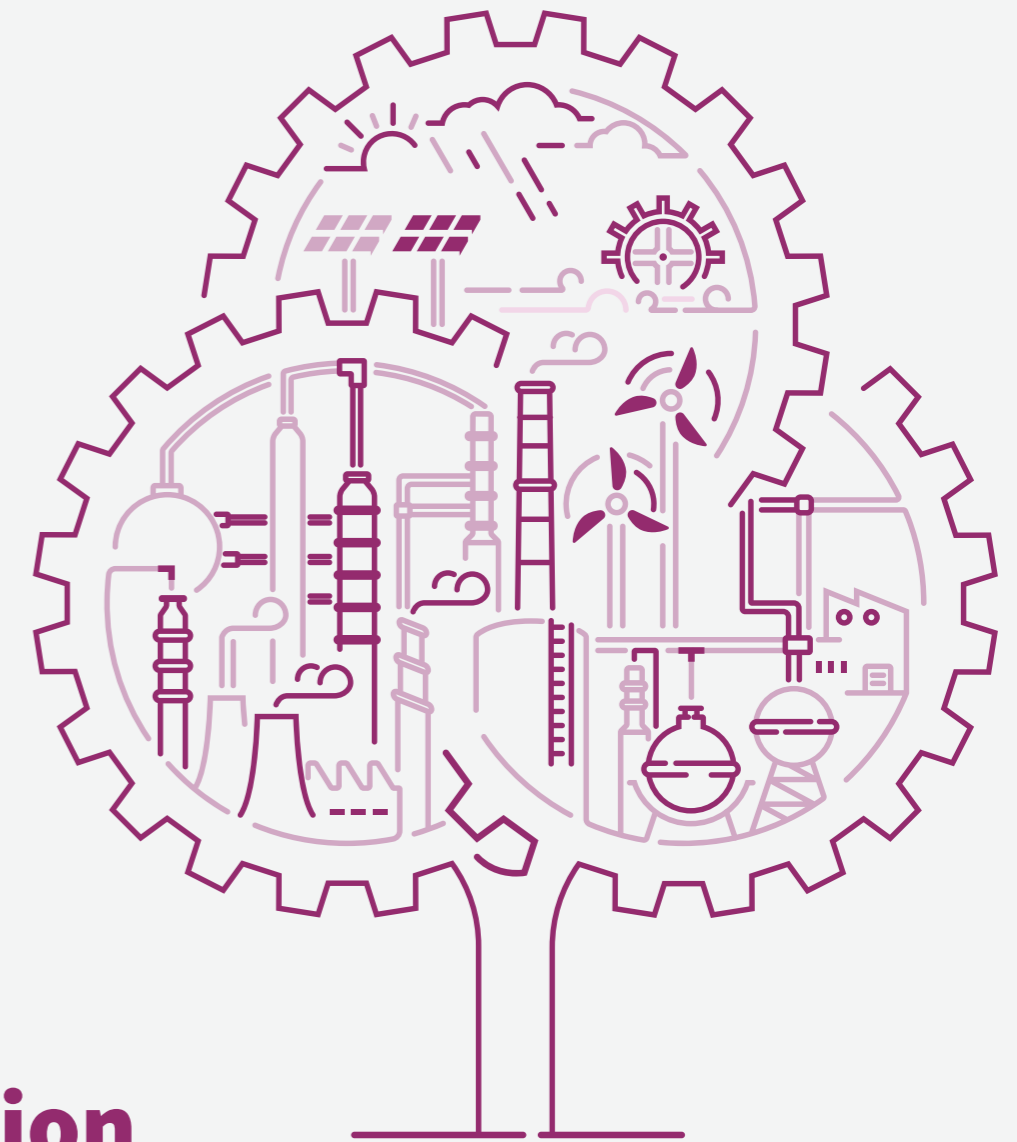


SUSTAINABILITY REPORT 2021



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Our **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.

Our **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.



Message from the Chairman



Ahmad Saif Al-Sulaiti
Chairman

I am pleased to present our second Sustainability Report for Mesaieed Petrochemical Holding Company (MPHC) and its group companies (together called as “the Group”) for 2021. The report highlights group’s operational performance and commitment towards environment, social and governance issues. The Group is committed to responsible, sustainable operations with minimal environmental footprint and during the course of their journey since inception, the Group has made significant leaps in regard to truly integrating sustainability into their operations.

I am pleased with the achievements by the Group during 2021 to manage environment with prevention programs viz., flaring reduction, waste minimization, energy optimization, chemicals management, near Zero Liquid Discharge (nZLD) project to

reuse/recycle ~85% of the process wastewater after treatment. Group maintained reliable and safe operations with zero tier 1 & tier 2 process safety events, zero company responsible environment events, implemented localization procurement program “Tawteen” and other social programs impacting local communities such as Qatarization among others.

The Group’s sustainability solutions (especially Q-Chem’s) have made it a role model for other petrochemical companies in the region. The Group’s sustainability approach is aligned with Qatar National Vision 2030 (QNV 2030) to be a sustainable society that places high

value on the environmental, economic, and human development matters. I would like to thank my fellow Board members and the Senior Management of MPHC and its Group Companies for their dedication and hard work in delivering resilient operational results and at the same time being committed towards safe operations, minimizing environmental impact and ensuring community well-being.

Lastly, I would like to thank all the shareholders, employees, customers and other stakeholders who continue to contribute to the sustainable journey of MPHC Group.



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. 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 2021 calendar year.

CONTACT US

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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 MPHC 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 MPHC's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur. 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 MPHC's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

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. (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.

QATAR CHEMICAL COMPANY LTD. (Q-CHEM)

PRODUCTS:

Ethylene, High and Medium Density Polyethylene, 1-Hexene and other by-products.

QATAR CHEMICAL COMPANY II LTD. (Q-CHEM II)

PRODUCTS:

Polyethylene, Normal Alpha Olefins (NAO).

