management of water discharge related impacts | 62, 63 | SDG 6 | |
| | 303-3 Water withdrawal | 62 | SDG 6 | |
| | 303-4 Water discharge | 62 | SDG 6 | |
| | 303-5 Water consumption | 62 | SDG 6 | |

| GRI Standard | Disclosure | Page Number(s) and/ or Direct Answer | Sustainable Development Goal | Omission |
|---|---|---|---|---|
| **Biodiversity** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 64 | | |
| 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 | 64 | SDG 6, SDG 14, SDG 15 | |
| | 304-2 Significant impacts of activities, products and services on biodiversity | 64 | SDG 6, SDG 14, SDG 15 | |
| | 304-3 Habitats protected or restored | 64 | SDG 6, SDG 14, SDG 15 | |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | 64 | SDG 6, SDG 14, SDG 15 | |
| **Waste** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 58 | | |
| GRI 306: Waste 2020 | 306-1: Waste generation and significant waste-related impacts | 58-60 | SDG 3, SDG 6, SDG 12 | |
| | 306-2: Management of significant waste-related impacts | 58-60 | SDG 3, SDG 6, SDG 12 | |
| | 306-3 Waste generated | 58-60 | SDG 3, SDG 6, SDG 12, SDG 15 | |
| | 306-4: Waste diverted from disposal | 58-60 | SDG 3, SDG 12 | |
| | 306-5: Waste directed to disposal | 58-60 | SDG 6, SDG 15 | |
| **Innovation and R&D (incl. digitalization)** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 42 | | |
| **Employee engagement, attraction and retention** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 96 | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 96-98 | SDG 5, SDG 8, SDG 10 | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 96-98 | SDG 3, SDG 5, SDG 8 | |
| **Health and Safety** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 74, 79 | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 74, 77, 78 | SDG 8 | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 74, 77, 78 | SDG 8 | |
| | 403-3 Occupational health services | 74, 77, 78 | SDG 8 | |
| | 403-4 Worker participation, consultation and communication on occupational health and safety | 74, 77, 78 | SDG 8, SDG 16 | |
| | 403-5 Worker training on occupational health and safety | 74, 77, 78 | SDG 8 | |
| | 403-6 Promotion of worker health | 74, 77, 78 | SDG 3 | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 74, 77, 78 | SDG 8 | |
| | 403-9 Work-related injuries | 74, 77, 78 | SDG 3, SDG 8, SDG 16 | |

| GRI Standard | Disclosure | Page Number(s) and/ or Direct Answer | Sustainable Development Goal | Omission |
|---|---|---|---|---|
| GRI 11: Oil & Gas Sector Standard 2021 | OG-13 Number of Tier-1 process safety events | 80-84 | | |
| | OG-13 Number of Tier-2 process safety events | 80-84 | | |
| **Learning and Development** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 99 | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 99, 100 | SDG 4, SDG 5, SDG 8, SDG 10 | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 99, 100 | SDG 8 | |
| **Diversity and Equal Opportunity** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 102 | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 102 | SDG 5, SDG 8 | |
| | 405-2 Ratio of basic salary and remuneration of women to men | 102 | SDG 5, SDG 8, SDG 10 | |
| **Human rights and Labor standards** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 95 | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 95 | SDG 8 | |
| **Community engagement and investment** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 103 | | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 103 | | |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | 103 | SDG 1, SDG 2 | |
| **Product Responsibility** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 44 | | |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | 44, 46 | | |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 44, 46 | SDG 16 | |
| **Qatarization** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 104 | | |
| QSE S20* Qatarization | Percentage of Qatari nationals in the workforce | 105 | | |

*Qatar Stock Exchange ESG Guidance: Social indicator #20*

# GLOSSARY OF ABBREVIATIONS

| Abbreviations | Long Form |
|---|---|
| A&M | Texas A&M University |
| 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 |
| BA | Breathing Apparatus |
| BBS | Behavioral 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 Finance Officer |
| $CH_3OH$ | Methanol |
| COO | Chief Operating Officer |
| COSO | The Committee of Sponsoring Organizations of the Treadway Commission |
| CPC | Chinese Petroleum Corporation |
| CBPCO | Chief Business Planning & Commercial Officer |
| CSE | Confined Space Entry |
| CSR | Corporate Social Responsibility |
| CV | Curriculum Vitae |
| DCS | Distributed Control System |

| Abbreviations | Long Form |
|---|---|
| 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 Gas |
| GHS | Globally Harmonized System of classification and labelling of chemicals |
| GJ | Giga Joule |
| GPCA | 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 |

| Abbreviations | Long Form |
|---|---|
| IGSMC | Integrated Gas Supply to Mesaieed Consumers |
| ILO | International Labour 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 | Limited Liability Company |
| LCYMEC | LCY Middle East Corp. |
| LDAR | Leak Detection and Repair |
| LIMS | Lab Information Management Systems |
| LMS | Learning Management System |
| LOPC | Loss of Primary Containment |
| LTA | Lost-Time Accident |
| LTI | Lost Time Injuries |
| LTIF | Lost Time Injury Frequency |

| Abbreviations | Long Form |
|---|---|
| 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 | Organisation 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 | Overseas Petroleum and Investment Corporation |
| 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 Improvement Institute |
| 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 Environment |
| 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 Standards Board |
| SCE | Safety Critical Equipment |
| SDG | Sustainable Development Goals |
| SNCR | Selective Non-Catalytic Reduction |
| TA | Turnaround |
| 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
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