

MPHC SUSTAINABILITY REPORT

2022 & 2023



5 Our Vision & Mission

6 Management Statement

8 About This Report

12 About MPHC

16 Our Approach to Sustainability

18 MPHC Governance

22 Governance

23 ENVIRONMENT

24 SOCIAL

26 Q-Chem Companies

46 Qatar Vinyl Company
Limited (QVC)

78 Index of ESG Key
performance indicators

84 Key Definition

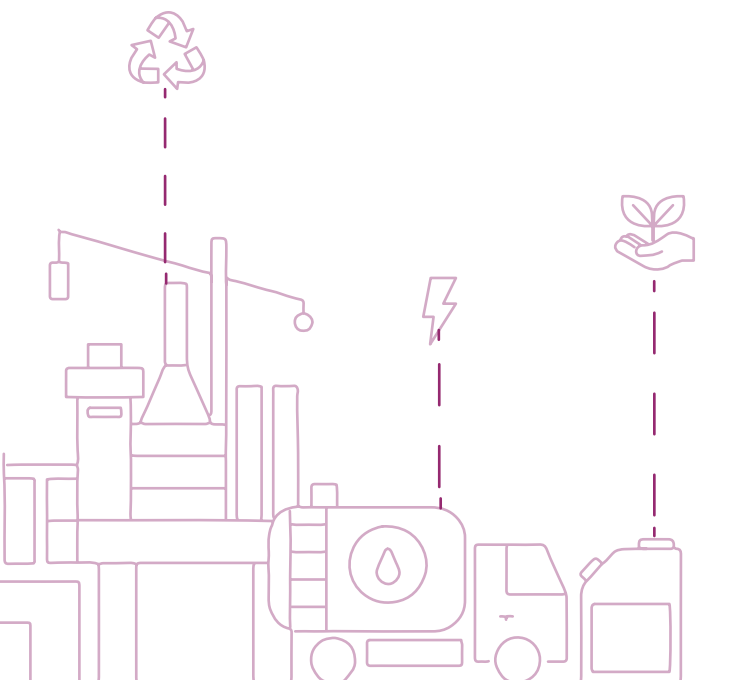
85 Abbreviations



Our Vision & Mission

Vision:

MPHC is committed to be globally recognized as a world-class provider in petrochemical and other complementary industries with environment consideration to sustain profitable growth in order to maximize shareholder's return and capital value.



Mission:

To increase the Group's business portfolio through gains in efficiency and capital investment projects that will result in a significant increase in production capacity and widening of product range.

Management Statement

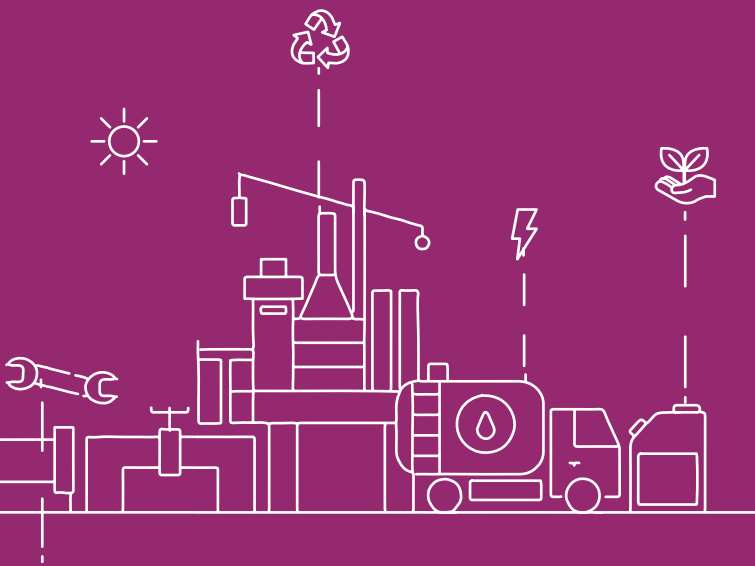
We are pleased to present Sustainability Report for Mesaieed Petrochemical Holding Company (MPHC) Group highlighting the sustainability performance for 2022 & 2023 which demonstrates our commitment to conduct Group operations sustainably and contribute positively to the ecosystem that we operate in.

The Group continues to exert efforts to optimize energy consumption and reduce emissions through turnaround activities and various process improvement initiatives. The Group also strives to improve efficiencies around water consumption and recycling. Operations were conducted in a reliable and safe approach with zero tier 1 & tier 2 process safety events and zero Company responsible environment events. The Group is further committed to enhancing the culture of safety and well-being of its employees and contractors, while maintaining efficiency and reliability of its operations and therefore prioritizes the same with proactive risk management and improvement practices to maintain a safe and healthy workplace.

The Group continuously strives to enrich its systems and processes to create value for its people and society by aiming to implement challenging sustainable goals and keep its commitments to ensure securing of a sustainable future.

We would like to thank you for your interest in MPHC and invite you to read this report to learn about our sustainability journey for 2022 & 2023. We look forward to continuing our cooperation to achieve our shared commitment to a more sustainable future.

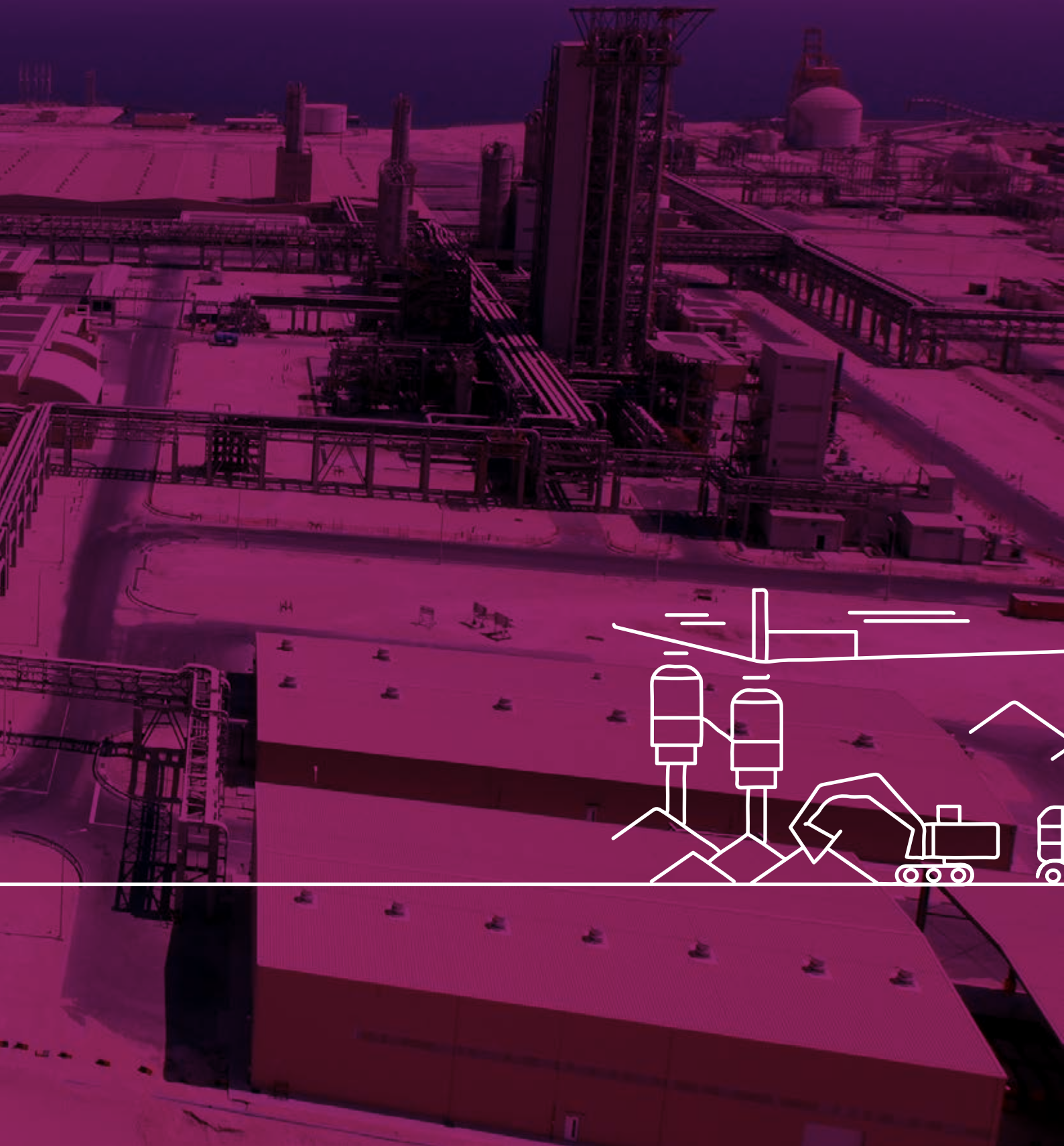
”



1

About This Report





Through this report, we exhibit our dedication to transparency and constructive engagement with our internal and external stakeholders, providing them with informative summaries of our businesses from governance, economic, social, and environmental perspectives.

In this report we disclosed our operational & ESG performance for MPHC and its Group Companies and their operational facilities as given below:

- Qatar Chemical Company Ltd. (Q-Chem)
- Qatar Chemical Company II Ltd. (Q-Chem II)
- Ras Laffan Olefins Company Ltd. (RLOC)
- Qatar Vinyl Company Ltd. (QVC) (Q.P.J.S.C)

The sustainability aspects in this report are summarized and presented at a consolidated level for MPHC and its Group Companies on a 100% basis.

For a more detailed information and disclosures related to Group Companies, you may kindly refer to the individual sustainability reports published on the respective Companies' websites.

REPORTING PERIOD

The report covers 2022 and 2023 calendar year.

Contact Us

For feedback and comments
please send an email to: mphc@qatarenergy.qa

Our Address:

Mesaieed Petrochemical Holding Company
P.O. Box 3212, Doha, Qatar
Tel: 974 4013 2080
Fax: 974 4013 9750





Disclaimer

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



2

About MPHC



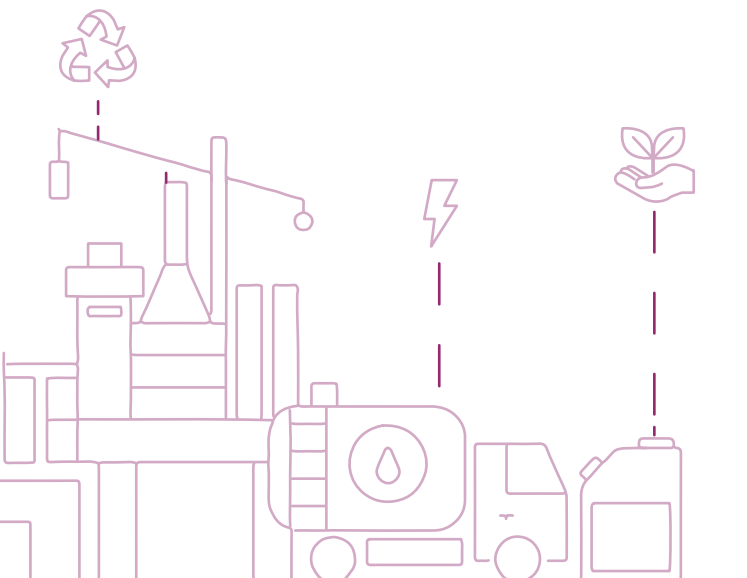




About MPHC

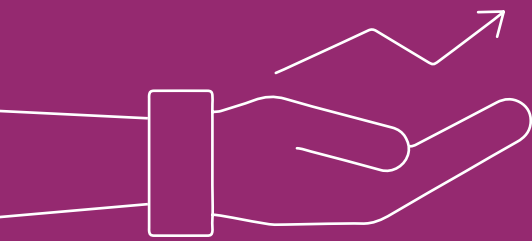
Mesaieed Petrochemical Holding Company Q.P.S.C. ('MPHC') was incorporated as a Qatari joint stock Company on May 29, 2013, with an agreed effective date for the transfer of QatarEnergy's previous shareholding in the joint ventures of 1, September 2013. MPHC is a Qatar-based Company operating in the petrochemical sector. The main activity of MPHC is to act as a holding Company. MPHC holds 49% of the issued share capital of each of Qatar Chemical Company Limited ('Q-Chem') and Qatar Chemical Company II Limited ('Q-Chem II'), and 55.2% of the issued share capital of Qatar Vinyl Company Limited (QVC) Q.P.J.S.C.

QATAR CHEMICAL COMPANY LTD. (Q-CHEM)	QATAR CHEMICAL COMPANY II LTD. (Q-CHEM II)	RAS LAFFAN OLEFINS COMPANY LTD. (RLOC):	Qatar Vinyl Company Limited (QVC) Q.P.J.S.C.
Products: Ethylene, High and Medium Density Polyethylene, 1-Hexene and other by-products.	Products: Polyethylene, Normal Alpha Olefins (NAO).	Products: Cracked Ethylene, C3/C4 and Pygas.	Products: Caustic Soda, Ethylene Dichloride, Vinyl Chloride Monomer, Sulphur and Hydrochloric Acid.



Qatar Chemical Company (Q-Chem) was established in 1997 and began operations in 2004. With its associated Companies, Qatar Chemical Company II (Q-Chem II) and Ras Laffan Olefins Company (RLOC), the Q-Chem Companies produce high-value petrochemicals and derivatives from production facilities located in Mesaieed industrial city and Ras Laffan Industrial City. QVC was incorporated in 1997 as a joint venture, it is currently owned by MPHC, QAPCO (Qatar Petrochemical Company) and QatarEnergy and now all QVC operations are managed and operated by QAPCO. This means QVC and QAPCO operating as one Company, and the core technical functions were integrated and expanded the operational synergy with full optimization under QAPCO, however, as two distinct entities, each with their own shareholders and brand name.

Our Approach to Sustainability



"Sustainability" takes a broader perspective to include aspects such as Economic, Environment, Social, and Governance elements. The pursuit of excellence is embedded in MPHCS sustainability philosophy that is focused on operating at high standards of safety, preserving the environment, and promoting economic growth and community well-being. Through our stakeholder-driven approach, we determine the relevance of matters to address and report on, considering their significance to both our business and our stakeholders. The sustainability elements aligns with the Group's corporate strategy for value creation in the Petrochemical segment that MPHCS operates, which also aligns with the four pillars of Qatar National Vision of 2030.





Each of the above sustainability elements includes sub-elements that enable the development of specific KPIs to drive value creation for its stakeholders.

MPHC Governance

Out of a firm belief in the importance and need for establishing the principles of good governance to enhance the value added to shareholders, MPHC Board of Directors is committed to implementing the principles of governance set out in the Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) pursuant to QFMA Board decision no. 5 of 2016, and in line with the provisions of the Company's Articles of Association.

Board of Directors

MPHC Board of Directors attaches greater importance to achieving justice and equality among shareholders, enhancing transparency and disclosure, and providing timely information to shareholders in a way that enables them to make their decisions and properly conduct their business.

The Board is also committed to upholding the values of corporate social responsibility, putting the interest of the Company and its stakeholders ahead of any other interest, performing roles and responsibilities in good faith, integrity, honor and sincerity and taking the arising responsibility to stakeholders and community.