RAS LAFFAN OLEFINS COMPANY LTD. (RLOC)

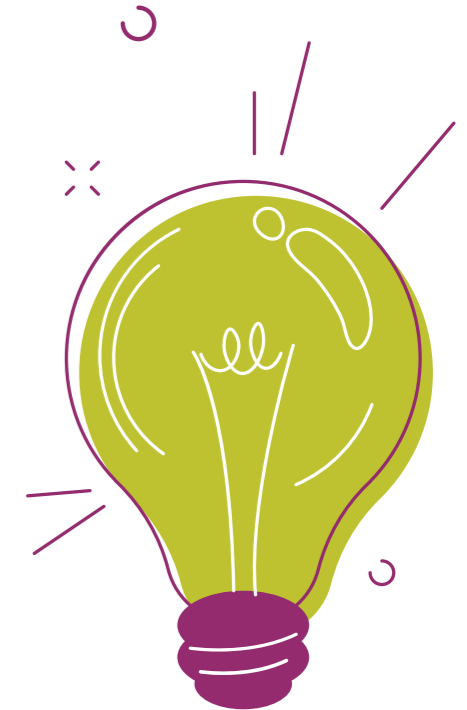
PRODUCTS:

Cracked Ethylene, C3/C4 and Pygas.

QATAR VINYL COMPANY LIMITED (QVC)

PRODUCTS:

Caustic Soda, Ethylene Dichloride, Vinyl Chloride Monomer, Sulphur and Hydrochloric Acid.

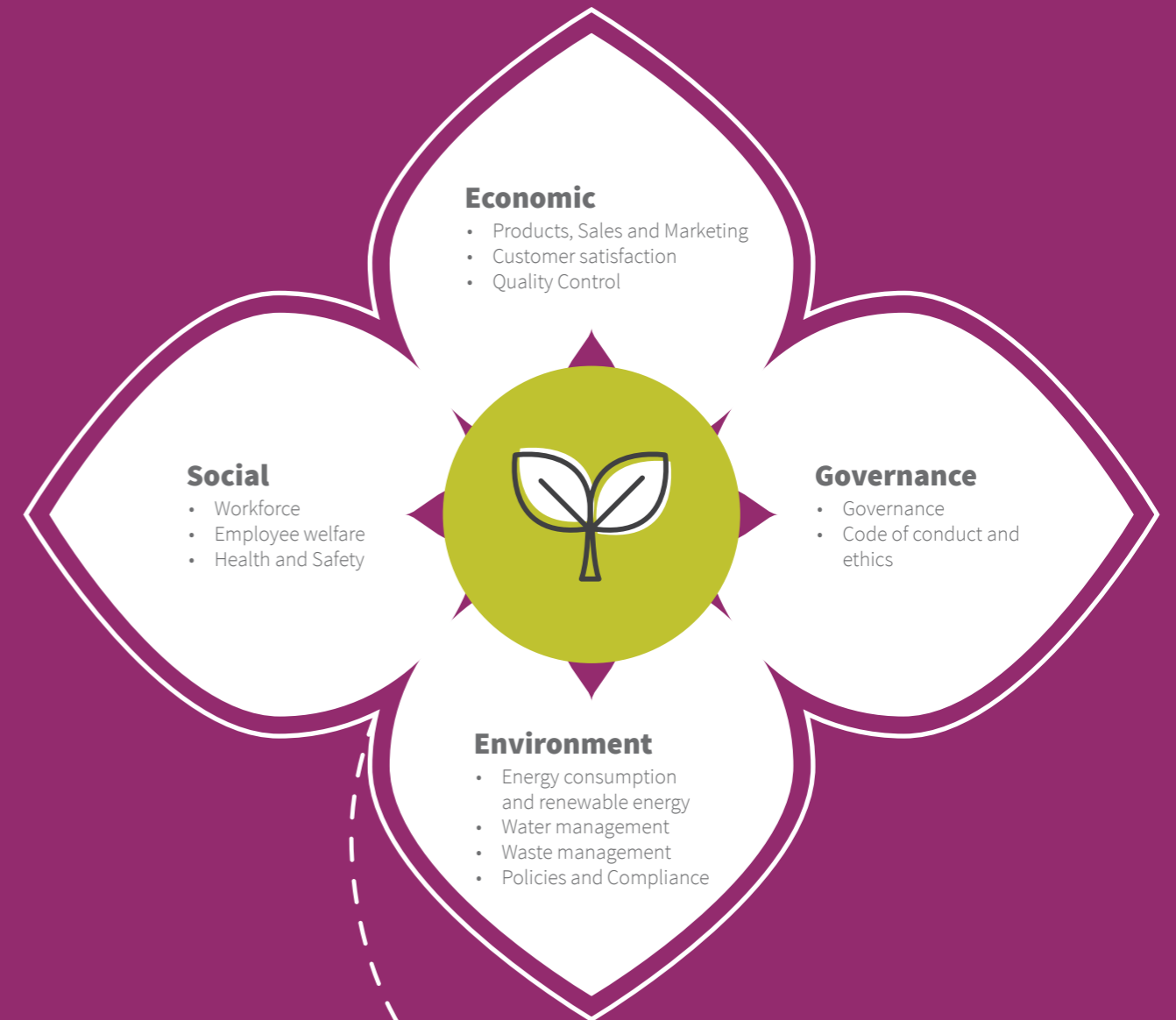


Our approach to sustainability

“Sustainability” takes a broader perspective to include 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 MPH C operates, which also aligns with the four pillars of Qatar National Vision of 2030.



Each of the below 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 firmly 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 went public by QatarEnergy in 2013 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.

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. 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 65.45% majority shareholder.
- Mesaieed Petrochemical Holding Company and its subsidiaries depend on QatarEnergy for the supply of feedstock and infrastructure.
- Mesaieed Petrochemical Holding Company and its subsidiaries depend on QatarEnergy for technical and technological support.
- QatarEnergy provides the Company with all financial and head office services under a service-level agreement.

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





Board Composition

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. According to 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.

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 subsidiaries 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

In 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 formed pursuant to Board resolution no. 8 of the fourth 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 presently comprises of 3 members, chaired by a Board Director, all of whom have the required experience necessary to effectively perform their duties and exercise the functions of 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. The Committee presently 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 65.46% 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 received from other QatarEnergy departments such 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 43%. QatarEnergy undertakes efforts to recruit more female employees as a commitment to diversify the workforce. Female employees currently make up 19% 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 always 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 makes and submits 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 carryout shareholder's audit on MPHC Group companies to provide comfort on groups risk and control processes to the MPHC BAC.



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 review periodically the environmental policies in line with the legal requirements as prescribed under consent to operate to assess, report and mitigate 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. Unlike most manufacturers across the world, 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 cleaner and more environmentally friendly than the other methods of generating energy.

Emission Reduction:

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 water 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 projects including Zero or Near Zero liquid discharge projects with the aim reusing wastewater in the production process and reduce 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 (MoECC) 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 and fulfil its social responsibility as a good corporate citizen. By leveraging its capacity, the Group 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.



