

QAFAC news



January 2018

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Our QAFAC

Message from QAFAC's CEO
Mr. Khalid Sultan Al-Kuwari

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CEO Message



“Our primary aim is to be recognized as a safe and reliable supplier of Methanol and MTBE, both locally and globally. Looking back at 2017, I would like to congratulate the entire QAFAC team for our exemplary performance during the year that went by.”

Khalid Sultan Al-Kuwari
Chief Executive Officer

Dear colleagues,

At the outset, let me take this opportunity to wish you all a happy and prosperous 2018.

I am pleased to present to you the first edition of our 2018 newsletter, which will give you a better insight into the news and happenings at QAFAC during the last six months of 2017. The primary objective of this newsletter is to ensure that all our employees are kept abreast of the internal and external developments at QAFAC. I am sure you will find it both exciting and informative.

Looking back at 2017, I would like to congratulate the entire QAFAC team for our exemplary performance during the year that went by, especially in the areas of HSE and reliability. We certainly have a lot to be proud of. Along with, I call upon each and every one of you to utilize our successes as a springboard to enhance our performance and add more value to our shareholders, customers, and the State of Qatar.

Our primary aim is to be recognized as a safe and reliable supplier of Methanol and MTBE, both locally and globally.

2017 was a year of change and transformation for QAFAC. Under the new vision and strategy that was set in 2016, we continued to focus on implementing programs that would improve the cost effectiveness, reliability, safety and efficiency of our operations, both in the short term and long term. Given the current economic climate, focusing our efforts on improving performance across all areas of our business, building synergies, and maximizing production will enable us to emerge as a stronger company.

Looking ahead, 2018 will be a year of critical planning as we prepare for major plant turnarounds in 2019 that will continue to ensure the safety, reliability, and efficiency of our operations.

I am quite optimistic that 2018 will see us scale even higher heights of success. Let us collectively work towards that.

Thank you.



Made in Qatar Exhibition Displays the Self-Sufficiency of Qatar



QAFAC was an active participant of the Qatar Petroleum (QP) stand, which brought together all QP subsidiaries under one roof at the 5th edition of the Made in Qatar exhibition, held from 14 to 17 December 2017 at Doha Exhibition and Convention Center (DECC).

Organized by Qatar Chamber in cooperation with the Ministry of Energy & Industry, Made in Qatar exhibition is the largest industrial expo in the country. The main objective

of the exhibition is to support and promote Qatari products in the country's pursuit of achieving self-sufficiency and reducing its dependence on imports.

Over 320 local companies participated in the exhibition, which was visited by a record 15,000 visitors. The exhibition served as a major networking interface between local manufacturers, businessmen, investors and consumers. The astounding success of the exhibition served as a major boost to the ongoing self-sufficiency drive of the country, which has gained unprecedented momentum in the wake of the unjust economic blockade imposed on it by neighboring countries.

QND Celebrations at QAFAC Echo the 'Spirit of Qatar'

On 18 December 2017 QAFAC joined the nation in celebrating the national day of Qatar. The event marked a wide range of activities that paid tribute to the rich and diverse heritage and culture of Qatar.

Qatari flags adorned the premises of both the head office and the Mesaieed office and cake cutting ceremonies, in commemoration of Qatar's national day, were held at both venues.

Mr. Khalid Sultan Al-Kuwari, CEO of QAFAC led the senior management and other employees of QAFAC in reiterating the company's unwavering commitment to the socio-economic progress of the nation under the farsighted leadership of HH Sheikh Tamim Bin Hamad Al Thani, Emir of the State of Qatar.



“ We are proud to be the citizens and residents of a nation that continues to demonstrate enviable levels of resilience in the midst of trying challenges. We reaffirm our solidarity and loyalty to our beloved nation as it embarks on a series of path-breaking initiatives that will catapult it to unprecedented levels of progress and development. ”
Khalid Sultan Al-Kuwari, CEO, QAFAC



2017 Operational KPI Review Successfully Completed



QAFAC recently conducted a review of its plant departments' operational KPIs for the year 2017. The COO chaired the review meeting, which was attended by key personnel of the plant departments. The review meeting concluded that QAFAC had yet another year of exemplary performance with the company maintaining its status as a top quartile producer of Methanol and MTBE.