Mesaieed Petrochemical Holding Company was established by QatarEnergy, a Qatari state-owned public corporation established by Decree Law no. 10 of 1974, as a parent Company of a Group of Companies that have been operating for decades in the petrochemical industries. Mesaieed Petrochemical Holding Company was listed in 2013 by QatarEnergy to serve as a mechanism for the distribution of wealth to Qatari nationals.

This was primarily achieved via the discounted IPO price. All shareholders receive generous dividends in proportion to their existing shareholdings.

MPHC listing on the Qatar Stock Exchange was phenomenal, as all shareholders were promised to be given 100% free incentive shares in order to promote saving culture among Qatari nationals and to ensure that they receive maximum benefit from MPHC activities. In addition, an Amiri grant was given to the underprivileged.

Board Composition

Recognizing the specific nature of MPHC's activities and its strategic position and taking into account the public interest, the Company's Board shall consist of no less than five (5) and no more than eleven (11) Directors, all of whom shall be appointed by the Special Shareholder (QatarEnergy). The Special Shareholder shall, as it may deem appropriate to include independent Directors, take all reasonable steps to ensure that at least one-third of the total number of Directors shall be appointed as independent directors.

The Special Shareholder (QatarEnergy) may appoint Board Directors for the following reasons that show how closely the Company's financial and operational performance is connected to QatarEnergy, making it vital to maintain an aligned strategy and vision:

- QatarEnergy is the founder, special shareholder and 57.85% majority shareholder.
- The contractual obligations on QatarEnergy provided for in the agreements signed with foreign partners in the joint ventures, which were the basis for the establishment of the Company and transfer of QatarEnergy's stakes in the joint ventures to MPHC.
- Mesaieed Petrochemical Holding Company and its Joint ventures depend on QatarEnergy for the supply of feedstock and infrastructure.
- Mesaieed Petrochemical Holding Company and its Joint ventures depend on QatarEnergy for technical, technological, and marketing support.

QatarEnergy provides all financial and head office services to the Company under a comprehensive service-level agreement. These services are provided as and when requested to ensure that the operations of Mesaieed Petrochemical Holding Company are fully supported.

Directors are appointed for renewable terms of three (3) years or such shorter periods (being no less than one (1) year). Pursuant to QatarEnergy's resolution no. 11



of 2021 dated 17/03/2021, MPHC Board of Directors was reconstituted in accordance with Article no. 22 of the Company's Articles of Association. Accordingly, seven (7) Directors were appointed by QatarEnergy with effect from 15/03/2021. In accordance with the definition of the independent Director in QFMA Governance Code, MPHC Non-Executive Directors are Non-Independents, as they are representatives of a legal person that owns more than 5% of the Company's share capital. MPHC will disclose Qatar Energy's decision on the formation of the Company's Board of Directors for its next term (2024-2027), including its decision on any change thereto in due course.

In accordance with the composition of the Board and its roles and responsibilities under Board Charter, Manual of Authority and Company's Articles of Association, no one or more of Directors may have control over passing resolutions. Resolutions of the Board shall be passed by a simple majority of those Directors present and entitled to vote at the relevant meeting of the Board, each Director present having one vote.

QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives.

QatarEnergy ensures that all of its representatives in the Group Companies attend appropriate training and awareness programs so that subsidiaries' boards of directors can achieve the highest levels of performance and adopt the best governance practices.

Board Committees

As part of implementing governance, the Board of Directors established Board Committees and Special Committees delegated with some powers and authorities

to carry out specific tasks and conduct Company's business. The Board of Directors remains liable for all the powers and authorities so delegated. Board Chairman is not a member of any Board Committee or Special Committee. The Board also reviews and assesses the performance of the committees on an annual basis. Board Committees are as follows:

Board Audit Committee:

The Board Audit Committee (BAC) was constituted pursuant to Board resolution no. 8 of the second meeting of MPHC Board of Directors of 2014. The current BAC was formed by virtue of resolution no. 8 of the second meeting of 2018 following Board reconstitution. The BAC comprises of 3 Board directors, all of whom have the required experience necessary to effectively perform their duties and exercise all the authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman or a member of any other Committee.

Remuneration Committee:

As part of its efforts to comply with the provisions of QFMA Governance Code, the Company established a Remuneration Committee pursuant to Board resolution no. 2 of 2018, reconstituted pursuant to Board resolution no. 3 of 2022. The Committee comprises of three members, including a Board Director as Chairman, all of whom have the required experience to efficiently perform their duties and exercise all the authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman of any other Board Committee, and the BAC Chairman is not a member of the Remuneration Committee.

Head Office Structure

QatarEnergy is the founder, special shareholder and 57.85% majority shareholder. QatarEnergy provides financial and non-financial head office function services to the MPHC under a service-level agreement between QatarEnergy and MPHC. Head office services mainly include Financial Operations (financial reporting, management reporting, strategic business and financial planning and treasury functions), Investor Relations and Communications (quarterly earnings press release, Investor presentations, earning calls, media and communications, newspaper publications, website management etc.,) and Governance and Compliance (governance framework, risk management, regulatory compliance etc.,).

QatarEnergy's Privatized Companies Affairs Department as per the service level agreement exclusively manages the head office functions of MPHC with support from other QatarEnergy departments viz., as Human Resource, Information and Communication Technology, Finance & Planning etc.,

Led by Manager, Privatized Companies affairs, the department is supported by staff with varied experience in the field of Finance, Investor relations, Governance and Compliance.

Supporting the development of national employees, identifying, and developing talented and capable Qataris to take permanent long-term positions in the Company being one of the driving force, the Privatized Companies Affairs Department is headed by Qatari national and the ratio of Qatari employees to the total staff providing head office services to MPHC stands at a healthy 33%. QatarEnergy undertakes efforts to recruit more female employees as a commitment to diversify the workforce. Female employees currently make up 13% of the total staff providing head office services to MPHC.

MPHC Board of Directors are firmly committed to implementing the principles of good governance and attaches greater importance to achieving justice and

equality among shareholders, enhancing transparency and disclosure, and providing timely information to shareholders. The Board of Directors ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed Companies, is in place at the Company level. Corporate Governance framework in line with regulatory requirements and industry best practices are developed, reviewed periodically, and implemented. Processes are defined through established policies and procedures duly reviewed and approved by the MPHC Board. MPHC

Board audit committee oversees the risk management and internal control system of MPHC on a periodic basis to review and discuss key risks, internal audit plans and internal control observations with the internal auditors. The Internal Auditor periodically provides reports in this regard to the Board Audit Committee. BAC in turn reports to the Board on significant internal control matters and actions taken. The appointed internal auditors also carry out shareholder's audit on MPHC Group Companies to provide assurance on Groups risk and control processes to the MPHC BAC.



Governance

MPHC Group is committed to upholding strong governance standards and implementing sound practices to ensure that Group's business is operated with integrity. MPHC Group recognizes that a robust corporate governance needs to be an integral component of the business and day-to-day operations. The Group Company's corporate governance framework includes a clearly articulated strategy and values, clear roles and responsibilities, well-defined management processes and systems, and an enterprise-wide approach to the management of risk.

The Board of Directors (BoD) is the highest governing body at MPHC and its Group Companies and represents the interests of the Group and its shareholders. BOD Charters are developed at MPHC and each of the Group Companies in accordance with the Corporate Governance best practices, Qatar Commercial Companies Law, Qatar Financial Markets Authority Corporate Governance Code for Listed Companies and Company's Articles of Association.

Adequate representation of MPHC Directors is maintained in the Group Companies and each appointed representative in the Group Companies will abide by a set of guidelines or terms of reference developed and approved by the Board of MPHC, which explains his roles and duties. Guidelines/terms of reference in terms of MPHC requirements will be provided to each representative – these will include governance reporting and control requirements that the subsidiary must comply with. The BOD at each of the MPHC and its Group Companies discharge their oversight responsibility by further delegating some of its functions and constitute special committees such as the Audit Committee or Remuneration Committee or Health, Safety and Environmental Committee etc., for the purpose of undertaking specific operations on its behalf and set their authorities and duties.

BOD periodically review and approve the work of Board committees, conduct an annual self-evaluation of the performance of the Committees, including their effectiveness and compliance with its Terms of Reference. Code of Ethical Conduct drives business decisions at MPHC and its Group Companies and remains the cornerstone of the Company's business conduct. The Code of Conduct provides clear guidance to all employees on what it means to act ethically, professionally, and with integrity. It covers a wide range of topics including anti-bribery, conflict of interest, fraud, corruption and compliance.





Environment

MPHC through its Group Companies is committed to integrating sustainability development principles into operations by developing and addressing environmental, health and safety aspects ensuring compliance to all legal and regulatory requirements and committing a continual improvement to operations to reduce environmental impacts.

To that extent the Group Companies under MPHC develop and periodically review the environmental policies in line with the legal requirements as prescribed under consent to operate to assess, mitigate and report any environmental impacts associated with the direct or indirect effects of the Group's operations.

Efficient Energy Usage

The Group recognizes the importance of reducing energy consumption in order to minimize the environmental impacts as well as increase the Company's operational efficiency. The Group uses natural gas as a primary energy source for producing petrochemicals and derivative products (constitutes ~95% of total energy consumption by the Group) which is relatively cleaner and more environmentally friendly compared to other conventional methods of generating energy.

Emissions Reductions:

The Group continues to invest in environmental projects to optimize and efficiently use natural resources and reduce the generation of emissions, effluents, and waste. Through such capital investments, the Group's aim is to improve the environmental performance of operations, while enhancing the reliability and safety of operations.

Water Management:

Since we operate in a country in one of the highest waters stressed regions of the world, water efficiency is an integral part of our environmental management approach. To overcome our water scarcity challenges, the wastewater treatment units at Group Companies enable to treat water and reuse it in operations and for irrigation. Group Companies also have implemented several initiatives with the aim of reusing wastewater in the production process and reducing freshwater consumption.

Waste Management:

Group Companies adopt comprehensive procedures for identifying, segregating, collecting, and disposing waste generated from operations. A summary of all waste shipments for hazardous wastes is reported to the Ministry of Environment and Climate Change (MECC) periodically.



Social

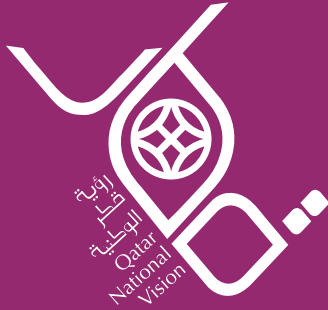
MPHC and its Group Companies are firmly committed to be exemplary in contributing to our community and engaging in their development. MPHC efforts are focused on raising public awareness of issues that the Company considers important for the sustainable future of the country and aligned with MPHC's values.

Qatarization continues to be one of the Group's key commitments in alignment with the Qatar National Vision 2030 and in support of the National Development Strategy Group recruits, develops and retains highly competent Qatari talent. Group also believes it is important to play an active role as a community member to fulfil its social responsibility as a good corporate citizen and can contribute to the development of the Qatari society in line with QNV 2030 and build a more sustainable and resilient community.

The health and safety of employees and contractors is a top priority for the Group. The Group implements various procedures and programs to support in upholding the highest health and safety standards in its operations.

As part of sustainable supply chain agenda and in alignment with the Economic Development Pillar of QNV 2030, the Group's focus is on procuring from local suppliers as an effort to support the growth of the local businesses in Qatar and contribute to the economic development of the country through initiatives such as the "Tawteen" program.





Employees are considered the major building block which defines the Group's success. Group has a proud legacy as an employer of choice, thanks to the enabling work environment that fosters professional growth and diversity, significant opportunities for Qataris, and uniquely strong commitment to contribute to the social, educational, and economic goals of the local community, following Qatar's National Vision 2030.

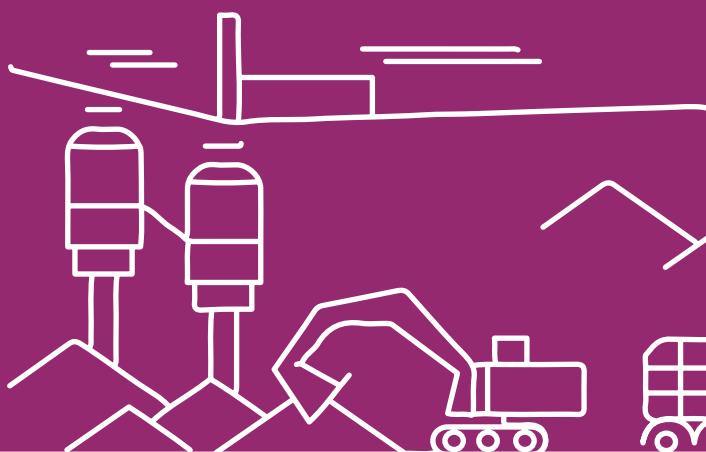
For more details on each Company performance and initiatives related to ESG factors refer to relevant Company's section below in this report.



Q-Chem Companies

Qatar Chemical Company Ltd. (Q-Chem) and its operated facilities (Q-Chem) and (Q-Chem II) in Mesaieed Industrial City and Ras Laffan Olefins Company Ltd. (RLOC) located in Ras Laffan Industrial City are collectively hereafter referred as the Company or Q-Chem.



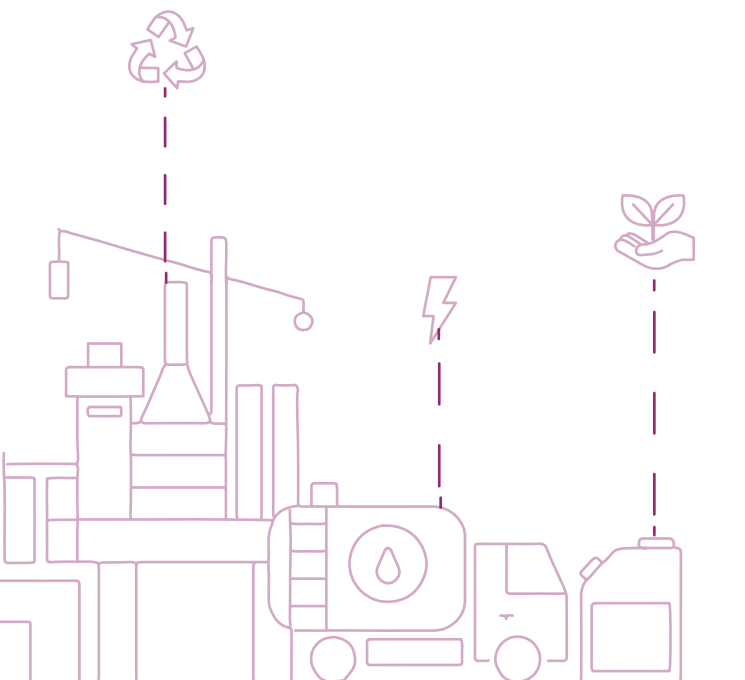




1.1 Vision, Mission & Values

Vision:

To grow sustainably, in alignment with Qatar National Vision and become the leader of world class operators in the petrochemical industry by 2027.