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.

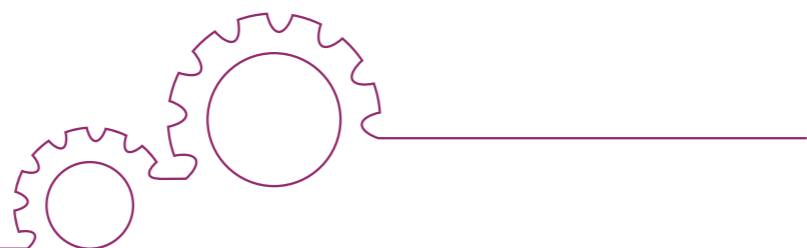
The Board of Directors (BoD) is the highest governing body at MPHC and its Group Companies and represents the interests of the Group and its shareholders. BOD Charters are developed at MPHC and each of the Group Companies in accordance with the Corporate Governance best practices, Qatar Commercial Companies 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.

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



Q-Chem Companies

1.1. VISION, MISSION AND 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.

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.

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. Q-Chem’s total energy consumption for all operations dropped 11.85% in 2021, with energy intensity also dropping a respectable 1% over last year. This was a result of several initiatives implemented to optimize energy consumption.

ESG factor	Q-Chem		Q-Chem II		RLOC	
	2020	2021	2020	2021	2020	2021
Energy Consumption (Total amount of energy usage in Mn GJ)	18.426	17.309	1.559	1.824	27.173	34.368
Energy Intensity (GJ/Tonne)	15.87	14.42	2.51	2.52	23.35	23.61

1.2.2 Emission Reduction

In 2021, the Company reduced its upstream responsible events by 67% compared to 2015, with only three company responsible events in 2021.

Q-Chem continued to improve its environmental performance, spurring innovation and ownership among employees through effective Pollution Prevention Programs that have been recently implemented to include environmental aspects, such as flaring reduction, waste minimization, energy optimization, and chemicals management. In addition, the Company started selecting monthly champions for housekeeping and waste segregation to engage employees in the process of maintaining its facilities clean and tidy. Annual champions were also selected and awarded for LDAR (Leak Detection and Repair) performance and other operational and non-operational aspects to increase motivation, maintain good ambient air quality, reduce greenhouse gases, and promote reliable environmental-friendly operations. In 2021, the total GHG emissions were reduced by 11.85% over the past year, with SO2 emissions intensity increasing by 55% compared to 2020, but decreasing by 572% compared to 2015.

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 Company’s aim in reaching near zero liquid discharge in the near future. Therefore, the Companies 2021 water performance was aligned with this strategy, reducing freshwater consumption by 2.16, but increasing water discharged to sea by 7%, while increasing water recycling intensity by 2.5% over last year.

ESG factor	Q-Chem		Q-Chem II		RLOC	
	2020	2021	2020	2021	2020	2021
Water consumption (million m ³)	1.076	1.070	0.148	0.184	0.730	0.658
Water recycled/reused (million m ³)	0.115	0.112	0.227	0.238	Nil	Nil

RLOC plant receive fresh water from RLIC network and utilize the water for human, industrial and firefighting purposes. The resulting wastewater is either sanitary (from human uses) or process (oily and/or chemically contaminated water). The sanitary wastewater is transferred by trucks to RLIC and treated at RLIC facilities before reusing for RLIC greenbelt.

We are in the process of commissioning a new sanitary wastewater treatment at RLOC and will utilize the water for RLOC green belt. As for the process wastewater, it’s treated onsite using a bio-physical treatment (stabilization, oil separation, aeration, clarifying, and filtering) before discharging to RLIC common cooling seawater return header.



RLOC is having a new project for Near Zero Liquid Discharge (NZLD), whereby the treated process wastewater will be further treated with Ultra Filtration and Reverse Osmosis for reusing a good quantity of it as boiler feed water and other uses.

1.2.4 Waste Management

Managing waste, much like managing water, is one of Q-Chem’s top environmental concerns and focus areas. Q-Chem witnessed a remarkable improvement in waste generation and treatment this year. The Company managed to decrease waste disposal by 23%, which reflected in a 1% drop in waste intensity. Simultaneously, it worked on increasing the percentage of waste recycled out of total waste generated to achieve a rate that is 24.8% higher than last year. It is worth mentioning that there were no spills recorded in 2021.

2022 TURNAROUND WASTE MANAGEMENT PREPARATIONS

In support of the efforts to have a safe and cost-effective waste disposal method at Q-Chem during the 2022 planned major turnaround, the waste management plan was revised for safer and less labor-intensive waste handling with 100% safe disposal minimum time after generation.

Waste	Q-Chem		Q-Chem II		RLOC	
	2020	2021	2020	2021	2020	2021
Production (MT per year)	7,916	7,901	3,734	1,724	33,679	42,257
Recycled (MT per year)	407	773	410	564	1,488	1,687
Treated (MT per year)	254	217	538	4.35	12,755	11,486
Disposed/Incinerated (MT per Year)	6,037	3,340	1,435	1,118	18,377	29,074

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 1039 with an employee turnover of 2.7% for 2021. Out of 1039, 68 were women employees.

No. of Employees	Head Office	Plant
Male	126	845
Female	37	31

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 scheme, 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 2021 resulted in an impressive engagement rate of 87%. The results of this survey were the cornerstone of the actions taken in 2021 and ongoing to address opportunities and improve employees’ satisfaction.

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 2021 stood at 25.1% (224 employees).

1.3.2 Local procurement

Procurement of materials and services for Q-Chem, Q-Chem II & RLOC is centrally managed by Commercial Group. The year 2021 was different from the preceding years primarily due to the continuation of the Pandemic (COVID-19) and associated challenges affecting the global supply chains. The primary goal was to ensure an uninterrupted supply of materials and services to continue smooth operations, maintain business sustainability and also smooth start-up after Q-Chem II and RLOC Turnaround.

Pursuit of excellence is one of the core values at Q-Chem. In 2021, the focus was to start the journey to transform Procurement by implementing global best practices, targeting strategic objectives of improving resilience in supply chains of critical material, identifying and capturing strategic long-term value for the organization and building strategic execution & operational excellence. Developing local suppliers to support the realization of Qatar National Vision 2030 was amongst the priority initiatives. Qualifying local suppliers to manufacture packaging materials in Qatar using locally produced ingredients is one of the success stories for 2021.