One of the key highlights of the review was the performance of the relatively new Carbon Dioxide Recovery Plant. The meeting revealed that the plant was performing in line with all predetermined parameters and had successfully converted 171,941 metric tons of CO₂ into 103,165 metric tons of Methanol during the year.



QAFAC Joins Hands with MIC Companies to Implement Ta'awin Synergy Delivery Program

Synergy Delivery Unit (SDU)



Jamal Khalil	Sergio Veterano	Yousuf Al Khouri	Wakeel Khalid	Dr. Raj Michael	Saleh Al-Janahi
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Seven downstream companies in Mesaieed Industrial City (MIC), including QAFAC, have decided to work together in identifying and implementing potential synergies that could be realized through mutual cooperation. The program titled Ta'awin, is a purely voluntary program, that aims to harmonize practices among participating companies and thereby create additional value over and above the normal business practices.

The Ta'awin team, which comprises eight taskforces, is presently focused on identifying value generation opportunities by adopting common procurement as well as best practices among the companies.

- The taskforces are:**
- Procurement (Materials & Services)
 - Warehouse & Inventory
 - Operations & Maintenance
 - Risk & Strategy Management
 - Human Resources
 - Information Technology
 - Finance & Treasury
 - General Administration, Logistics & Facility Management



Methanol set to Drive the Transportation Sector

Methanol use in various applications is on the rise globally and there are several examples on how methanol is used in the transport sector today. The production is comparably efficient and cost-effective and there are also several examples of where methanol as a fuel is under advanced testing in various, sometimes novel, types of engines.

Interest to use methanol as an automotive fuel has shifted through the past decades. A newly finished f3 project by Ingvar Landälv, Bio4Energy/LTU, has had the objective of creating a knowledge synthesis with this long-term perspective in mind, and also to look forward and address methanol's potential role as energy carrier/motor fuel in Sweden (and elsewhere).



Pulp-Mill Integrated Biomethanol Production

The largest forest-owner association in Sweden and an international forest industry group will invest more than SEK 100 million in the production of biomethanol, a sustainable fuel from forest raw material. The project, which was scheduled to commence in autumn 2017, is expected to be ready for operation by spring 2019. The aim is to produce 5,000 tons of biomethanol per year at a new facility to be situated at a pulp mill at Mönsterås. The long-term aim is to further increase production for passenger, truck and ship transport.

The biomethanol will be made from the crude methanol produced by the manufacturing process at the pulp mill. It will be part of the circular process that already exists, in which all parts of the forest raw material are used for the best possible effect. The first delivery will reach the market in spring 2019.

Ships in India May Soon Run on Methanol

According to India's Minister of Road Transport, Highways and Shipping, ships in India may soon run on methanol.

"To cut the high cost of logistics in the country, inland waterways are being developed in a major way while methanol will soon be made the fuel for ships," the Road Transport, Highways and Shipping Minister said. "Methanol requires coal. Coal is an indigenous fuel available in the states of Andhra Pradesh, Maharashtra, Madhya Pradesh and Chhattisgarh," the minister said. He added that reducing the cost of logistics, which will, in turn, create more employment, could increase exports.

National Employees Graduate from Prestigious International Universities

Quality Qatarization is one of the key focus areas at QAFAC. Every year the company inducts a number of nationals, who are then offered a structured and diverse mentoring and training program to further enhance their potential. As part of their ongoing training to take up decisive and critical roles at QAFAC, the high fliers among them are offered a wide range of higher studies opportunities at various leading universities abroad. This is in line with the directives of QNV 2030 that aims to carve a generation of decisive leaders who can guide the nation towards further success and prosperity.



Hassan Saleh Al-Jaber

Ali Ahmed Al-Suwaidi

Ali Ibrahim Al-Behaih

Master's Degree in Business Administration from Anglia Ruskin University, UK

Mr. Hassan Saleh Al-Jaber, Mr. Ali Ibrahim Al-Behaih and Mr. Ali Ahmed Al-Suwaidi, three key members of the QAFAC Management team, successfully completed their Master's Degree in Business Administration from the prestigious Anglia Ruskin University. The master's program covered specialized management topics such as Strategic Management, Project Management, Supply Chain, Marketing and People Management and Innovation Entrepreneur. A major project had to be presented to the university as part of the graduation process.