Mission:

We are a Joint Venture between Mesaieed Petrochemical Holding Company, Chevron Phillips Chemical International Qatar Holding LLC and QatarEnergy, operating in the petrochemical industry. We produce polyethylene, 1-hexene and normal alpha olefins in a safe and environmentally friendly manner, creating opportunities for our employees and value for our customers, shareholders and the State of Qatar.

Core Values:



Safety:

Safety is our core value. At Q-Chem, safety means having a safe and healthy workplace, protecting people, the environment and assets. Safety is every employee's and contractor's responsibility. Everyone is empowered with the authority to stop any work they believe is unsafe, because at Q-Chem we work safely or not at all.



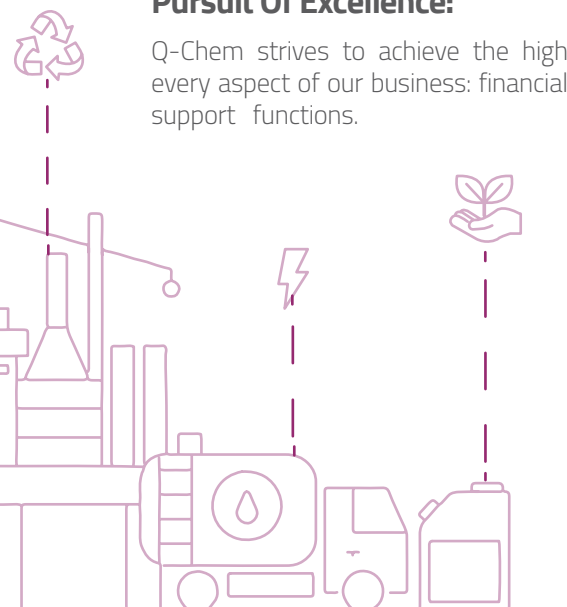
Care & Respect For All People:

It's the Q-Chem way: Q-Chem cares for and respects our people, regardless of their gender, culture, language or beliefs.



Pursuit Of Excellence:

Q-Chem strives to achieve the highest standards in every aspect of our business: financial, operational, and support functions.



**Accountability:**

Q-Chem holds full accountability in every aspect of its business.

**Green Company:**

Q-Chem is committed in protecting and minimizing the impact of our operations on the environment.

**Social Responsibility:**

Q-Chem already carries out some corporate social responsibility activities but aims to go beyond this and to truly engage with, and support, local communities.

**Trust and Integrity:**

Q-Chem fosters trust and integrity among our employees, shareholders, suppliers and contractors, customers, national authorities, and regulatory agencies.



1.2 ENVIRONMENT



1.2.1 Efficient Energy Usage:

As part of Q-Chem's operational excellence, the Company aims to reduce energy usage and improve energy efficiency throughout all of Q-Chem's operations. However, Q-Chem's total energy consumption in 2023 had decreased by 0.5% compared to 2021 but increased by 3.7% compared to 2022. In 2022 Q-Chem had a turnaround, so operations were stopped during the exercise, while in 2021 and 2023 the facilities operated as per normal.

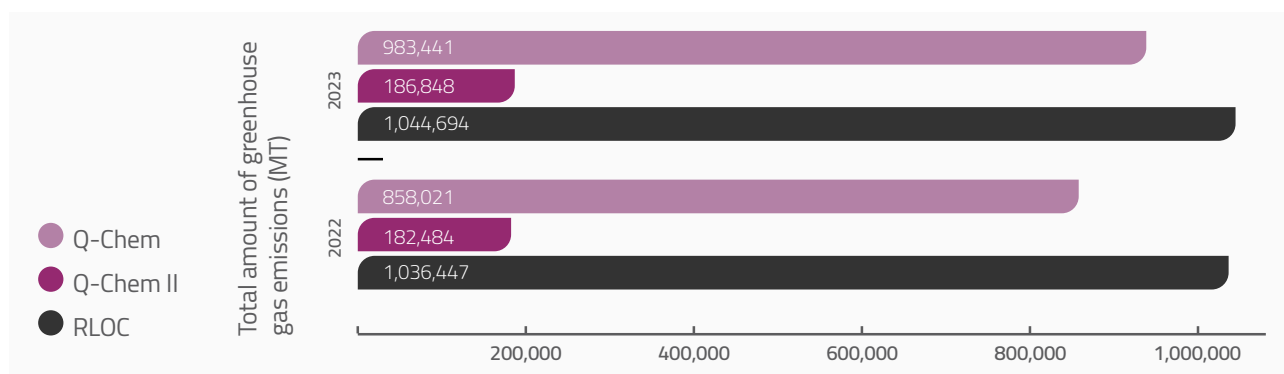
ESG factor	Q-Chem			Q-Chem II			RLOC		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Energy Consumption (Total amount of energy usage in Mn GJ)	17.309	14.892	17.046	1.824	1.834	1.938	34.368	34.656	34.286
Electricity	1.318	1.182	1.303	1.126	1.113	1.138	0.394	0.389	0.387
Gas Fuel	5.921	5.778	5.882	0.698	0.72	0.8	7.911	8.353	8.169
Liquid Fuel	1.134	0.563	0.594	-	-	-	-	-	-
Tail Gas	8.936	7.368	9.267	-	-	-	26.063	25.913	25.73
Production	1,285,755	1,087,795	1,246,000	724,782	713,622	767,634	1,553,841	1,496,319	1,491,815
Energy Intensity calculated (Energy Consumption/ Production)	13.46	13.69	13.68	2.52	2.57	2.52	22.12	23.16	22.98



1.2.2 Emissions Management:

As a result of the shutdown during 2022, and the high emissions associated with stopping and then restarting operations, it is most appropriate to compare total GHG emissions for 2023 with those of 2021. Such comparison reveals a nominal reduction in GHG emissions.

In 2023, an 1.6% reduction in total greenhouse gas emissions was recorded compared to 2021 however an increase of 7% comparing to 2022, due to turnaround. Overall, 2023 greenhouse gas emissions are considered the second lowest with a decreasing trend in last three years. GHG emissions intensities (in tonne CO₂e / Tonne Production) remained relatively flat since 2021 up to 2023. Recorded lowest level of Acid gas flaring and ethylene flaring compared to 2022.



1.2.3 Water Management:

Given the water scarcity issue in the region, the Companies understand the importance of water conservation and the efficient management of water sources. In line with this, the Companies continue to increase their treated wastewater recycling, while moving forward towards the Companies aim of reaching near zero liquid discharge in the near future.

Companies 2023 water performance was aligned with above strategy, reducing freshwater consumption by 0.4% compared to 2021 but an increase of 5% from 2022. Also, water discharged to sea increased by 2% from 2022, while water recycling intensity increased by 14% over last year.

ESG factor	Q-Chem			Q-Chem II			RLOC		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Water consumption (million m3)	1.070	1.008	1.105	0.184	0.145	0.255	0.658	0.657	0.774
Water recycled/reused (million m3)	0.112	0.125	0.101	0.238	0.228	0.202	Nil	Nil	Nil

Q-Chem places a strong emphasis on environmentally mindful water usage, taking several steps to minimize wastewater and promote sustainability in water management. At the RLOC plant, facilities management has reduced freshwater usage by reprogramming the irrigation system control panel for more efficient water use and less waste. Q-Chem's recycled water is used for irrigation which also reduces the need for fertilizers. Q-Chem has launched two projects, Q-Chem Near Zero Liquid Discharge and RLOC Near Zero Liquid Discharge, aimed at minimizing wastewater discharge and maximizing recoverable fresh water. Both projects include adding facilities to treat and filter wastewater, reclaiming up to 75% of treated water. The RLOC plant is also retrofitting its process wastewater aeration system to improve the biological process and maintain steady treatment effluent parameters. By using a diffuser aeration system, the steady Dissolved Oxygen (DO) level will be maintained, leading to a consistent and efficient wastewater treatment process. Adopting this method leads to both efficient wastewater treatment and a reduction in overall water consumption.



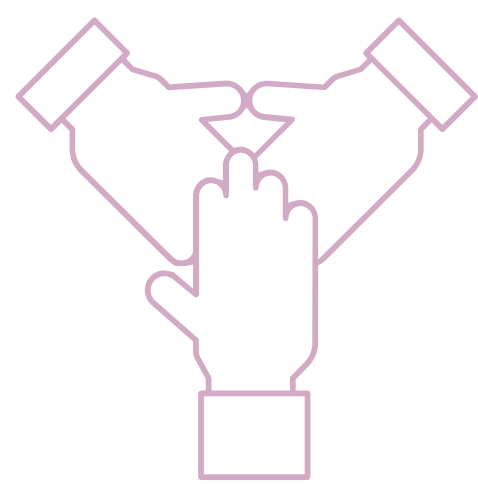
1.2.4 Waste Management:

In 2023, Q-Chem achieved significant progress in waste reduction by reusing 3421 drums as hazardous waste containment, 2071 wooden pellets, and recycling various materials including electronic waste, lubricant oil, waste containing hydrocarbons, plastic waste, used tires, and lead-acid batteries. Q-Chem has also partnered with Tadweer Qatar, a sustainable waste management Company, to further enhance its waste minimization efforts, further demonstrated its commitment to sustainability through its pollution prevention programs, which encourage waste reduction, reuse, and recycling.

Waste	Q-Chem			Q-Chem II			RLOC		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Generated (MT per year)	7901	10606	13269	1724	2283	1795	42257	56511	62204
Recycled (MT per year)	773	2123	5115	564	273	296	1687	7555	9235
Treated (MT per year)	217	269	304	4.35	7.44	2.71	11486	16152	18442
Disposed/ Incinerated (MT per Year)	6718	9175	7850	1118	1924	1536	29095	41549	34521



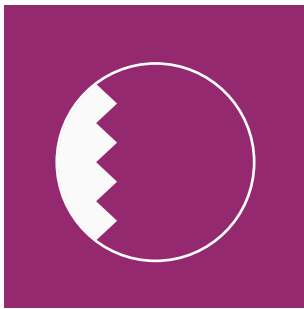
1.3 SOCIAL



At Q-Chem, “care & respect for all people’ is one of the core values, and as such, Q-Chem strives to maintain a positive, safe, healthy and balanced work environment for its employees. Q-Chem believes that its people are its greatest asset and investing in their development and wellbeing translates to business success, productivity, and shared value for all. Full time employees at Q-Chem stood at 1067 with an employee turnover of 2.2% for 2023. Out of 1067, 73 were women employees.

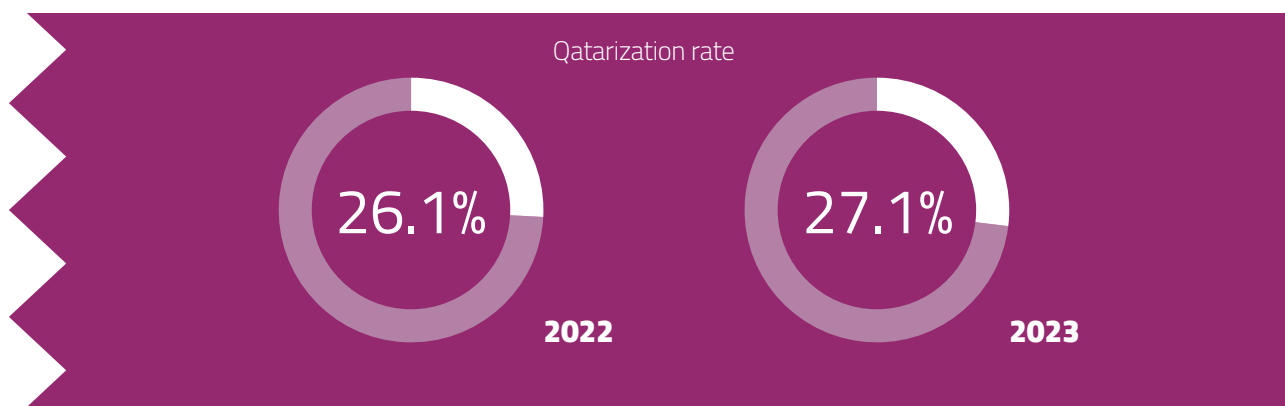


CARING FOR OUR TALENTS: One of Q-Chem’s top priorities is to attract and retain the most talented individuals in the industry and those who reflect Q-Chem’s corporate culture and adopt its vision of sustainability. Q-Chem achieves this by retaining low attrition rates through talent development programs, competitive remuneration schemes, and high employee engagement. “As a testament to its high retention rates, turnover has been decreasing over the last years.’ and Q-Chem’s engagement survey conducted in 2018 and 2021 resulted in an impressive engagement rate of 88% and 87% respectively. The next edition of the engagement survey will take place in 2024.



1.3.1 Qatarization:

Q-Chem strives to develop and uplift the local workforce and prioritize Qatar nationals for employment opportunities at Q-Chem. Qatarization is one of Q-Chem's national commitments and strategic goals toward the sustainable development of the Qatar community in line with the Qatar National Vision 2030. To achieve this goal, the Company attracts, develops, motivates and retains highly competent Qatari talent from various disciplines across the organization. Q-Chem is targeting national engineers and trainees by holding an annual recruitment event to attract and recruit more Qatari talent, allowing them to pursue a fulfilling career at one of Qatar's top Companies. Q-Chem's Qatarization rate has increased over the years. The Qatarization rate for 2022 stood at 26.1% and for 2023 at 27.1%.



1.3.2 Sustainable Procurement:

Commercial Group at Q-Chem centrally manages the procurement of goods and services for Q-Chem, Q-Chem II & RLOC (Company). Pursuit of excellence in procurement remained one of the main objectives in 2022 & 2023 in which Company successfully implemented a project for transforming its procurement function into category management by implementing global best practices, targeting strategic objectives of improving resilience in its supply chain, identifying, and capturing strategic long-term value for the organization. Developing local suppliers and building strong relationship with them is a crucial part of this transformation project objectives.

Company uses a supplier qualification self-audit questionnaire to ensure that only Companies that prioritize employee safety, health, and well-being are allowed to work on its premises. All bidders are required to complete the questionnaire prior to any site activities and facilities. This ensures that all bidders are aware of Q-Chem's high standards for safety, quality, social, and environmental responsibility. Company believes that working with and developing qualified local contractors will stimulate the local economy, encourage sustainable business practices, and support Qatar's goal of economic growth and development as outlined in the Qatar National Vision 2030. In 2022, the actual spending for local services procurement tangibly increased from the previous year due to the significant turnaround activities at the Q-Chem plant site, which were supported by local contractors and demonstrated Q-Chem's commitment to supporting the local market.



1.3.3 Health & Safety:

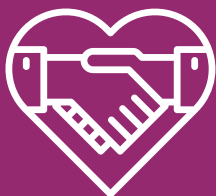
As a major player in the national petrochemical Industry, Q-Chem strives to serve as an example for its peers by conducting its daily business in a secure, safe, injury-free, and environmentally responsible manner. In 2023, Q-Chem completed 16 years without a heat related injury/illness.

- For employees, there were zero recordable injuries in 2023 and zero in the previous six years (2017-2022).
- For contractors, there were also zero recordable injuries 2023 and thirteen in the previous six years (2017-2022) or average 2 recordables per year.
- Fatalities for both categories remain at zero.