Q-Chem continued its role as one of the active participating companies in QatarEnergy led supply chain localization program - TAWTEEN. Implementation of the in-country value (ICV) incentive program and committing business for local manufacturing-based supplier investment opportunities under the 4Cs (Category, Consolidate Commit and Contract) program were among the major milestones.

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 2021, Q-Chem completed 14 years without a heat related injury/illness.

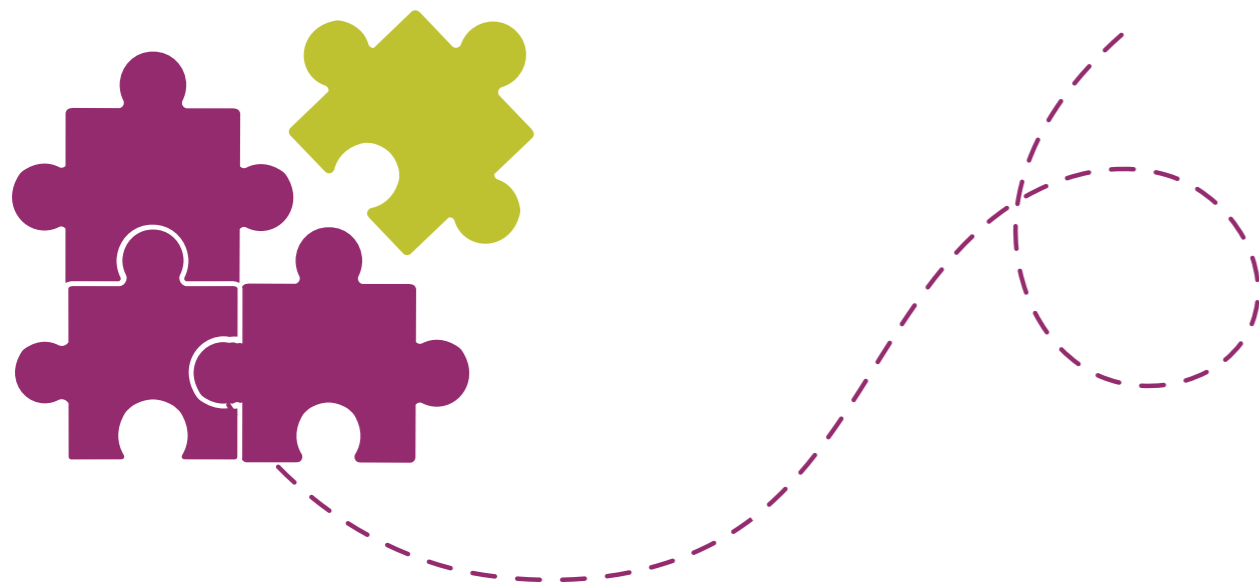
- For employees, zero recordable injuries in 2021 and zero in the previous five years (2017-2021). or less than one recordable per year and fatalities are Zero.
- For contractors, three recordable injuries 2021 and ten in the previous five years (2017-2021) or average 2 recordables per year and fatalities are Zero.
- The total number of injuries (employees and contractors) average to 2-3 recordables per year and fatalities are Zero.

1.3.4 Employee Training

At Q-Chem, the Company places a high focus on leveraging its employees' awareness of safety topics and heightening that awareness with continuous training and education programs. In 2021, more than 88,304 hours of training were provided to the Company contractors to ensure that they are aware of and in compliance with its strict safety code to be ready for a successful turnaround in 2022.

1.3.5 Community

Enriching society and uplifting local communities are vital part of Q-Chem's sustainability agenda. Q-Chem invests in community through various activities and campaigns that add value to its employees, environment, and society. Due to the COVID-19 pandemic and safety restrictions, the Company has focused on virtual events. These contributions have enhanced the Company's corporate social responsibility (CSR) activities and positively impacted more than 4,000 people in Qatar. A total of 294 hours were spent on community work through 13 CSR projects.



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 Audit Committee

Through special resolution the board established an audit committee [BAC]. The Audit Committee assists the board of directors in fulfilling its responsibilities in relation to financial governance, reporting and internal control. The BAC has an independent role, operating as a maker of recommendations to the board for its consideration and final approval.

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 controls policy aims to establish a dependable system of internal controls and detect material risks to Company's condition or compliance with laws and regulations and to make appropriate corrections. The company has an effective risk-based internal audit function. Internal audit supports accomplishing Company's objectives by bringing a systematic and disciplined approach to evaluate application of risk management, control and governance processes. It coordinates with the relevant board committees, management and departments to improve the effectiveness of these processes.

1.4.5 Managing Enterprise Risks

The company initiated an Enterprise Risk Management (ERM) process in 2014 that was embedded in all critical business activities, functions and processes. It is an integrated risk management process that combines a "Bottom-Up" Operational Risk management process and a "Top-Down" Strategic Risk management process. 2021 saw the completion of the Company's sixth annual ERM cycle, culminating in developing key risk mitigation plans and completing first iteration of Q-Chem's Strategic Risk profile. The Company also enhanced the developed Pandemic Response Plan started in 2020 in cooperation

with the Q-Chem HSE Department and QatarEnergy to respond to COVID-19. In digitalization, the Company developed and successfully rolled out an in-house Enterprise Risk Management application during 2020 and put in use it in 2021. The Company also finalized an improvement project that was initiated in 2020 to advance its Business Continuity Management (BCM) System.