Ali Khalaf Al-Buinin

Jassim Mohd. Al Ansari

Bachelor's Degree in Chemical and Process Engineering from London South Bank University

Mr. Ali Khalaf Al-Buinin and Mr. Jassim Mohd. Al Ansari, two promising national employees of QAFAC, whose higher studies abroad were sponsored by QAFAC, recently graduated from London South Bank University with a Bachelor's Degree in Chemical and Process Engineering.

“ We would like to express our sincere gratitude to QAFAC Management for offering us this golden opportunity to pursue our higher studies at leading universities abroad. The experiences and expertise we gathered during our studies abroad will definitely prove valuable, both for us as well as QAFAC, in our future professional career in this beloved nation of ours. ”

QAFAC expresses its hearty congratulations to the newly graduated national employees on their exceptional success and look forward towards experiencing their expertise in its journey forward towards higher heights.

New Ambient Air Quality Monitoring System Commissioned at QAFAC



QAFAC achieved a new landmark recently, when it is commissioned a new state-of-the-art Ambient Air Quality Monitoring System (AAQMS), as part of its endeavor to adopt sustainable environment-friendly operations and hasten its journey towards becoming a world-class Methanol and MTBE producer.

The new monitoring system, which conforms to both international and local ambient air monitoring requirements, will help QAFAC to make a more accurate assessment of the air quality in Mesaieed Industrial City (MIC).

It has the capability to monitor lower atmosphere ozone (O3), Sulfur Dioxide, polycyclic aromatic hydrocarbon (PAH), solar radiation, Particulate Matter 2.5 micron (PM2.5), Particulate Matter 10 micron (PM 10), Nitrogen Oxide (NOx) and other metrological parameters like wind direction, wind speed, temperature and relative humidity.

Data from the new system will be shared with the neighboring industries in order to facilitate studies on various air capacity models. It can also be integrated with the central data collection system of the Ministry of Municipality and Environment (MME), which will, in turn, help in monitoring the ambient air quality in the country.

The new AAQMS clearly demonstrates QAFAC's relentless pursuit in conducting sustainable business operations.

New 2016 Sustainability Report Released

QAFAC released its sustainability report for the 6th consecutive year. The 2016 sustainability report, which revolves around the theme 'Building a Safety Culture, Together', provides an in-depth perspective on the company's sustainability objectives, targets, achievements and challenges. The report has also adopted, for the first time, the newly launched Global Reporting Initiative (GRI) Standards.

Our key sustainability highlights for the year 2016 are:

	8.5 million man-hours without Loss Time Accident (LTA)
	29% Qatarization
	Inauguration of Business Excellence Department
	Wave 3 of the Operational Excellence Program completed
	74% Spending on Local Suppliers and Contractors
	Inauguration of SAP® Center of Excellence
	99% MTBE Plant Reliability

The establishment of the new Business Excellence Department in 2016 has been a key enabler in implementing our cost optimization program and realizing efficiencies across our business functions. The department is also a key driver behind synergy development and identifying cross-functional relationships among its sub-departments, thereby supporting a stronger performance-oriented culture.

Safety will always be a core value of our business and an integral part of everything we do at QAFAC, and despite our exemplary track record, we are determined to do better. In 2016, we strengthened our emphasis on adopting best international industrial practices. This has placed us on a trajectory towards best-in-class performance within the petrochemical industry. We are particularly proud that we have surpassed 8.5 million man-hours without LTA. In 2016,

we also completed Phase 1 of the 'AMAN' Process Safety Management program. Phase 2 of the program is now running successfully.

This year's report also highlights our new corporate vision and strategy. Having successfully transitioned from the Operational Excellence Program into the Business Excellence Program, we will continue to reach for our full potential and move closer towards becoming a world-class producer of Methanol and MTBE by 2020.

At QAFAC, we truly understand that making safety an unwavering priority and bringing sustainability considerations into our decision-making model will ultimately drive the company's long-term success.

HSSE Observation Awards

QAFAC has been playing a proactive role in fostering a flawless safety culture across the organization and an impeccable safety behavior among all its employees. In this regard, the company has implemented many programs with the active participation of its employees and contractors.

Prominent among them is an HSSE Observation program, where employees and contractors are rewarded for identifying unsafe acts and conditions. This, in turn, helps us to take timely corrective actions before any incident could happen.