1.3.4 Employee Training:

Utilizing its staff members' knowledge of safety issues and raising that knowledge through ongoing training and education programmed are top priorities for Q-Chem. The Company's employees and contractors received more than 52,949 total hours of training in 2023 to make sure they are aware of and abiding by the strict safety code and skills / competency requirements.

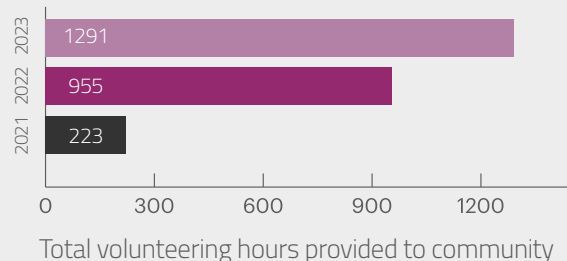
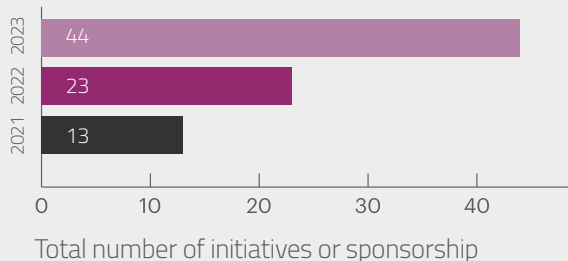


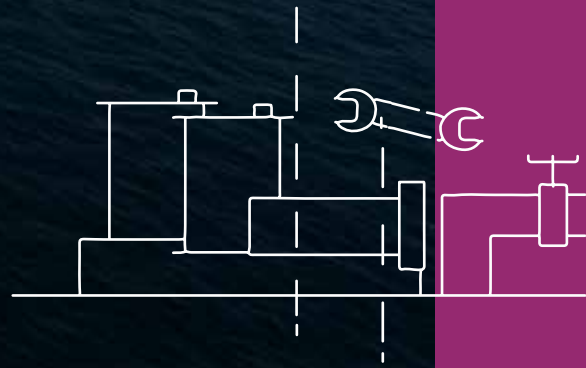
1.3.5 Community:

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

Q-Chem remains committed to its CSR initiatives and while this is not reflected in the decrease in spending in 2022, this decrease was due to the impacts of Covid-19 restrictions and the World Cup, which caused several planned events to be postponed. Despite these challenges, Q-Chem continued to prioritize community engagement by increasing Company participation in internal initiatives that required less spending and more utilization of its own resources. In 2022 and 2023, the total number of initiatives and sponsorships increased compared to the previous years, resulting in a rise in total volunteer hours.

Community Engagement



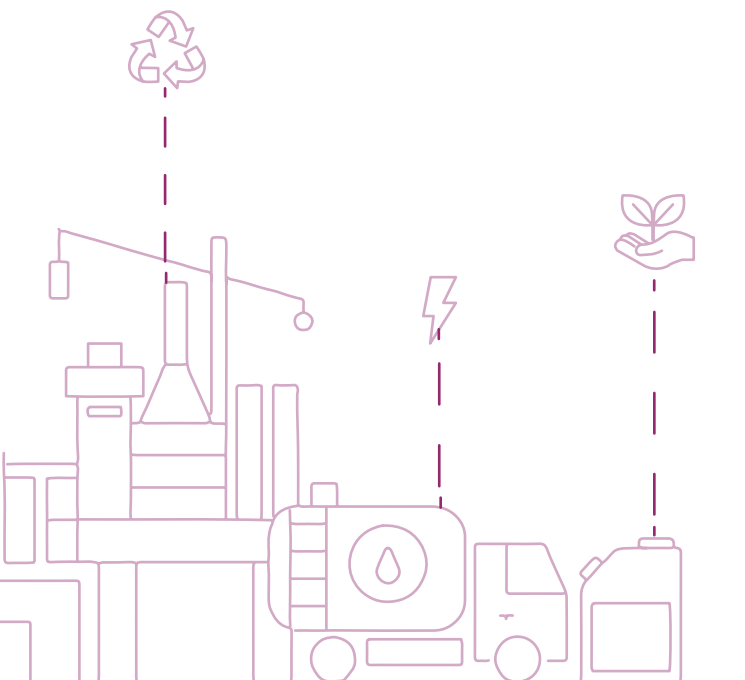


1.4 Governance



1.4.1 Board Governance Committee:

Through special resolution the board established a Governance Committee [BGC] that is responsible for assisting the Board to ensure continuous, sustainable improvement of corporate governance in the Company and in fulfilling its responsibilities in monitoring compliance with legal and regulatory requirements.



1.4.2 Board Audit Committee:

Through special resolution, the Board established a Board Audit Committee [BAC]. The BAC plays an important role by providing the Board independent, structured, and systematic oversight regarding the organization's finance, governance, risk management and internal control (FGRC) practices. The BAC also assists the organization by providing FGRC-related advice, guidance, and recommendations for consideration by the Board and Management. The BAC's independent oversight and advisory functions serve to provide confidence in the integrity of the organization's FGRC practices.



1.4.3 Business Risk & Crisis Management Committee:

Through special resolution the board established a Business Risk and Crisis Management Committee (BRC). The role of the BRC is to assist the board in ensuring the effectiveness of the enterprise risk management program within the Company. The BRC has an independent role, operating as a maker of recommendations to the board for its consideration and final approval.

None of the BGC, BAC or BRC assumes the functions of Management, which remain the responsibility of the Company's management. The composition, role, responsibilities, tasks, and procedures of the above Board committees are set forth in their respective terms of reference.

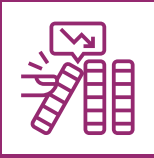


1.4.4 Internal Controls and Internal Auditing:

The Company's Internal Control of Financial Accounting and Reporting policy aims to establish a dependable system of internal controls to detect material risks to the Company's financial condition or compliance with laws and regulations and make appropriate corrections.

The Company has an effective risk-based internal audit function. Internal audit supports the Company in attaining its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.





1.4.5 Managing Enterprise Risks:

- Enterprise Risk Management (ERM) at Q-Chem, initiated in 2014, continues to be a vital component of the Company's operational strategy. This integrated process is deeply rooted in all key business areas, facilitating a comprehensive method for identifying, assessing, and mitigating risks.
 - Throughout the year 2022, the Company successfully completed the seventh annual ERM cycle, a testament to its commitment to effectively managing risks across the organization. This cycle allowed for proactive identification of potential risks, providing valuable insights for strategic decision-making, and safeguarding the Company's interests.
 - As part of the efforts to embrace digitalization, the Company employed its in-house Enterprise Risk Management application during the seventh annual ERM cycle. This technology-driven approach streamlines the risk management process, allowing for improved data analysis, reporting, and decision-making.
 - In 2023, Q-Chem marked another achievement by completing its eighth annual ERM cycle, reaffirming its dedication to robust risk management across the organization. This cycle played a crucial role in the proactive identification of potential risks, offering essential insights for strategic decision-making and protecting the Company's interests.
 - A key element of Q-Chem's ERM process is the blend of "Bottom-Up" operational risk management with "Top-Down" strategic risk management. This synergistic approach ensures that risks at every organizational level are thoroughly addressed, effectively aligning operational risks with strategic objectives.
 - In 2022, the Company's focus was to remain resilient in a challenging business climate. The Company implemented a Pandemic Response plan in collaboration with Qatar's energy sector and government ministries, ensuring that the necessary measures are in place to recover from the COVID-19 pandemic. To prepare for the FIFA 2022 World Cup, the Company carried out Crisis Management and Business Continuity exercises to guarantee its readiness for any unexpected business interruptions.
- Company's involvement in Qatar's Star-2022 National Cyber Drill further enhanced its resilience. The insights gained from these activities were integrated into the Company's management systems.
- Building on the successful introduction of the Company's in-house Enterprise Risk Management application, Q-RM@, in 2022, Q-Chem further enhanced its risk management capabilities during the eighth annual ERM cycle in 2023. The Q-RM@ application, a cornerstone of the Company's digitalization efforts, has been instrumental in streamlining the risk management process, significantly improving data analysis, reporting, and decision-making.
 - The Company's commitment to resilience is also evident in its ongoing Business Continuity Management (BCM) improvement project, started in 2021. The project aims to align Q-Chem's BCM system with ISO 22301 standards. In 2023, significant progress was achieved, particularly in conducting Business Continuity Plan (BCP) tests for the HQ Procurement and Public Relations teams, the NAO team at Mesaieed, and the ISBL team at RLOC. These BCP tests are critical in validating and enhancing Q-Chem's preparedness and response capabilities, furthering the Company's ability to efficiently navigate and recover from disruptions. The successful execution of these BCP tests is a testament to Q-Chem's commitment to creating a resilient organization capable of handling challenges and emerging stronger.
 - To sum up, 2023 was another landmark year in Q-Chem's Enterprise Risk Management journey. The Company's integrated approach, stakeholder collaboration, and technological advancements have continued to strengthen its risk management culture. This culture is essential for thriving in a dynamic and complex business environment. Moving forward, Q-Chem remains resolute in its commitment to proactive risk management, seizing opportunities, and delivering enduring value to all its stakeholders.





1.4.6 Cyber Security:

At Q-Chem, maintaining strong cybersecurity measures is vital to guaranteeing the availability of all systems and processes at its plants, which are critical to the business. These measures play a crucial role in ensuring business sustainability and continuity, as well as protecting our revenues and reputation. The main objectives of Q-Chem's cybersecurity efforts are to minimize the impact of interruptions on Q-Chem's systems, processes, and plant operations and to safeguard its assets, information, and personnel from disruptions and failures. This ensures prompt recovery of essential systems for business continuity in adverse scenarios and supports the achievement of Q-Chem's corporate goals for sustainable production.

As part of the above strategy, Q-Chem has aligned itself to the local cyber security and Data Privacy regulations. Complying to these and demonstrating our commitment in improving our security posture in the face of the dynamic challenges, such as emerging technologies and their threats, Artificial Intelligence and Machine Learning capabilities and the geo-political circumstances has been major focus.



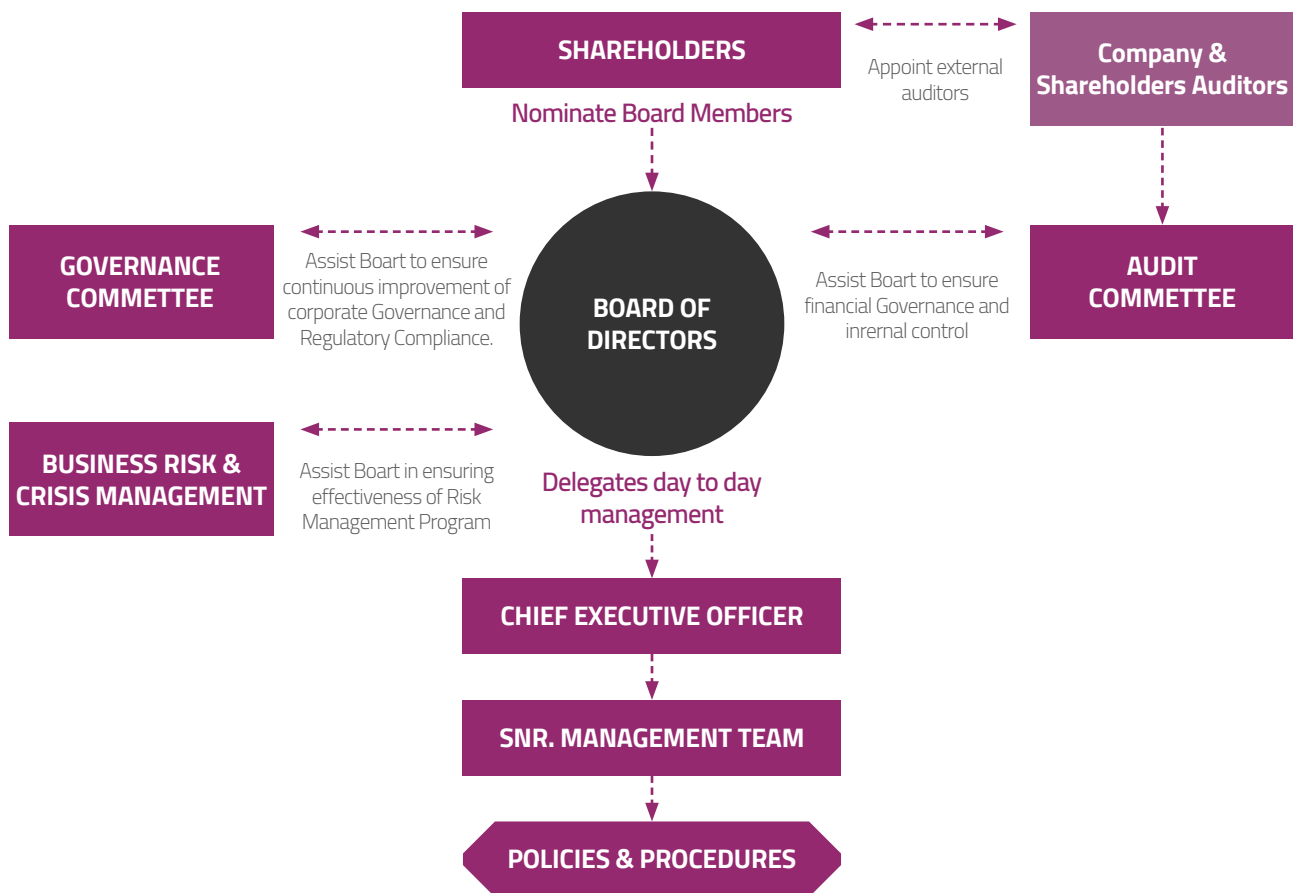
1.4.7 OPERATIONAL EXCELLENCE SYSTEM:

Q-Chem has implemented an Operational Excellence (OE) System to improve standardization, efficiency, and compliance in various areas such as the environment, health, safety, security, reliability, and quality. This system is in line with international standards and best practices and provides a structured approach for guiding and evaluating OE activities, planning improvements, and learning from experiences. The OE System is based on leadership, employee engagement, regulatory compliance, and integration into business improvement. The five main components of the OE System are policy, principles, focus areas, OE expectations, and verification of compliance and management systems.



1.4.8 Governance Framework:

The fundamental relationship between the Shareholders, the Board and Management is established by the Company governance structure, illustrated below:

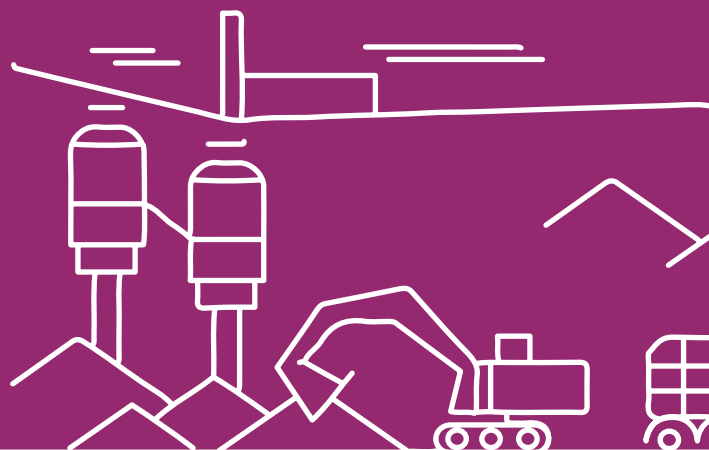


1.4.9 2022 TURNAROUND:

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

Qatar Vinyl Company Limited (QVC)







2.1 Vision, Mission & Values



Vision:

To become a world class petrochemical solution partner

Mission:

We are a sustainable responsible producer of petrochemical solutions, focusing on excellence and product development.