1.4.6 Cyber Security

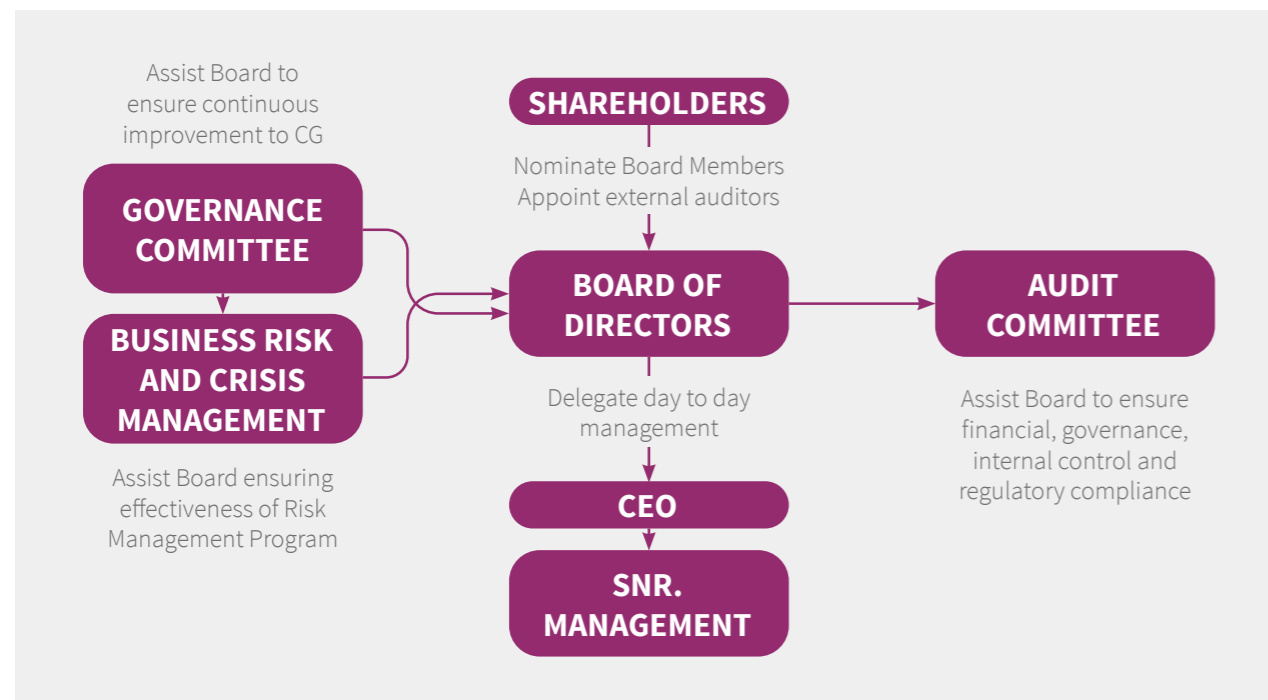
In 2021, Q-Chem continued to improve in ensuring the confidentiality, integrity and availability of its enterprise applications, data and systems, through controls designed to mitigate specific risks and challenges. Q-Chem's compliance to FIFA 2022 Cybersecurity Framework and the National Information Assurance Policy (NIAP) issued by authorities of Qatar is progressing in a measured and continuous manner thereby strengthening the security posture and being resilient to cyber-attacks. The project of Q-Chem Digital Transformation was initiated in 2021 and ongoing with roadmap as business improvement initiative.

1.4.7 Integrated Management System

The Company engaged a world leading consultant firm to enhance its operational performance and align its operations with industry best practices. This engagement built on the efforts invested in the Operational Performance Enhancement (OPE) Program that guides continuous improvement at Q-Chem. As a result, Q-Chem successfully achieved accredited RC and ISO certifications following an integrated management system (IMS) approach. This system is audited annually and recertified every three years for ISO 9001, ISO 14001, ISO 45001, and RC 14001.

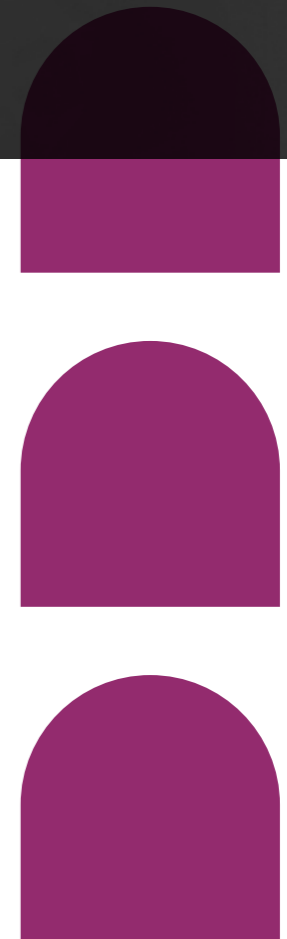
1.4.8 Governance Framework

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



1.4.9 Projects & Future Plans

Q-Chem initiated and completed multiple projects this year with a total capital budget of more than 90 million dollars (more than 328 million QR) to enhance the safety of its people and assets and ensure compliance with environmental regulatory requirements. Looking forward, the Company has projects in the pipeline spanning over the next three years with an additional budget of more than 250 million dollars (more than 912 million QR) for planned sustainability and economic projects.



Qatar Vinyl Company (QVC)

2.1. VISION, MISSION, AND 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. During the reporting period, QVC energy intensity was 19.80 GJ per ton of production.

ESG factor	2020	2021
Energy Consumption (direct and indirect) (Million GJ)	15.006	14.769
Energy Intensity (GJ/Tonne)	20.40	19.80



2.2.2 Emission Reduction

QAPCO (Operator of QVC) constantly strives to minimize its environmental footprint to help drive Qatar's sustainable development and align with the Qatar National Vision 2030. To mitigate Company's environmental impact, QAPCO has invested in eco-friendly materials, efficient machineries, and green technologies. As a responsible business, QAPCO is developing projects to reduce GHG emissions, waste, and effluents.

Through investment in high-efficiency machinery and operational optimisation, QAPCO have achieved significant progress in reducing environmental impact. Effective coordination and communication with the Qatar Ministry of Environment and Climate Change (MoECC) and the Qatar Energy HSE Regulations and Enforcement Directorate are critical to successful implementation of environmental management plans.

Company's decarbonisation efforts are also focusing on decreasing process energy intensity, which reduced by ca. 8.5% between 2018 and 2020. By installing a heat recovery steam generation (HRSG) unit on QVC GTs, QAPCO will minimize their energy consumption when producing high-pressure steam. Once the HRSG units are online, QAPCO will be able to phase out two boilers and therefore improve the overall energy efficiency of the system. As well as a energy saving of 92% for the HRSG steam generation unit, this will produce a GHG emissions reduction of 223,704 tons/year.

In line with the QNCCAP2030 climate action plan, QAPCO is committed to reducing its carbon footprint. Overall, QAPCO achieved a NOx reduction of 33% at QVC between 2019 and 2021.

ESG factor	2020	2021
GHG emissions (Scope 1 & 2) (Million tonnes of CO2e)	0.837	0.854
Energy Intensity (GJ/Tonne)	1.14	1.15

Emission factors for Scope-1 GHG are local and calculated as per the QatarEnergy GHG Accounting & Reporting Procedure. QatarEnergy advises emission factor for Scope-2. GWP values are from IPCC Fifth Assessment Report, 2014 (AR5) as per QatarEnergy GHG Accounting & Reporting Procedure. The base year for the calculation is 2020. The rationale is that QAPCO started reporting its GHG emissions according to the new procedures based on QatarEnergy GHG Accounting & Reporting Procedure from 2020.