Unsafe Condition: A physical situation at a location, which may lead to an accident or an incident. Eg. Open manhole, obstruction on the way, protruding nail etc.

Unsafe Act: An act, done knowingly or unknowingly, by a person while at work and which could lead to an unwanted incident. Eg. Using improper tools, not wearing proper PPE, not following HSE instructions, guidelines and requirements etc.

All our employees as well as our contractors are being empowered to identify any unsafe act/condition. They can stop any job if they feel it is unsafe and can advise the worker to do the job in a safer manner.



Emergency Preparedness at QAFAC

At QAFAC we conduct simulated emergency exercises every month, in which role players carry out actions, functions and responsibilities that would be expected of them in a real emergency.

These exercises are used to validate plans and procedures, as well as to practice prevention, mitigation, preparedness, response and recovery capabilities.

The emergency exercises cover fire, HAZMAT, medical, rescue and environmental risks that are credible risk scenarios at QAFAC.

There are two types of exercises that we regularly undertake at QAFAC.

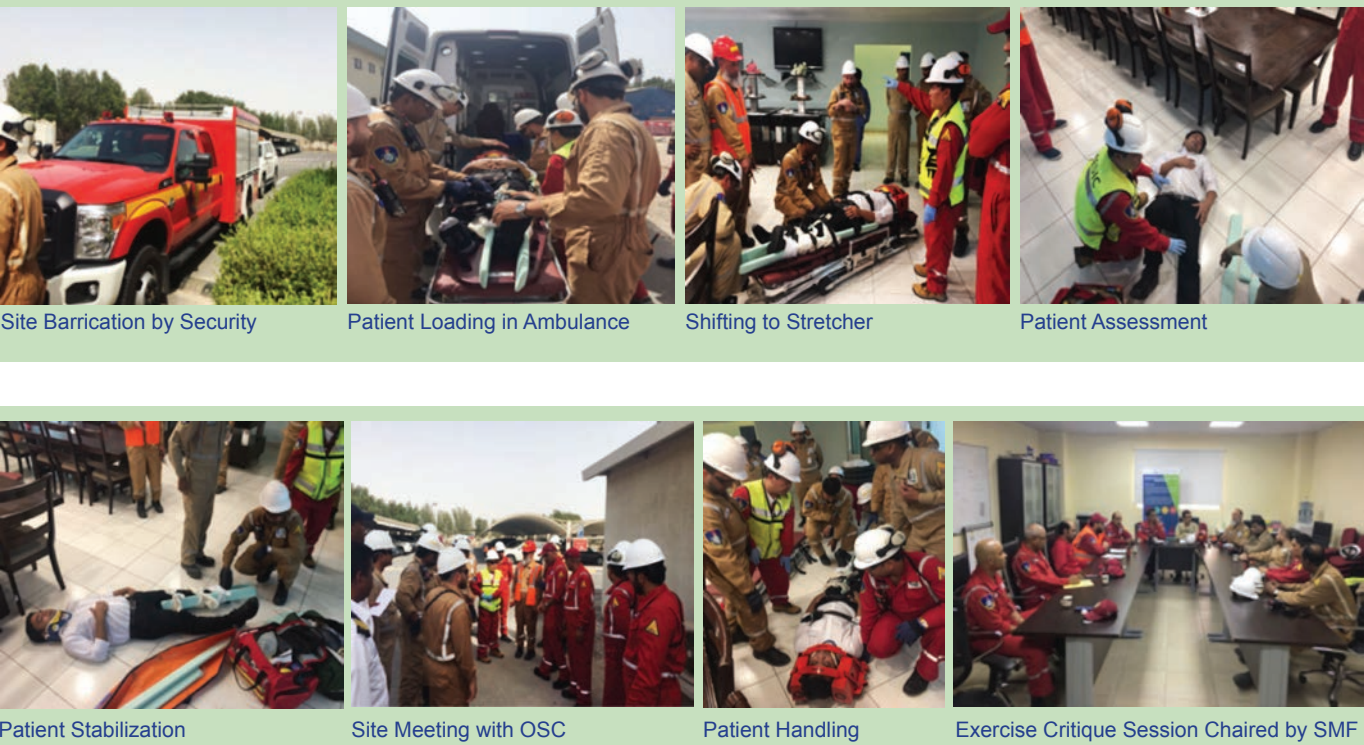
Discussion-based Exercises

Discussion-based exercises are typically tabletop exercises that are aimed at familiarizing participants with current plans, policies, agreements and procedures and developing new ones.