Core Values:



Safety:

We persistently ensure the safety of our employees, contractors, assets and communities; taking a proactive approach to safety, we relentlessly seek ways to improve our safety performance



Responsibility:

We act in a responsible manner that benefits not only our shareholders but also our society and the environment in which we operate. We contribute to the welfare of society and the environment.



Respect:

We respect our colleagues, stakeholders, partners and communities and act with care and consideration to build trusting relationships. We value our diversity and each individuals contribution.



**Integrity:**

We place the highest importance on honesty and ethical behavior, always choosing to do the right thing. We value transparency in our dealings with each other and stakeholders. We believe results matter, but how we achieve those results also matters

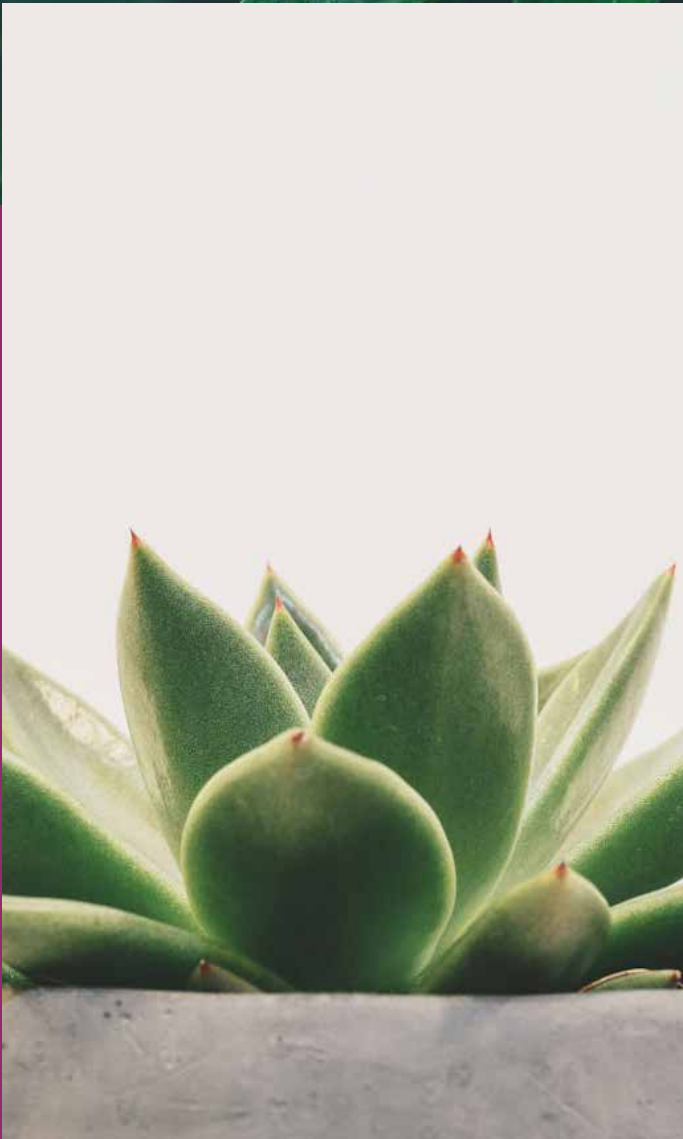
**Innovation:**

We continually improve our processes to achieve greater efficiency, productivity, and higher performance. We learn from both our successes and mistakes. Each of us is accountable for the quality, efficiency and effectiveness of our work.

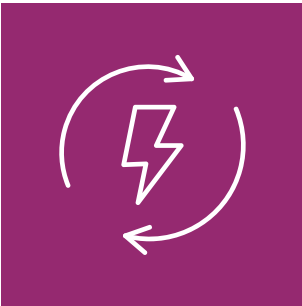
**Collaboration:**

We communicate across all areas and levels, sharing information and considering diverse viewpoints to achieve our common goals. We recognize and appreciate those who work across teams and groups to achieve our vision and strategy





2.2 ENVIRONMENT



2.2.1 Efficient Energy Usage:

Natural gas makes up 98% of energy consumption at QVC, whereas the remaining is electricity supplied by Qatar General Electricity and Water Corporation (KAHRAMAA). Measuring QVC energy intensity provides a more representative comparison of its energy consumption by normalizing it against production. In 2023, QVC energy intensity was 19.1 GJ per tonne of production, 0.5% less than previous year since the energy consumption has decreased by 11%.

ESG factor	2021	2022	2023	Variance (%age) 2021 v 2022	Variance (%age) 2022 v 2023
Energy Consumption (direct and indirect) (GJ)	14,768,894	16,451,121	14,579,038	11%	(11%)
Energy Intensity (GJ/Tonne)	19.8	19.2	19.1	(3%)	(0.5%)





2.2.2 Emission Reduction:

QAPCO's (Operator of QVC) GHG emissions management strategy is twofold: establishing standard GHG accounting and reporting plans and ensuring accuracy and completeness of data; and identifying projects to reduce GHG emissions. Company manages and reports carbon dioxide equivalent (CO₂eq) greenhouse gas (GHG) emissions in line with the QatarEnergy GHG Accounting and Reporting Programme, which in turn aligns with the European Union Commission Regulation No 601/2012.

Emission factors for major source streams are calculated from fuel analysis data performed on daily or weekly basis, while emission factors used for Scope 2 Electricity emissions are provided by QatarEnergy. Global Warming Potentials used are for methane (CH₄) and nitrous oxide (N₂O) are based on the Intergovernmental Panel on Climate Change fifth assessment report. Activity data (fuel consumption) is derived from flow meter measurements for all sources. For fidelity of measurement and accounting process, all GHG energy and emissions data are yearly verified through an independent third-party carbon auditor. The consolidation method is based on operational control.

In 2022 and 2023 QVC recorded an 8% and 10% decrease in its total GHG emissions respectively. When analyzed by carbon intensity (total emissions divided by total products sold), a 20% decrease from 2021 to 2022 due to increased efficiency achieved as a consequence of maintenance activities carried out during the 2021 mega turnaround. This intensity remained flat for the year 2023 at 0.92 tonne CO₂e/tonne of ethylene and polyethylene production.

In order to ensure continuous improvement and compliance, in 2022 the Company deployed fuel gas sampling systems on GTs (power plant) and boilers fuel systems and installed new state-of-the-art flow meters on flare headers. Such steps provide more accurate and higher fidelity measurements. The Company has also invested in a third-party LDAR fugitive emissions management software, designed to collect, and analyze data from LDAR program, enabling accurate and central collection of data on fugitive emission management program. Furthermore, this allows to expand quantification of Scope 1 emissions

as from this reporting cycle by including methane fugitive emissions.

In 2023 the Company continued its efforts to reduce direct fuel consumption and indirect electricity consumed and partially re-sold. This included upgrading QVC's gas turbines, deploying Heat Recovery Steam Generation (HRSG) systems:

- HRSG-1: estimated to avoid more than 80,000 tonnes of CO₂ emissions annually, with a 92% reduction in boiler fuel use. Completion date estimated by beginning of 2024, and
- HRSG-2: estimated annual savings of nearly 40,000 tonnes CO₂, Completion date estimated by end of 2024.

Both projects will also contribute to reducing non-GHG air emissions, particularly NO_x. Other projects in the pipeline, which are though still in the feasibility phase, are the installation of flare gas recovery systems and the installation of a renewable solar power generation unit.

In parallel with activities to reduce GHGs, Company also monitors and seeks to avoid other harmful emissions to air – notably, nitrogen oxides (NO_x). In the year 2023, QVC emitted NO_x increased to 551 tonnes compared to 294 tonnes in last year. Accordingly, NO_x intensity has increased from 0.34 to 0.72 (tonnes/thousand tonnes of ethylene production).

Last but not least, the Company is proud to have achieved zero minor or significant spills for the past five years. This is testament to the effectiveness of its integrated management system and emergency preparedness procedures and tools. These include spill kits at chemical handling locations and emergency showers throughout plants.

The Company also ensures specialist personnel receive hazardous materials incident training certified to National Fire Protection Agency standards, while its memorandum of understanding with port authorities is designed to contain pollution at sea in case of spills.

ESG factor	2021	2022	2023	Variance %age 2021 v 2022	Variance %age 2022 v 2023
GHG emissions (Scope 1 & 2) (Million tonnes of CO₂e)	0.854	0.788	0.705	(8%)	(10%)
Emissions Intensity (tonne CO₂e/ tonne of ethylene and polyethylene production)	1.15	0.92	0.92	(20%)	0%





2.2.3 Water Management and Effluents:

Water-related impacts are identified, assessed, and recorded in risk registers. QVC’s impact in terms of freshwater withdrawal is limited as all water used is derived from seawater, which is either used directly in plant cooling (where it is returned to the sea following strict monitoring for free residual chlorine and temperature differential as per the requirements from the MoECC), or indirectly as desalinated water for process steam generation, certain processes, and human consumption.

Wastewater streams are adequately treated and partially recycled/reused. The resultant effluent discharge is assessed by collecting regular samples and analyzed in an onsite laboratory to ensure MoECC pollutant standards are strictly observed. A Laboratory Information Management System (LIMS) enables us to periodically report data to management and MoECC. Process wastewater is sent to a treatment unit, which was upgraded in 2022 to enable water recycling in the process. A significant quantity of sanitation wastewater is treated in sewage treatment plant where it is returned for reuse in landscape irrigation. The remaining is sent to an external treatment plant.

Water-related impacts are evaluated within the Company’s Integrated Management System (IMS). These impacts are identified and assessed using the Company’s

risk assessment procedures. All environmental impacts identified are documented in the Company’s risk registers, outlining mitigation and control measures for implementation. The risk register undergoes regular review and updates. Key Performance Indicators (KPIs) are established to oversee impacts and ensure compliance with relevant requirements. Additionally, sessions on water conservation measures are conducted to raise awareness. QVC saw a 4% increase in freshwater consumption in 2022, while intensity decreased by 9% compared to 2021, indicating improved water efficiency processes by minimizing leaks and adopting water conservation. As for the year 2023, water consumption decreased by 10% to 0.89 million m³, and the intensity has slightly increased to 1.17, reflecting a 0.9% increase compared to the previous year.

ESG factor	2021	2022	2023	Variance %age 2021 v 2022	Variance %age 2022 v 2023
Fresh water consumption in million m ³	0.952	0.992	0.890	4%	(10%)
Water recycled/reused in m ³	NA	NA	NA	-	-
Fresh water consumption intensity	1.28	1.16	1.17	(9%)	0.9%



2.2.4 Waste Management:

Inadequate waste management can lead to adverse effects on the environment, employee health, Company reputation, and regulatory compliance. Additionally, it may cause nuisances, public health concerns, and negative impacts on the local community.

QVC waste management procedures ensure rigorous compliance with law and cover waste generation, disposal, and treatment. Records are managed via Systems Applications and Products in Data Processing (SAP) software whereby data is analyzed, and regular reports are generated for internal improvement and compliance. The Company's waste is managed by a fully compliant third party and the Company also ensures the following:

- All waste entering a waste transit area is labelled and inspected, with final disposal at compliant treatment or disposal facilities.
- A Waste manifest system is followed at all times.
- The waste contractor submits disposal certifications.
- Contractors are selected by following strict technical evaluation criteria with regular performance reviews.
- Periodic visits to waste disposal facilities are conducted.

All hazardous and non-hazardous waste is sent to landfill, with some hazardous waste streams being subject to other disposal. Used oil is instead segregated and sent to recycling facilities and waste streams that have a residual value (such as metal scrap) are managed through an auction process and are sold for recycling. Catalysts that contain precious metals are sold to vendors in order to extract and recycle these metals.

Overall, hazardous waste generated and managed has increased in the past two years due to activities linked to shutdown of the plants, such as the 2021 mega turnaround and some minor shutdown activities that took place in 2022. In 2023, QVC produced around 263 Tonnes of hazardous waste, reflecting a 20% decrease compared to the year 2022.

ESG factor	2021	2022	2023
Hazardous waste generated (tonne)	251	327	263
Hazardous waste sent to landfill (tonne)	253	342	257
Hazardous waste incinerated with no energy recovery (offsite) Mn tonnes	-	3	5



2.3 SOCIAL

Respect is one of Qatar Petrochemical Company (QAPCO) Q.P.J.S.C's (Operator of QVC) five corporate values: "we respect our colleagues, stakeholders, partners and communities and we act with care and consideration to build trusting relationships. This includes valuing diversity and each individual's contribution". QAPCO strives to be an inclusive employer, ensuring equal opportunities for all. Any form of discrimination within the Company is treated as a breach of the Company's Code of Conduct. The HR department oversees key policies and procedures for managing human capital, including Human Capital Policies, Personnel Administration Policy, Payroll Process Procedure, Compensation Procedure, and Recruitment & Onboarding Procedure. These guidelines collectively address aspects such as talent management, personnel administration, payroll processing, compensation,

and the recruitment/onboarding process, contributing to effective workforce management aligned with organizational goals.

Working at QAPCO means working in an organization that strives to demonstrate best practices and expertise, recognizes that there is always room for improvement and pushes employees to always express their ideas. For all employees a large variety of benefits are ensured, competitive salaries, housing, transportation, medical insurance, recreational activities, and flexible working hours.

The Human Resources department has consistently pursued full automation to assist our employees in their daily tasks. Presently, we have achieved 80% automation of HR activities and aspire to further automate processes to enhance our services for our employees.

Workforce	2021	2022	2023
Total number of employees (QAPCO, Qatofin and QVC)	1,210	1,201	1,265
Workforce distribution, by gender			
Male employees	1,150	1,140	1,204
Female employees	60	61	61
Employment by level			
Non-managerial staff	659	656	707
Middle management	485	481	490
Senior management	66	64	68

Note: This data table includes QAPCO, Qatofin, and QVC.

No. of Employees	2022		2023	
	Head Office	Plant	Head Office	Plant
Male	125	1,043	124	1,080
Female	42	18	43	18

Note: This data table includes QAPCO, Qatofin, and QVC.



2.3.1 Qatarization:

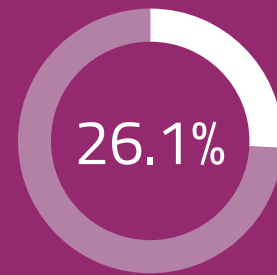
In line with the Qatar National Vision 2030, QAPCO (Operator of QVC) proactively invests in Qatari talent through recruitment, training, sponsorships, and scholarships. These are overseen by a dedicated Strategic Qatarization department.