2.2.3 Water Management and Effluents

With Company's operations located in a water-stressed area, QAPCO (operator of QVC) is highly conscious of the importance of water savings. As water is essential for several steps of production, such as steam generation and cooling, Company is committed to limiting its consumption. Although water intensity increased in 2021 (by ca. 11%) compared to 2020, Company is strengthening its recycling capability.

QAPCO (Operator of QVC) has an integrated management system certified for ISO14001, RC14001, ISO45001 and ISO9001. As per the IMS all impacts including water impacts are assessed and documented in the departmental risk registers and control measures action plans are identified, agreed upon and implemented.

Process wastewater discharges are treated and monitored for compliance prior to discharge as required under regulations. The compliance level is monitored and reported through KPIs.

Cooling seawater return discharge to the sea is managed by monitoring it for temperature and residual free chlorine as required in regulations.

The company operates according to the renewable Consent to Operate (CTO) issued by Ministry of Environment and Climate Change (MoECC). The CTO sets limits for effluent discharge quality and treatment based on the national regulations and industry specific process and operation.

Freshwater is sourced from Kahramaa and is metered. Seawater used for cooling is metered and in case meters are faulty, then calculated/estimated. Water discharged is metered/calculated.

ESG factor	2020	2021
Water consumption in million m ³	0.956	0.952
Water recycled/reused in m ³	Nil	Nil



2.2.4 Waste Management:

Some of the outputs lead or could lead to significant waste-related impacts, these are the following activities that result in generation of waste:

The activities that result in generation of waste and hence related impacts are:

- **Process operations**
- **Maintenance**
- **Shutdowns/turnarounds**
- **Chemicals used**
- **Laboratory analysis**

QAPCO (Operator of QVC) is constantly exploring new ways to minimize its waste production while maximizing recycling performance. While Mega Turnaround skewed QAPCO's waste generation upward in 2021, its aiming to drive it down to the 2020 level or even lower in 2022. In the meantime, Company has signed a long-term contract with a local company to recycle used oil. This will boost its recycling ratio, which was nearly 30% last year.

Waste generated is quantified and reported by operations for disposal through SAP system. It is sent for disposal to MIC hazardous waste treatment center or to other third party waste disposal contractors, where it is weighed and reported to Company.

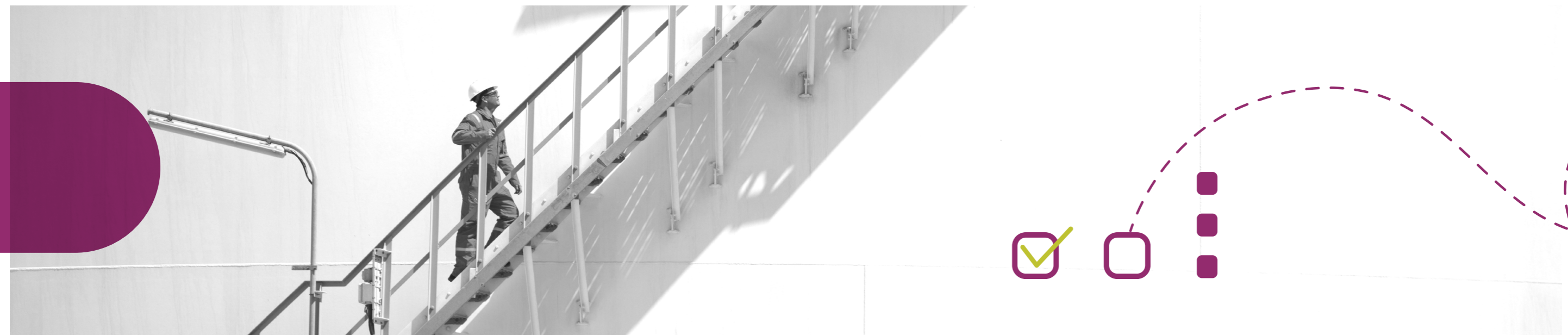
ESG factor	2020	2021
Waste generated (tonne)	241	251
Waste sent to landfill (tonne)	241	251

2.3. SOCIAL

QAPCO (Operator of QVC) culture revolves around diversity, which Company see as an added value for its business workforce. Although men represent most of the Company employees, it increased the female workforce share from 4% in 2020 to 5% in 2021. Regardless of the gender, around two-thirds of QAPCO's staff are aged between 30 and 50.

Workforce	2020	2021
Total number of employees (QAPCO, QATOFIN and QVC)	1,183	1,210
<i>Workforce distribution, by gender</i>		
Male employees	1,131	1,150
Female employees	52	60
<i>Employment by level</i>		
Non-managerial staff	652	659
Middle management	467	485
Senior management	64	66

No. of Employees	Head Office	Plant
Male	124	1026
Female	41	19



2.3.1 Qatarization

To preserve Company's unique cultural identity in 2021 QAPCO (Operator of QVC) employed 276 Qataris and achieved a Qatarization rate of 27%. Over the past decade QAPCO has followed the guidelines of the Qatar National Vision 2030 as well as Energy Sector's directions to implement a strategy designed to recruit, develop, and retain quality Qatari Nationals. This strategy is based on nurturing a generation – enabling them to be part of the 2030 vision and to help deliver a sustainable and successful future for Qatar. QAPCO targets a headcount of 283 Qatari Nationals for 2022.

Qatarization	2020	2021
QAPCO Qatarization (%)	26%	27%
Qatari national headcount	272	276
Investment in sponsorships and scholarships for Qatarization (QR)	4,786,680	40,675,578
Scholarships and students sponsored	19	20
University/educational institutes partnerships	16	17

For Qatari employees their career path does not stop when they become job holders. Effective succession planning and promotion opportunities empower them to progress and grow. From Senior Staff up to Chief, Company policy is to continually promote and encourage National staff to maximize their potential. 60% of QAPCO's Heads are Qatari, 49% are Managers, 67% are Group Managers and 70% of Chief Officers are Qatari Nationals that have been promoted within the company over the last decade.

Qatarization is an essential part of human resource strategy, positively affecting and engaging Qatari employees and remains at the core of the business strategy. In 2017 Company incorporated all existing procedures into one integrated policy that serves as an HR Planning benchmark. The 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 four categories. 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.

These awards are presented by His Excellency the Minister of State for Energy Affairs and President and Chief Executive Officer of Qatar Energy, during the Energy Sector's Annual Qatarization Review meeting.