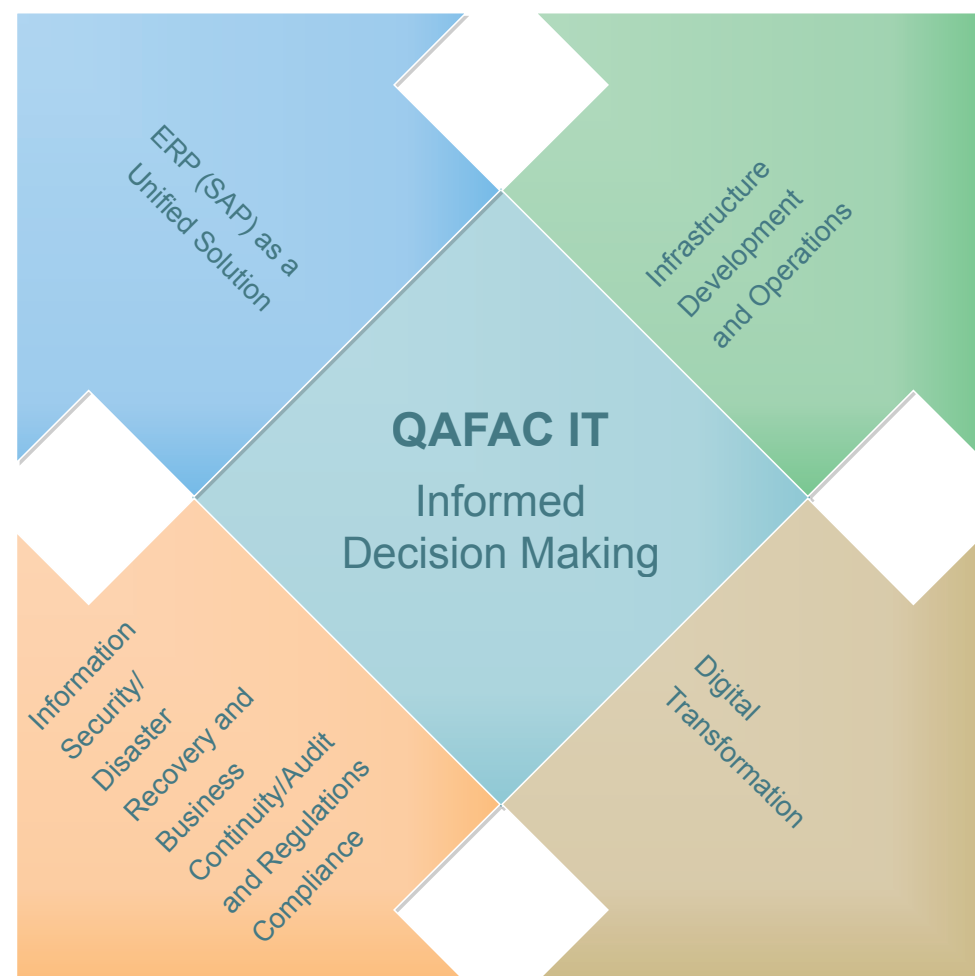
Operations-based Exercises

Operations-based exercises are exercises that validate plans, policies, agreements and procedures, clarify roles and responsibilities, and identify resource gaps in an operational environment. Specific operations-based exercises include drills, functional exercises and full-scale exercises and include emergency activities such as firefighting, managing hazardous materials, patient rescue and care salvage and decontamination.

The mutual aid capacity of MIC (Mesaieed Industrial City) is also regularly tested as these exercises are done in close coordination with MIC Emergency Services. The HSE team together with the ERT (Emergency Response Team) is responsible for designing, developing, conducting and evaluating the exercises and looking for areas of improvement. The exercises are designed to adequately cover all the different risk scenarios at QAFAC.



QAFAC IT Adopts a Portfolio Management Approach for its Operations



Keeping in line with the company's corporate objective of 'Informed Decision Making', QAFAC IT is spearheading a program that aims to streamline all IT operations through a portfolio management approach.