Qatarization	2021	2022	2023
QAPCO Qatarization, % ¹	27	28	28.5
Investment in sponsorships and scholarships for Qatarization, mQAR ²	3.11	1.79	3.18
Scholarships and students sponsored ² , N	20	8	23
University/educational institutes partnerships, N	17	17	20

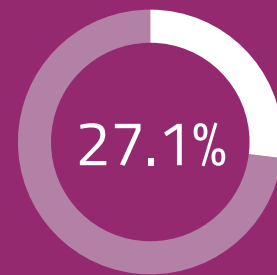
Note: This data table includes QAPCO, Qatofin, and QVC. The Qatarization percentage is calculated based on the number of Qatari against the approved positions plan for national staff.



Qatarization rate



2022



2023

In 2022, QAPCO invested QAR 1.7 million in Qatari students and nearly QAR 110,000 in Qatari employee specialist education grants. This investment increased by almost 78% to reach QAR 3.18 million in 2023.

QAPCO's Qatari talent development programs went from strength to strength, including:

- On Job Training Program (OJT), which is a customized training program designed to provide the necessary competencies for each selected participant, welcoming 34 'developees'.
- ACE (Achieving Competency Excellence) Programme, aimed at developing behavioural competencies in Qatari employees during 2022.
- 23 scholarships for bachelor's degrees in computer sciences and engineering.
- 66 training programs were arranged for 199 Attendees.
- National Career Fair was arranged to target and attract Qatari professionals and young graduates to join the Company
- 1791 students attended 18 workshops (8 technical and 10 business) with an average of 96 attendees per workshop.
- CENG Orientation Workshops at Qatar University, provided 6 workshops.

Policy - Qatarization is an essential part of QAPCO's human resource strategy, positively affecting and engaging its Qatari employees and remains at the core of its business strategy. In 2017 QAPCO incorporated all existing procedures into one integrated policy that serves as a benchmark for its HR Planning.

This policy has become the roadmap for continuous improvement and a sustainable framework for transforming the culture and operations of the Company as it provides the scope for departments to plan and implement their Qatari National Manpower Career Plan including sponsorship planning.

Achievements - Since 2009, QAPCO has been awarded twelve Qatarization Awards, spanning three categories. One of them is the Annual Qatarization Crystal Award for the efforts out in 'Supporting and Liaising with the Education Sector' during 2022. The award recognized QAPCO's commitment to engaging with and supporting local universities, colleges and schools, especially through investment in research and development and through the promotion of Science, Technology, Engineering and Mathematics (STEM) education. As well as Supporting and Liaising with the Education Sector' the Company has also won awards for supporting student scholarships, supporting training and development and for supporting the country's and industry's overall Qatarization goals.



2.3.2 Local procurement:

QAPCO's (Operator of QVC) dedication to Maximizing Value extends to its suppliers. By working closely together for positive ESG outcomes, QAPCO contributes to the Vision 2030 and its In-Country Value policy and Tawteen supply chain localisation programme for the energy sector.

The Procurement Department established a policy and procedures that conform to the requirements of ISO 9001, ISO 14001 & RC 14001. In 2023, notable achievements include successfully navigating through logistical challenges, such as the scarcity of containers and vessel shortages, by implementing alternative logistics solutions. This adaptation was necessary due to the geopolitical situation in the Gulf of Aden and the Russia-Ukraine conflict. Additionally, the supplier base was expanded by qualifying alternative sources in Low-Cost Countries, enhancing flexibility and resilience in the supply chain. Efforts were made to minimize the occurrence of zero stock items, contributing to improved inventory management and operational efficiency.

Furthermore, a commitment to participating in the national TAWTEEN program was maintained, emphasizing ongoing engagement in initiatives that support local empowerment and economic development. These accomplishments underscore the organization's proactive and adaptive approach to various challenges in the global business landscape.

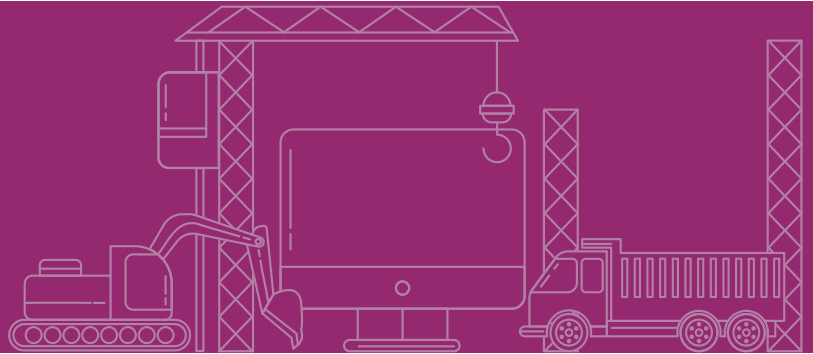
Prior to selection, suppliers must undergo a technical evaluation, which includes ESG criteria, such as health, safety, environmental and product quality requirements. In 2022, QAPCO added Contractor Safety Management criteria to new tenders. Furthermore, standard contract templates and scope of work include further expectations on labour practices and human rights. All contracts state clearly that suppliers and providers shall comply with

Qatar labour laws as a minimum requirement. In addition, environmental and labour rights are addressed in the technical evaluation criteria for manpower tenders. The welfare of contractor personnel is addressed in contracts, covering salary, health care, uniform, transportation, accommodation, catering, medical insurance and safety. Between eighty and a hundred suppliers are assessed each year for their social and environmental impacts, finding no more than 3% actually having significant negative social or environmental impacts, typically related to the social sphere. Where ESG concerns arise, face-to-face meetings are held and action plans are defined in order to improve performance, prior to termination of any contract.

While total spending on local suppliers reached QAR 3,043 million in 2023, reflecting a 12% increase compared to 2022, the total number of local suppliers increased by 10% in the same period.

For the year 2024, QAPCO will continue to:

- Maximize the implementation of Sourcing Strategy pertained to establishing long term purchase agreements with OEMs, traders and through outsourcing some activities.
- Maximize Savings and reduction of overall spends through cost avoidance tactics and price negotiations.
- Maximize buying efficiency through continuous improvements of Performance KPIs.
- Insure all the materials and services required for the coming Vinyl TA in October 2024 are secured on time.



Sustainable Sourcing	2021	2022	2023
Local suppliers engaged, N	381	376	413
Total procurement spending, mQAR	2,804	2,718	3043
Total purchases on local goods and services, mQAR	2,007	2,008	2474
Total purchases on local goods and services, %	72	74	81
Suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment, %	100	100	100
Suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment, %	100	100	100
Suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, %	0	0	0
Suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, %	0	0	0
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	0	0	N/A

Note: This data table includes QAPCO, Qatofin, and QVC.





2.3.3 Health & Safety:

QAPCO's (operator of QVC) number one priority is keeping people safe. In fact, safety is the first of its five corporate values: "ensure the safety of our employees, contractors, assets and communities; taking a proactive approach to safety, we relentlessly seek ways to improve our safety performance." QAPCO is proud to have achieved a lowest injury rate in 11 years in 2023, with Total Recordable Injury Rate (TRIR) of 0.09 and no fatalities resulting from work-related injuries or illnesses were reported for a third consecutive year for employees and contractors.

While no related incidents occurred in 2023. QAPCO also registered two incidents in 2022 in relation to working at height and equipment isolation- one where a contractor fell from a portable ladder injuring their arm; and another where a back injury arose when an employee was caught in between two pieces of equipment. In both cases, internal procedures were applied, and appropriate actions taken to eliminate such hazards, such as replacing all A-type ladders with platform ladders.

Process safety

The nature of QAPCO's industry exposes it to multiple work-related hazards that may cause injury. These include handling hazardous and toxic chemicals, isolation and de-isolation of process equipment, working at height, electrical hazards, vehicular movement inside the process plant, manual handling, mechanical activities, high pressure and temperature and high noise. QAPCO's Health, Safety, Environment and Quality (HSEQ) management system's safety component is certified ISO 45001 and audited both internally and externally. It extends beyond direct employees to cover contract workers, with 100% workforce coverage (estimated 4,000 workers per day on site), and also applies to project and turn around activities. The system covers any activity performed within QAPCO complex for the manufacturing activities monitored and operated by QAPCO, at the Mesaieed facilities and QAPCO HQ Doha, which are associated with manufacture and

supply of Ethylene, Polyethylene and Sulphur, Linear Low-Density Polyethylene (LLDPE), Ethylene Chloride and MonoVinyl Chloride, Production of Hydrochloric Acid & Production of Caustic Soda. Through the system, QAPCO is able to identify, assess and mitigate such hazards for employees and contractors. It is supported by further processes to assess and mitigate risk, including:

- Job safety analysis conducted by a experts and area owners to identify hazards of non-routine activities and apply mitigation measures;
- A permit-to-work system for routine maintenance and project activities to identify hazards related to specific tasks and mitigate them;
- Process hazard identification studies, such as process hazard analysis, consequences modelling and incident investigation;
- Quantitative Risk Analysis (QRA) used to assess and quantify risks in a systematic and numerical manner;
- HAZOP study used to identify potential hazards and operability issues in a process; and
- MOC Process- Risk identification of changes (Technological or Personnel).

To uphold the quality of risk analysis, QAPCO employs a system to cultivate Subject Matter Experts (SMEs) through the organization and execution of various training programs aligned with job requirements. Only approved SMEs actively participate in the risk analysis process. Additionally, an internal and external audit system is



implemented to assess the effectiveness of these processes. Feedback gathered from audits is shared with the Occupational Safety Central Task force, the Process Safety Central Taskforce and the Occupational Safety Central Taskforce.

QAPCO empowers its workforce and contractors to stop work if they perceive safety risks. The Zero Energy confirmation process allows halting if doubts arise, and the Last Minute Risk Assessment (LMRA) empowers workers to halt activities if they sense unsafe conditions. Additionally, QAPCO's Golden Code "Speaking up" underscores the Company's commitment to proactively address concerns, contributing to organizational success.

In cases of work-related incidents, a robust investigation system is applied. This HSE Incident Management system requires to investigate incidents based on Severity, for low severity incidents QAPCO applies the 5 Why Method, whereas for high severity events QAPCO established a detail investigation protocol which requires setting up a multidisciplinary independent investigation team that will perform a "Why Tree analysis" to identify the root causes of the incident. All high severity incident investigations and preventive actions are reviewed by senior management and learning is always reflected in the HSEQ system. The process described applies to all HSE Related events which include Occupational Safety (Human Injuries), Process Safety (Process leaks) and Environmental Incidents.

In QAPCO's philosophy of continual learning and improvement, a number of improvements to safety management system during the year. These included:

- extending Lock Out -Tagout and Try to ethylene plants to protect workers by preventing others from turning on equipment or releasing energy while working on or servicing equipment and machinery.
- launching the Safe Place to Engage and Achieve the Result campaign to sustain the results achieved with the high-performance safety culture and Salamah (safety in Arabic) programmes. The first focused on spreading safety culture and the second on process safety management in the workplace.
- applying Quantitative Risk Assessment-based

scenarios to create pre-incident plans in case of emergency; and

- Reconditioning the fire-fighting water sprinkler system at new sulphur storage site.

Occupational Health

Occupational health hazards are identified through a comprehensive health risk assessment of all activities, followed by structured monitoring programmes and advanced health surveillance. All findings above permissible exposure limits are mitigated through proper mitigations: engineering controls and administrative controls, for example by providing training, rotation/tour of duty of the employees and suitable personal protective equipment.

QAPCO offers medical insurance to employees covering outpatient, inpatient, dental, optical and maternity benefits, with worldwide coverage. Contractors get healthcare services as per the State of Qatar requirement. QAPCO regularly raises awareness around chronic diseases such as diabetes, high blood pressure, high cholesterol and low vitamin D through standing banners, screen savers and emails. In addition to that, Company organized "QAPCO Sport Day Event" to encourage staff to do more physical active activities by walking/running/cycling, etc. as part of celebration Qatar Sport Day.

QAPCO is pleased to report zero work-related ill health incidents among employees or contractors in 2022 and 2023.

Engaging our people

A key aspect of QAPCO's safety management system is training in key safety procedures, with additional training offered where any changes are made to the system. With topics spanning risk assessment and job safety analysis to heat stress or respiratory protection, every QAPCO employee, apprentices, interns, contractors and visitors undergo training as per the training matrix in line with their job family and risk associated with their activities. The curriculum consists of:

- Safety Induction - General (Employees, apprentices and Interns)
- Visitor Safety Induction

They are trained in relevant policies and processes, as well as its 12 Golden Rules for safety. Any employee involved in 'redline' violations of the rules is sanctioned as per defined procedure.

Active involvement and consultation with employees are crucial elements in shaping the HSE Management System. QAPCO maintains robust HSEQ Governance to ensure equal participation of workers in the development process. The following key processes are employed to gather worker feedback and empower their participation in the Health and Safety Management system:

- Second level committees
- Department Monthly Meeting
- Town Hall meeting
- Contractor HSE Forum

In addition to above, all QAPCO employees and partners shall use the following different tools:

- SAPTM EHS Reporting safety incident, NM and Observation
- SAPTM Safety Walk- Leaders and Senior staff site visit Feedback
- HSE Observation Card- report HSE Observation
- HSE Help Desk- Raise or feedback on HSE Management system

- HSE Trainings Feedback system
- REX, Lesson Learned Sharing and Feedback system.

QAPCO was delighted to host its first Process Safety Forum in 2022. The objective was to lay a solid foundation for sustainable improvements in process safety management, while engaging with stakeholders, including industrial partners and academics. Attended by over 200 people, the forum highlighted the importance of international standards and learning lessons from industry experts.

QAPCO shares best practices at further events during the year, including the Mesaieed Industrial City Safety Forum, the Qatar Process Safety Symposium and the GPCA Process Safety Forum. While in 2023, QAPCO participated in 5th GPCA Responsible Care (RC) Conference in Bahrain. Also, QAPCO won two awards in GPCA RC Excellence Awards.

- Sustainable Environment Protection Award for Unit-45.
- Rising Star Award for A success story of a Young Qatari Qapco Employee

QAPCO has shown positive progress in workplace safety. Specifically, there has been a significant decrease in both Lost Time Injury Rate (LTIR) and Total Recordable Injury Rate (TRIR) in the year 2023.

Health and Safety Management System	2021	2022	2023
Employees and workers (non-employees) covered by the system	120,000*	4,000	5,000
Employees and workers (non-employees) covered by the system, %	100	100	100
Employees and workers (non-employees) who are covered by such a system and has been internally audited	120,000	4,000	5,000
Employees and workers (non-employees) who are covered by such a system and has been internally audited, %	100	100	100
Employees and workers (non-employees) who are covered by such a system and has been audited or certified by an external party	120,000	4,000	5,000
Employees and workers (non-employees) who are covered by such a system and has been audited or certified by an external party, %	100	100	100

Note: This data table includes QAPCO, Qatofin, and QVC.