2.3.2 Local procurement

The percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation is 70 % (such as the percentage of products and services purchased locally). All Purchase orders / Contracts placed with Qatari Registered Companies which represents the organization's geographical definition of local.

When choosing its suppliers, Company applies a series of technical evaluation criteria such as health, safety, security, environmental records and requirements, and their quality systems. Also, as per Company's "Guidelines for Accommodation, Living & Remunerations", it discloses contractors' personal facilities (i.e., minimum basic monthly salary, health care, accommodations, recreation and meals, transportation, etc.). Furthermore, all contracts comply with Qatar labor regulations (e.g., waste management, etc.) and Company's contractors must also adhere to its 'Environmental Guidelines for Suppliers and Contractors' procedure. On top of that, environmental and labor rights are addressed in the technical evaluation criteria for workforce tenders. In 2021, none of Company's contractors breached either its environmental or labor compliance.

Finally, Company is proud to share that, despite the enormous pandemic-driven sourcing and logistics challenges, the procurement team successfully delivered all materials (equipment, spares, consumables, etc.) and services (maintenance contracts, support services contracts, etc.) for its 2021 Mega Turnaround in full compliance with schedules and specifications and with minimum discrepancies.

By partnering with other MIC companies in the Synergy Exercise, Company is aggregating the purchase of goods and services. Thanks to this group approach, Company aims to increase its savings from 6% in 2021 to 6.5% in 2022.

Additionally, Company fully implemented TAWTEEN initiative in its policies and procedures, which is the Supply Chain Localization Program for the Energy sector in Qatar led by QatarEnergy. Company is also aiming to achieve a local procurement share of 75% in 2022, up from 71.5% in 2021.

2.3.3 Health & Safety

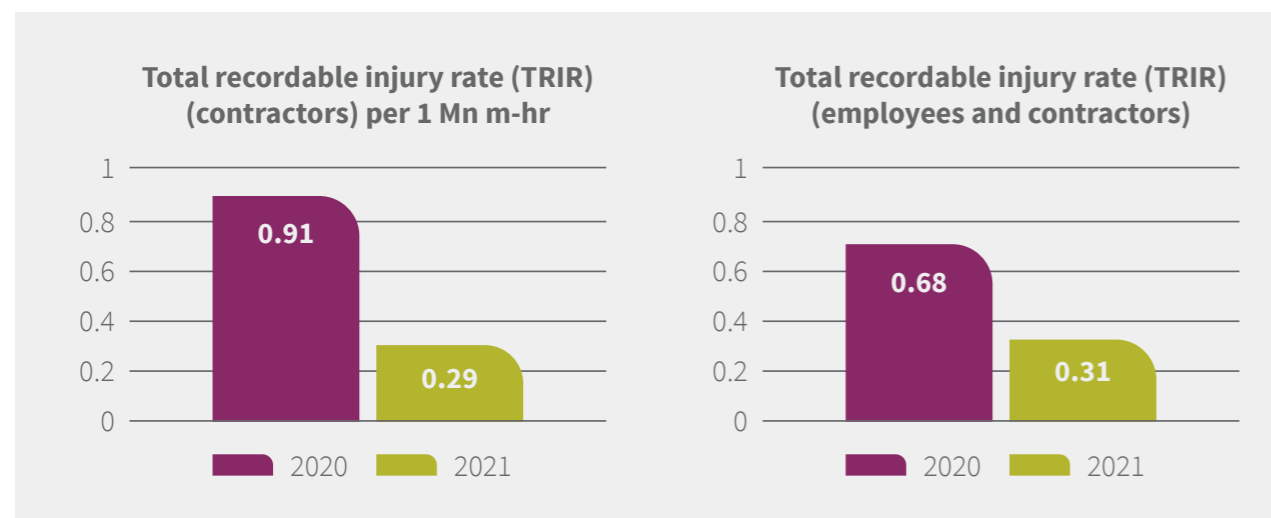
QAPCO (operator of QVC) prioritizes the safety and wellbeing of its employees through an integrated Health, Safety, Environment, & Quality (HSEQ) management. Protecting its workforce is a primary goal and does its best to avert any injuries and first aid incidents.

In 2021, QAPCO faced a major health & safety challenge and the execution of its Mega Turnaround engaged around 12,000 people in different critical tasks, 24/7. To ensure safe operations, Company carried out detailed and timely preparation enabling it to identify critical activities, perform site verifications and conduct relevant risk assessments well in advance. As well as training its contractors on how to achieve safety targets, Company distributed an HSEQ communication pack to all of them and held monthly meetings with health & safety on top of the agenda. As a result, the Mega Turnaround was completed with a 10-year low total recordable injury rate (TRIR) of 0.3.

The Company's plant's start-up was another crucial hurdle to overcome. According to a Process Institute study, ca. 46% of incidents happens during a plant's start-up phase. On top of that, making around 400 modifications to the plant, including replacing major machines, increasing the potential risk. Therefore, 6 months before the shutdown, Company introduced a pre-start-up safety review (PSSR) to mitigate the expected risk. With efficient coordination of the workforce, completed 131 PSSRs across QAPCO facilities without a single issue and identified 662 punch A items that were resolved ahead of the plants' start-up. Accordingly, Company achieved an incident-free start-up across all plants.

One Team Event

The major challenge for year 2021 was Mega TA in which approximately 12,000 workers were involved. In order to achieve the safety targets, a set of KPIs were defined and communicated across the organization and with the contractors via "One Team Event". Ensuring the identification of critical safety concerns, site verifications and risk assessments were conducted, and the contractor employees were trained aligned with the safety targets. Consequently, the Mega TA-2021 was accomplished without any LTIs and all targets were achieved.



Salamah-Process Safety Management Program

Process Safety Management is concerned with identifying, understanding, and controlling risks within the manufacturing process to prevent injuries to plant personnel, visitors, and the public, as well as harm to the environment. Because high consequence process safety incidents happen at low frequency, signs of catastrophic consequences are usually disregarded by organizations with a low Process Safety Management culture. In 2019, Salamah was initiated to improve further Company's process safety culture, systems, capabilities and preventing major accidents.

QAPCO (Operator of QVC) enables all parts of the organization to be aligned on the best practices and equipped with the necessary knowledge and skills via "SALAMAH Talks". The management of change, pre-startup safety review and safety walk procedures, asset integrity manual and process safety central taskforce are the main focus areas of this year's talks.