In this regard, four portfolios have been identified and implemented.

- Portfolio No. 1: ERP (SAP) as a unified solution
- Portfolio No. 2: Infrastructure Development and Operations
- Portfolio No. 3: Information Security/Disaster Recovery and Business Continuity/Audit and Regulations Compliance
- Portfolio No. 4: Digital Transformation

Portfolio No. 1

SAP, the companywide ERP solution, is now being used as the primary repository and transactional platform for conducting all businesses. In this context end-to-end solutions have been developed across all the SAP modules. These include CEO dashboard, daily operation report (DOR), incident management system, spare parts capitalization, customer down payment, school reimbursement, staff payments, company personal loan, domestic crisis loan, marriage loan, house repair loan, real-time reports and dashboards using BI/BO.



Portfolio No. 2

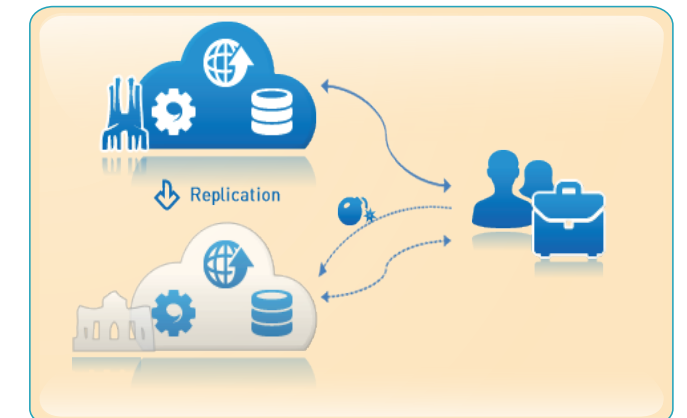
Infrastructure development and operations are being pursued through a headcount and surveillance project, which aims to address and resolve companywide issues related to headcount, access control, timekeeping system, visitor management, mustering, fatigue management, evacuation management and surveillance. The system is integrated with SAP as a part of a unified solution for the data and information transference and subsequent processing.

The Avaya to Cisco communication changeover project that we have embarked upon is destined to offer many business benefits to QAFAC, such as better communication capabilities, virtual face-to-face interaction, understanding clarity, improving users' productivity and sizeable cost and time-saving.



Portfolio No. 3

SAP DR Testing was undertaken for the SAP Server (SRM) with the BCM Team. Recovery Time Objective (RTO) was successfully tested for 6 hours and the Recovery Point Objective (RPO) was recorded to be 4 hours. E-mail and web security have been further enhanced for protection against advanced malware.



Portfolio No. 4

Digital transformation has been launched with the objectives of designing frameworks required for QAFAC businesses' successful transformation as well as change of management and transformation initiatives across all functions, from digital to financial and human resources.



QAFAC Felicitates its Long Serving Employees

“It is indeed an honor to be at the helm of an employee-centric organization that rewards the loyalty, hard work and dedication of our employees. I take immense pleasure in extending our hearty congratulations to the 37 long service employees who have completed 5, 10, 15 and 20 years of glorious service with QAFAC. On behalf of QAFAC, I thank you all for your valuable contributions towards the ongoing success of the company.”
Khalid Sultan Al-Kuwari, CEO, QAFAC”



At a glittering ceremony held at Dana Club on 28 January 2018 QAFAC rewarded 37 of its employees who had completed 5, 10, 15 and 20 years of glorious service with QAFAC. For the first time the company was able to felicitate employees who have completed 20 years of service. This is a clear reflection that QAFAC is an organization that offers its employees unlimited opportunities to build long-lasting careers.

Mr. Khalid Sultan Al-Kuwari, CEO of QAFAC presided over the function, which was well attended by the senior management and other employees of QAFAC apart from press representatives and renowned personalities of Qatar.

During his presidential address Mr. Al-Kuwari reiterated that investment in talent will remain a core commitment of the company's new strategic approach and called upon all the employees to be ever ready to attract the next generation of QAFAC employees by inducting them properly and providing them with all the necessary assistance in transferring the business knowledge accumulated over the years to them. He reaffirmed that the only way one can leave a lasting legacy is to ensure that the business is always in capable and professional hands.

The CEO later distributed mementos and certificates of appreciation to the long serving employees.



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