*This was due to the turnaround safety training requirements

Health and Safety Performance	2021	2022	2023
Employees and contractors			
Lost time injury rate (LTIR)	0.12	0.25	0.09
Total recordable injury rate (TRIR)	0.31	0.25	0.19
Total Safety Observations reports	6367	8669	10,420
Safety Observations/reporter ratio	4.75	1.9	1.82
Tier 1&2 process safety incident rate	0.06	0.25	0.00
Employees			
Total work hours	2,297,005	2,070,615	2,166,188
Basis for calculating the rates	1 million m-hr	1 million m-hr	1 million m-hr
Number of fatalities resulting from work-related injury	0	0	0
Rate of fatalities resulting from work-related injury	0	0	0
Number of high-consequence work-related injuries	0	0	0
Rate of high-consequence work-related injuries	0	0	0
Number of recordable work-related injuries	1	1	0
Rate of recordable work-related injuries	0.43	0.48	0.00
Number of employee lost time injuries	0	1	0
Number of fatalities resulting from work-related ill-health	0	0	0
Number of cases of recordable work-related ill health	0	0	0
Absence due to sickness, %	1.03	1.40	1.44
Contractors			
Total work hours	13,881,414	5,974,891	8,466,882
Basis for calculating the rates	1 million	1 million	1 million m-hr
Number of fatalities resulting from work-related injury	0	0	0
Rate of fatalities resulting from work-related injury	0	0	0
Number of high-consequence work-related injuries	0	0	0
Rate of high-consequence work-related injuries	0	0	0
Number of recordable work-related injuries	4	1	1
Rate of recordable work-related injuries	0.29	0.17	0.24
Number of employee lost time injuries	2	1	1
Number of fatalities resulting from work-related ill-health	0	0	0
Number of cases of recordable work-related ill health	0	0	0
Absence due to sickness, %	0	0	0

Note: This data table includes QAPCO, Qatofin, and QVC.

Health and Safety Training	2021	2022	2023
Health and Safety training hours, employees and contractors	122,750	87,242	78,678
Health and Safety training hours, employees	16,864	53,400	14,486
Health and Safety training hours, contractors	105,886	33,842	64,192

Note: This data table includes QAPCO, Qatofin, and QVC.



2.3.4 Employee Training:

QAPCO's (Operator of QVC) training strategy is aligned with its business plans and development goals, which are clearly defined as per each employee training needs. Each training plan is designed to the Individual needs that was created based on a gap analysis of the previous year in consultation with their managers.

In 2023, QAPCO enhanced its processes by automating and transitioning most of the Capability Building Department (CBD) operations to a paperless system, utilizing SharePointTM, LMS, and SAPTM for efficient data and record management. All Technical Skills assessments were fully conducted, and mandatory On-the-Job Training (OJT) was completed before the assessments, adhering to the necessary governance outlined by the Management of Change Personnel Requirements (MOC-P).

In 2023, QAPCO is thrilled to share that it achieved a significant milestone by delivering a total of 51,775 training hours (an all-time high). On average, female employees received 42 hours of training, while their male counterparts received 43 hours throughout the year. Impressively, a remarkable 106% of employee training plans were successfully completed. This reflects our commitment to continuous development.

Furthermore, our investment in each employee's growth averaged QAR 2,810, underscoring our dedication to enhancing skills and knowledge across the organization.

Training and Development	2021	2022	2023
Employees trained	1,122	1,127	1,195
Workforce training, hours	22,049	50,741	51,775
Male employees trained	1,070	1,067	1,140
Female employees trained	52	60	55
Average hours of training per male employee, hours	19	44	43
Average hours of training per female employee, hours	22	61	42
Average hours of training per senior management, hours	15	32	43
Average hours of training per middle management, hours	20	54	35
Average hours of training per staff, hours	18	40	44
Average hours of training per individual employee, hours	19	45	42
Average cost of training per individual, QAR	1,620	2,799	2,810
Training plan achievement, %	96	98	106

Note: This data table includes QAPCO, Qatofin, and QVC.



Technical courses range from operations, maintenance and troubleshooting to gas turbine technologies; while non-technical topics include technical report writing, presentation skills and achieving competency excellence. Company also offers external certifications on key topics, with the following offered in 2022:

- ISO 45001:2018 Lead Auditor
- ISO 14001:2015 Lead Auditor
- ISO 22000:2018 Lead Auditor (Food Safety Management System)
- ISO 31000 Foundation Risk Management
- International Certification in Warehousing and Inventory Management
- Certified Supply Chain Professional
- Certified Logistics, Transportation and Distribution
- Certified Train the Trainer
- Certified Data Protection Officer
- Certified Hazard and Operability Analysis Leader

For the certifications offered in 2023:

- Certified Information Systems Security Professional (CISSP) Training
- Certified Software Tester Training
- OPITO Certified Authorized Gas Tester
- IRCA Certified ISO 9001:2015 Quality Management Systems Lead Auditor
- IRCA Certified ISO 45001:2018 Lead Auditor
- Certified Supply Chain Professional (CSCP)
- Certified PHA - HAZOP Leader
- Certified Compensation & Benefits Professional
- Certified International Procurement Manager (CIPM)
- Certified HACCP Professional (CHP): Food Hygiene & Food Safety Management
- IRCA Certified ISO 45001:2018 Lead Auditor
- First Aid (AHA Certified) Training
- Project Risk Management Professional

- Project Management Professional (PMP)
- 3D Model Review for PVC Project
- NEBOSH Health and Safety Management for Construction (International)
- NEBOSH IGC in Occupational Health & Safety
- Disciplined Agile Scrum Master (DASM) Certification Training

On-the-job training acts as a building block for the organization's new Management of Change – Personnel process at individual employee level. This is because such training builds employee capacity around the knowledge and skills to support in case of internal transfer or new job opportunities. It also helps prepare employees for change at the organization level, for example in case of restructuring. QAPCO has completed a total of 120 on the job trainings under the Management of Change - People governance structure. Some courses were held in 2023 in response to the identified training needs, here is the list:

Training Need Identified
Technical Report Writing
Logic Diagram understanding
Best Practice in Multishift Operation
PI Client Application and Alarm Management
Authorized Gas Tester Certification
Disciplined Agile Senior Scrum Master Course
Business Relationship Management
Project Risk Management
Operation & Control of Distillation Column
APC Training

Numerous external training sessions were organized, encompassing various courses. These events, including seminars, conferences, and Factory Acceptance Test (FAT) missions, were facilitated by various QAPCO employees, both locally and abroad.



2.3.5 Community:

QAPCO (Operator of QVC) is committed to supporting its neighbours to join its own journey of growth and opportunity. QAPCO's Corporate Social Responsibility (CSR) strategy therefore commits to sharing its value, playing part in Vision 2030 and upholding the reputation as a responsible corporate citizen. QAPCO's wide-ranging social responsibility and engagement programs focus on three core themes: Education; Environment; and Sports and Health. Each theme is underpinned by its commitment to the Vision 2030 and to developing Qatari Nationals and local capacities. QAPCO invested QAR 2.9 million in CSR projects, including vital funds and wider support to the following local charities:

- Qatar Society for Rehabilitation of Special Needs
- Qatar Red Crescent
- A Flower Each Spring Program
- Qatar Cancer Society
- Supporting a national day at Mesaieed Girls School
- Dreama Empowerment for the Orphans
- University of Doha for Science and Technology – UDST
- Qatar society for rehabilitation of special need
- Qatar Paralympic Committee
- A Flower Each Spring
- Mesaieed International School

QAPCO also held events to promote its CSR approach internally, raising awareness about social engagement, safety and leadership with workshops and events, while also promoting sports and World Cup engagement.

Environmental impact Assessments are carried out whenever new projects are to be implemented, with all recommendations assessed and implemented.



2.3.6 Corporate Governance:

QAPCO (Operator of QVC) is committed to upholding strong governance standards and implementing sound practices to ensure that its business is operated with integrity. The Board of Directors (BOD) is the highest governing body at QVC and represents the interests of QVC and its shareholders, always maintaining balance and fairness. BOD credentials have prepared them to guide the strategic direction of QVC. Their ability to challenge and add value to management is an asset to QVC. BOD are appointed by primary shareholders, Mesaieed Petrochemical Holding Company and Qatar Petrochemical Company (QAPCO) Q.P.J.S.C., based on relevant expertise and knowledge.

The Board possesses the widest authority to represent the Company and conduct its affairs except for those expressly reserved in the Joint Venture Agreement (JVA), Memorandum of Association (MOA), Articles of Association (AOA) and Board Charter in its decision-making procedures. The objective, activities, members, nomination and modus operandi of the Company Board shall be in accordance with the JVA, MOA, AOA and Board Charter.

QVC's BOD Charter developed outline the basis for the sound management of its performance, risk and operation. As per the charter, all members of the BOD must sign a conflict-of-interest declaration on a yearly basis. Further embedding its commitment to transparency within the Company, all employees, including management, are required to declare any conflicts of interest. These declarations are then addressed through the Conflict-of-Interest Committee, which issue annual reports pertaining to conflict-of-interest investigations and actions taken. In 2021 all members of the BOD submitted their declaration of Interest.

The Board may establish committees as necessary or appropriate to which it may delegate authority under the Board's responsibility. The Board will set forth the authority, purposes, goals and responsibilities of the committees as well as qualifications of committee members, procedures

for committee, member appointment and removal, committee structure and operations and reporting to the Board. Committees are divided into two categories:

Board Committees

1. Audit Committee
2. Governance Risk and Compliance (GRC) Committee
3. Cross Company Executive Operating Committee
4. Tender Committee 1

Non-Board Committees

1. HR & Qatarization Committee.
2. Health, Safety, Security and Environment (HSSE) Committee.
3. Information Technology (IT) & Cyber Security Committee.
4. Tender Committee 2.
5. Disciplinary Committee.
6. Ethylene Management & Optimization Committee.
7. Business Conduct Committee
8. Health & Sports Committee
9. Environmental, Social, & Governance (ESG) Committee.



Managing the impacts:

QAPCO's (Operator of QVC) senior executives are responsible for developing, approving, and updating the organization's purpose, value and mission statements, strategies, policies, and goals related to sustainable development. They submit these to the Board of Directors for final endorsement and approval.

Board reports in relation to HSEQ, Operations, Finance, Engineering, HR and Projects, and IT are presented to the Board on a quarterly basis. This is in addition to Board and Non-Board Committee reports submitted to the Board relating to the activities of each committee. The committees shall report a summary of activities to the BOD during the 4th quarter meeting.

To maintain effective governance for the Company, the Policies developed by various functions of the organization are approved at Board level whereas procedures are approved at management level.

The HSEQ Committee which is one of the non-Board Committees assists the Organization in effectively managing the implementation of Health, Safety, Security, Environment and Quality (HSEQ) related systems, regulations & standards, provides leadership, develops proactive programs and improves & stewards HSEQ performance.

Senior Executives and other employees have the opportunity to communicate the impacts on the economy, environment, and people by attending meetings with the Chairman and Pre-Board meetings with the Chairman, Board Directors, Chiefs and concerned internal Managers. Furthermore, as and when required, quarterly meetings with QatarEnergy Executive VPs are carried out.

In terms of communication of critical concerns, one of the key policies under the Code of Conduct is Speaking Up, which can be used as a method to report breaches to

the Code. In addition, critical concerns related to top risks are one of the regularly reported matters to the Board through GRC Committee along with the proposed action to mitigate these risks. Also, annual audit plans prepared by Audit committee can be used as one of the tools to support the same.

In order to enhance the Directors' knowledge, skills and experience on various relevant topics, among which Sustainable Development, the Board engages with a consultant once every three years to perform a Board Performance review and to conduct workshops. Also, there is an annual evaluation tool to be filled in by all Directors that aims to support the development of individual directors by helping them enhance their contribution to the board and to enable them to have a more positive experience. The tool can also help with succession planning.

In addition, QatarEnergy is arranging regular masterclasses and workshops to enhance the skills and knowledge of Directors. In 2022, the masterclass was conducted by an external service provider (Conscious Governance) and involved the whole Executive Team. A focal topic related to dramatically enhancing Board reporting, including development of focused Board Agenda, dashboard reporting, and presenting information in a manner that will allow Boards to strategically add further value to the Board.



2.3.7 Approach to Risk Management:

Identifying and mitigating risk is part of QAPCO's (Operator of QVC) business strategy and sustainability framework. In collaboration with the GRC Committee, the Board of Directors is ultimately accountable for risk and is committed to sustaining effective risk management processes while pursuing its strategic objectives.

Enterprise Risk Management function oversees an integrated Risk Management system aligned with the Committee of Sponsoring Organisations of the Treadway Commission and industry standards such as ISO 31000. Commencing in 2023, the organization initiated the process of aligning its internal processes with the ISO 27103 standard. ISO 27103 is a standard that provides guidelines for the management of information security incidents in an organization.

Compliance to laws and regulations is managed by Risk and Compliance department. However, during the audits conducted in 2023, no instances of non-compliance with laws and regulations were identified or brought to the attention of the IA department.

Climate change is one of the key global issues impacting organizations today. As a leading petrochemical producer, QAPCO is committed to ensuring the protection of the environment through the implementation of various innovative programs to mitigate the risks (environmental, reputational & financial) related to climate change.

To manage the risk, QAPCO has several strategic initiatives for reduction in GHG emissions which include, decarbonization where possible, post-consumer waste plastics recycling and to prepare for a circular economy. Several projects have already been implemented which helped to reduce our carbon footprint such as:

- Upgrading of Gas Turbines

- Revamping of Sulphur Recovery Unit (SRU), and
- Installation of continuous emission monitoring system for furnaces, totalizers, and analyzers for flare systems to accurately monitor emissions.

Furthermore, additional projects are in progress as part of the environmental sustainability program such as:

- HC and Acid gas flaring reduction
- Optimization of Boilers and GTs for energy efficiency
- Installation of Heat Recovery Steam Generation (HRSG). Product development programs to achieve 5% -30% include post-consumer waste PE products are also in progress as part of the larger R&D initiative.

The Company is regularly involved in understanding and researching various environmental mitigations that can be further implemented which will help to reduce the impact of QAPCO's operations on the environment. Key risks in 2022 related to supply chain due to the FIFA World Cup. Company worked hard to mitigate them by increasing critical chemical stocks, preponing orders where possible, procuring additional temporary storage and finding alternative supply chain routes.

We further enhanced how it shares best practices on risk management by joining:

- the Institute of Risk Management Doha Chapter as a committee member and Special Interest Group Committee member.

- the Energy Sector Business Continuity Forum.
- the Information Security Forum; and
- the Energy Sector Compliance Forum.

We also participated in the National Cyber Security Agency's National Cyber Drill, Qatar Energy's Incident Response Drill and a Crisis Management Desktop exercise for non-HSE events.

The Audit Committee's primary function is to assist the Board of Directors in fulfilling its oversight responsibilities for:

- Reviewing the systems of internal controls and the risk management that management and the Board of Directors have established.
- Compliance with legal and regulatory requirements.
- The external auditor's qualifications and independence.
- Ensuring independence and objectivity of the internal audit functions.
- The preparation of the report that the laws and regulations of the State of Qatar required to be included in the Company's annual statement.
- Effective audit process to ensure good corporate governance and the accuracy of all information provided to the shareholders, Government, and others.
- Establishing effective communication links between QAPCO's top management, the auditors (both internal and external) and the State Audit Bureau.

The Internal Audit Department has been established to provide independent and objective, assurance and consulting services designed to add value and improve operations. The mission of the Internal Audit is to enhance and protect the organization's value by providing risk-based and objective assurance, advice and insight. The Internal Audit Department helps QAPCO accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

For the year 2024, the IA department is set to implement an upgrade to its current audit application, transitioning to an advanced integrated audit management application. This upgraded system will seamlessly integrate with various ERP and systems, facilitating efficient data extraction, continuous auditing, and monitoring. The envisioned application aims to establish a unified platform and tool that caters to the needs of Internal Audit, Quality Management, and Risk Management.

Climate-related risks and opportunities

We are committed to implementing innovative programs to mitigate environmental, reputational, and financial risks related to climate change. Failure to mitigate climate risk may result in low premiums, increased taxes, financial penalties, and poor productivity. QAPCO is mitigating such risks by investing in strategic initiatives to reduce GHGs and with new initiatives in the R&D phase.

Data privacy and cyber security

With digitalization key to QAPCO's innovative edge, vigilance around privacy and data security is paramount. QAPCO's information security and industrial control systems, policies and procedures address vulnerabilities and threats through continuous risk assessment and treatment. Aligned with enterprise risk management framework, these systems enable us to:

- identify critical business services, processes, and associated information assets, as well as key risks.
- analyse information security risks.
- select controls for risks treatment; and
- review risks and control effectiveness on an ongoing basis.

QAPCO deploys controls for prevention, detection, and response, with verification processes in place within Finance and Procurement departments to detect and defend against payment fraud schemes and phishing/vishing.

Risks and compliance-based controls are implemented to address the security requirements of data IN-IS-07 Rev. 01 Data Protection and Privacy. This document addresses the compliance requirements & controls of QAPCO's Personnel Data Protection and Privacy program.

Security awareness training, including simulated phishing campaigns, is ongoing. QAPCO systems are certified to ISO27001 and in transition to ISO27001-2022. In 2023 QAPCO saw zero data security breaches for the fourth year in a row. In addition to zero substantiated complaints concerning breach of customer privacy received from outside parties and regulatory bodies. QAPCO remains a member of the Advisory Committee for the Qatar Energy Sector incident response community, led by QatarEnergy.

Anti-Corruption

Anti-Corruption and Anti-Bribery policy makes clear QAPCO's zero-tolerance stance on bribery and corruption, in line with Qatari and international law. In 2022, QAPCO participated in a conference on Sanctions, Anti-Corruption and Export Controls in the Middle East. Additionally, QAPCO assessed eight operations in 2022 and seven operations in 2023 for risk of corruption, finding no cause for concern. In the following table relevant KPIs are provided:

Anti-Corruption	2021	2022	2023
Operations assessed for risks related to corruption, N	6	8	7
Operations assessed for risks related to corruption, % (% of corruption related risks compared to overall risks identified in the organization)	0.9	1.1	1.04
Confirmed incidents of corruption, N	0	0	0
Confirmed incidents in which employees were dismissed or disciplined for corruption, N	0	0	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption, N	0	0	0

Note: This data table includes QAPCO, Qatofin, and QVC.





2.3.8 Projects & Future Plans:

Innovation and collaboration are two out of five Company values of QAPCO (Operator of QVC). QAPCO strives to continually improve its processes to achieve greater efficiency, productivity, and higher performance. QAPCO learns from both its successes and mistakes. Each of us is accountable for the quality, efficiency, and effectiveness of its work. Meanwhile, QAPCO communicates across all areas and levels, sharing information and considering diverse viewpoints to achieve its common goals. QAPCO recognizes and appreciates those who work across teams and groups to achieve its vision and strategy.

Reflecting QAPCO's strategic five-year plan to implement initiatives across product portfolio diversification, plastics recycling, and circular economy, QAPCO increased its research and development (R&D) budget by 36% from 2020 to 2022 to QAR 6.33 million, and the budget was QAR 6.24 million in 2023. This enabled it to formally integrate sustainability into product design and development, as well as wider processes and new projects.

In 2022, a total of 13 R&D projects were undertaken and continued in 2023 with no new additions. Below are examples of some of R&D Product and Applications Development projects moving towards commercialization, strategic objectives and positive ESG outcomes:

- Use of locally produced recycled polyethylene as asphalt binder modifier for roads in Qatar in collaboration with TAMUQ. For this project, the patent application has been submitted and field trial planning is underway.
- Production of sustainable bioplastics from industrial wastewater in collaboration with Hamad Bin Khalifa University (HBKU).
- Green3SPCM: this project has aims at developing efficient and effective heat-absorbing and heat-releasing materials from recycled polymeric waste which, after installation in a greenhouse, will passively contribute to conserve energy.



- Development of sustainable polymers for 3D printing in collaboration with Texas A&M University at Qatar (TAMUQ).
- Development of recycled Lotrene grades (R-Lotrene)
- Oil-Water separation membrane
- Polymer Modified Asphalt (PMA) for roads in Qatar
- Development of sustainable Lotrene grades (R-Lotrene)
- Turnaround (TA) Book

Most projects mentioned above will continue into 2024 according to the project schedule. In addition to new projects and targets that QAPCO will start working such as Differentiated products & grade optimization, Innovation Culture Initiative, and Technology intelligence & IP.



Index of ESG Key performance indicators:

			2022			2023				
KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC	Q-Chem	Q-Chem II	RLOC	QVC
1	Environmental Policy	Does the Company publish and follow an environmental policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Environmental Impact	Any legal or regulatory responsibility for an environmental impact?	Regulated by Ministry of Environment and Climate Change. Bound by legal requirements (implied under 'Consent To Operate License') to Assess, Report & Mitigate any environmental impacts associated with direct or indirect effects of Plant operations under the Group.							
3	Energy Consumption	Total amount of energy usage in MWh or GJ (Million GJ)	14,892	1,834	34,656	16,451	17,046	1,938	34,286	14,579
4	Energy Intensity	Amount of energy used per M3 of space, and per FTE. (GJ/Tonne)	13.69	2.57	23.16	19.20	13.68	2.52	22.98	19.10
5	GHG Emissions	Total amount of greenhouse gas emissions (MT)	858,021	182,484	1,036,447	788,127	983,441	186,848	1,044,694	705,000
6	Primary energy source	primary source of energy used by the Company	Natural gas, liquid fuel, Tail gas (Mainly Hydrogen) and Electricity.	Natural gas	Natural gas (Mainly Hydrogen) and Electricity.	Natural gas and Electricity	Natural gas, liquid fuel, Tail Gas (Mainly Hydrogen) and Electricity.	Natural gas	Natural gas (Mainly Hydrogen) and Electricity.	Natural gas and Electricity
7	Renewable energy intensity	percentage of energy used that is generated from renewable sources	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

			2022				2023			
KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC	Q-Chem	Q-Chem II	RLOC	QVC
8	Water Management	Total amount of water consumption in million m3	1.008	0.145	0.657	0.992	1.105	0.255	0.774	0.890
		The total volume of water recycled/reused in million m3 by the organization per year	0.125	0.228	Nil	Nil	0.101	0.202	Nil	Nil
9	Waste management - Total waste produced/ generated, or recycled, or reclaimed, by type and weight.	Production (MT per year)	10606	2283	56511	2592	13269	1795	62204	2392
		Recycled (MT per year)	2123	273	7555	Nil	5115	296	9235	Nil
		Treated (MT per year)	269	7.44	16152	Nil	304	2.71	18442	Nil
		Disposed/Incinerated (MT per Year)	9175	1924	41549	2592	7850	1536	34521	2392
10	Full time employees	Total workforce	1046			Not applicable as QVC operated by QAPCO	1067			Not applicable as QVC operated by QAPCO
11	Employee Benefits	Total amount of employee wages and benefits (in Mn QAR)	531			Not applicable as QVC operated by QAPCO	551			Not applicable as QVC operated by QAPCO
12	Employee turnover	Percentage of employee turnover.	2.8%			Not applicable as QVC operated by QAPCO	2.2%			Not applicable as QVC operated by QAPCO

Index of ESG Key performance indicators:

			2022				2023			
KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC	Q-Chem	Q-Chem II	RLOC	QVC
13	Employee Training	Average hours of training per employee (Total hours of training for employees divided by the number of employees)	438			Not applicable as QVC operated by QAPCO	49.6			Not applicable as QVC operated by QAPCO
		Training Hours	123,233 (for HSE) and 329,860 (others)			Not applicable as QVC operated by QAPCO	17,766.79 (HSE) and 35,182.43 (others)			Not applicable as QVC operated by QAPCO
14	Health	Does the Company publish and follow a policy for occupational and global health issues?	Yes			Yes	Yes			Yes
15	Injury rate	Total number of injuries and fatal accidents (employees)	Injuries varies but less than 1 recordables per year and fatalities are Zero			1	0	0	0	0
		Total number of injuries and fatal accidents (contractors)	Injuries varies but average 2 recordables per year and fatalities are Zero			1	0	0	0	1
		Total number of injuries and fatal accidents (employees and contractors)	Injuries varies but average 2-3 recordables per year and fatalities are Zero			2	0	0	0	1

			2022				2023			
KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC	Q-Chem	Q-Chem II	RLOC	QVC
16	Human rights policy	Disclosure and adherence to a Human Rights Policy? Yes/No	Yes			Yes	Yes			Yes
17	Human rights Violations	Number of grievances about human rights issues filed, addressed and resolved	Nil			Nil	Nil			Nil
18	Child and Forced labor	Does the Company prohibit the use of child or forced labor throughout the supply chain? Yes/No	Yes			Yes	Yes			Yes
19	Women in the work force	Women in the workforce (% age and number)	7%			Not applicable as QVC operated by QAPCO	7%			Not applicable as QVC operated by QAPCO
		Total Women Employees	74			Not applicable as QVC operated by QAPCO	73			Not applicable as QVC operated by QAPCO
20	Qatarization	Nationalization rate (%) (percentage of Qatari nationals in the workforce) (also provide number of nationals in workforce)	26.1%			Not applicable as QVC operated by QAPCO	27.1%			Not applicable as QVC operated by QAPCO
21	Community work	No. of hours spent, and/or Pre-tax profits invested in the community (%age, number of hours pent and/or amount of pre-tax profits invested)	955 hours			Nil	1291 hours			Nil

			2022				2023			
KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC	Q-Chem	Q-Chem II	RLOC	QVC
22	Local procurement	Spending on locally based suppliers (%age)	90.1%			QAPCO spends 74% on local procurement which includes procurement for QVC	73.5%			QAPCO spends 81% on local procurement which includes procurement for QVC
23	Board Diversity	Percentage of Board seats taken by women	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
24	Board Independence	Percentage of Board seats taken by independent directors (No. and %age)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
25	Board separation of powers	Role separation of CEO and Chairman	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
26	Voting results	Disclosure of the voting results of the latest AGM (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA
27	CEO pay ratio	CEO pay ratio - Ratio of CEO salary and bonus against the median FTE salary and bonus	NR			Not applicable as QVC operated by QAPCO	NR			Not applicable as QVC operated by QAPCO
28	Gender pay ratio	Ratio of Median male salary to median female salary.	NR			Not applicable as QVC operated by QAPCO	NR			Not applicable as QVC operated by QAPCO

			2022					2023				
KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC	Q-Chem	Q-Chem II	RLOC	QVC		
29	Incentivized pay	Specify the links between (executive) remuneration and performance targets (Yes/No)	NR			Not applicable as QVC operated by QAPCO	NR			Not applicable as QVC operated by QAPCO		
30	Ethics code of conduct	Does the Company publish and follow an Ethics Code of Conduct? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
31	Supplier code of conduct	Does the Company publish and follow a Supplier Code of Conduct? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
32	Bribery/Anti-corruption code	Does the Company publish and follow a Bribery/Anti-Corruption Code? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		

NR – Not Reported

NA – Not Applicable

Key Definition:

Energy Intensity	Amount of Energy Consumed (in GJ)/Total Production (in Tonnes)
GHG Intensity ratio	Total amount of Greenhouse Gas Emissions (Metric Tonne of CO ₂ eq)/Total Production (in Tonnes)
Freshwater consumption intensity	Total amount of freshwater consumed (in M3)/Total Annual Production (in tonnes)
Water recycled	The total volume of water recycled/reused in m3 by the organization per year / total water consumption.
Total Recordable Incident Rate (TRIR)	A key workplace safety metric that measures the number of recordable incidents against the number of workers and total hours worked.
Lost Time Injury rate (LTIR)	total number of lost time injuries in a certain time period divided by the total number of hours worked in that period, then multiply by 200,000
Average hours of training	Workforce training hours/No. of employees trained
Local procurement	Local procurement is sourcing of goods and services from local suppliers who are registered locally (includes goods imported or sourced by local suppliers from out of the state of Qatar) and have a domicile address in Qatar. Local procurement %age = $\frac{\text{Local vendor spend}}{\text{Total vendor spend (local + foreign)}} \times 100\%$
Qatarization	Percentage of Qatari nationals in the workforce/Total Workforce
Spill	Accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies, and groundwater.
Employee turnover	Number of employees left the organization during the period divided by average number of employees in the Company during the same time.

Abbreviations:

Abbreviation	Description
AOA	Articles of Association
BAC	Board Audit Committee
BOD	Board of Directors
BCM	Business Continuity Management
BGC	Board Governance Committee
BRC	Business Risk & Crisis Management Committee
CO _{2eq}	Carbondioxide Equivalent
CSR	Corporate Social Responsibility
CH ₄	Methane
DO	Dissolved Oxygen
ESG	Environment, Social and Governance
ERM	Enterprise Risk Management
FIFA	Federation de Internationale Football Association
GJ	Giga Joules
GHG	Green House Gas
GT	Gas Turbine
GRC	Governance Risk and Compliance
HSE	Health Safety and Environment
HSEQ	Health, Safety, Environment, & Quality
HQ	Head Quarters
HR	Human Resource
HRSR	Heat Recovery Steam Generation
IT	Information Technology
IPO	Initial Public Offering

KPI	Key Performance Indicators
LDAR	Leak Detection and Repair
LTI	Loss Time Injury
LTIR	Lost time injury rate
LLC	Limited Liability Company
LIMS	Laboratory Information Management System
MOA	Manual of Authority
MOC	Management of Change
MIC	Mesaieed Industrial City
MT	Metric Tonne
MoECC	Ministry of Environment and Climate Change
NO_x	Nitrogen Oxide
NAO	Normal Alpha Olefins
OE	Operational Excellence
OEM	Original Equipment Manufacturer
OJT	On the Job Training
PSM	Process Safety Management
PE	PolyEthylene
QFMA	Qatar Financial Markets Authority
RLIC	Ras Laffan Industrial City
R&D	Research & Development
STEM	Science, Technology, Engineering and Mathematics
TRIR	Total Recordable Injury Rate
TA	Turnaround



mphc@qatarenergy.qa



974 4013 2080



974 4013 9750

Mesaieed Petrochemical Holding Company
P.O. Box 3212, Doha, Qatar



شركة مسيعيد
للپتروكيمياويات
القبضة

Mesaieed
Petrochemical
Holding Company