- The first main event of the year was the rollout of the new Management of Change (MOC) process, which was kicked off with "MOC Goes Live!" campaign. The first CAPEX & Modifications training with selected QAPCO practitioners were conducted to align on the adjustments to the procedure and explain how it complements the newly updated MOC procedure. Furthermore, the team is currently finalizing the Safety Bypass procedure to ensure that bypasses and isolations of safety related equipment are performed and controlled in a consistent manner such that the plant and equipment are always maintained in a safe condition.
- The Asset Integrity workstream conducted a gap analysis on the seal management procedure to highlight the improvement opportunities.
- The Manage Incidents workstream collected input from different stakeholders including plant managers and the safety department, to finetune the latest incident investigation procedure and align it with best practice.
- The Manage Operations workstream has been reviewing QAPCO safe work practices (SWPs). The team aims to enhance the following audit protocols: permit to work, confined space entry, line breaks, lifting and hoisting, work at height, and excavation.

The processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers are defined in policies and procedures viz., HSEQ Governance structure, HSSE Communication Procedure, IMS Audit and Corrective Action Procedure, toolbox talks, Communication pack, HSE Help Desk, Safety walk procedure, Guideline for Employee feedback & internal Customer, Satisfaction Survey and Incident Reporting and Investigation Procedures. As for the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, awareness is developed through Policy statements, Golden Rules (to prevent accidents and protect lives from unforeseen incidents), "Speak up campaign's" etc.

The average number of contractors who are not employees but whose work and/or workplace is controlled by the organization is 2500/day, and covered by a health and safety management system. Contractors having more than 50 people daily on site (average) are internally audited by QAPCO, representing 90-95% of the contractors workforces on QAPCO.

QAPCO facilitates workers' access to non-occupational medical and healthcare services by providing medical insurance to the worker for outpatient, inpatient, dental, wellness, maternity and optical benefits. These benefits coverage is worldwide. Voluntary health promotion services and programs are offered to workers to address major non-work-related health risks, including the specific health risks addressed, at several means i.e. blast email, tool box meeting, desktop screen saver, banner, leaflet during periodic medical check up based on findings, QAPCO social media, etc. Some wellness program implemented include weight loss program, blood donation program, etc.

Work related Health hazards (Physical, Chemical, Biological, Ergonomics and Psychosocial) are determined by means of Occupational Health Risk Assessments - OHRA. Only Heat-stress hazard has contributed to few FAC during the reporting period. A comprehensive Heat-stress Management Program has been developed to control and mitigate heat-stress hazards.

QAPCO has fitness to work procedure and well implemented. The type of medical assessment is based on job task and hazard exposure in the workplace i.e. Plant and non-plant workers, applicability for QAPCO staff and/contractors only and frequency of Medical assessment required. QAPCO will determine occupational illness based on MOPH (Ministry of Public Health) the State of Qatar, QatarEnergy occupational illness definition and International standards i.e. ILO, OSHA.

There are zero incidents of non-compliance with regulations that could have resulted in a fine or penalty/warning/voluntary codes, as QAPCO's product is compliant with relevant EU, FDA and other major national Food Contact Plastic regulations.

QAPCO's approach to security management for existing operations, projects planned or underway and new locations for business activities, Security Risks are identified and captured in the Enterprise Risk Register and HSSE Risk Register.

In the event of a security crisis, management procedures and plans are dependent on Security Emergency Instruction, Security Training Guide Emergency Scenarios, Emergency Response Plan Mesaieed Facility and QAPCO Master BCP.

In terms of Safety performance for the year, QAPCO (operator of QVC) had TRIR of 0.31 (per million man hours) injuries/recordable injury for employees and contractors. There were no work-related fatalities, neither for employees nor for contractors.

2.3.4 Employee Training

QAPCO (Operator of QVC) recognizes that the most important resource of the organization is its employees. As of December 31, 2021, 1,210 employees work for QAPCO, Qatofin, and QVC combined. Non-managerial and middle management staff account for 94% of the workforce, with senior management making up the rest.

QAPCO is committed to train and develop the entire workforce to enhance their knowledge, equip them with necessary skills while exploring their full potential which in return enables the organization to achieve its goals and objectives through competent working teams. In the wake of Mega Turnaround in Q4 2021, training focused on safety and technical skills to support the turnaround activities. Of the training needs identified, Company delivered 41% of them online. This included a virtual "Returning to the Workplace with New Energy" workshop, which was conducted after Company revised its COVID-19 protocol.

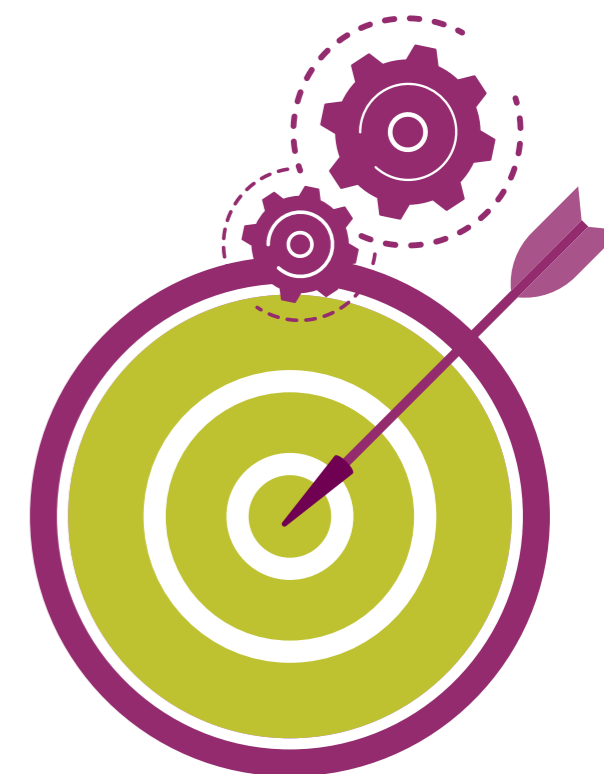
Overall, 96% of employees fulfilled their training requirements, while Company's capacity building department (CBD) assigned the required training to 92% of the total workforce. Despite pandemic-related disruptions and Mega Turnaround commitments, Company delivered an average 19 hours of training to each employee.

Moreover, to reflect the Company's commitment towards the code of conduct, QAPCO initiated the full comprehensive awareness program that is built to embed it in the way it operates. This program was kicked off under the name "our Golden code" and phase two of the program will cover the training and development for all stakeholders. As part of the program QAPCO team attended conference on "Sanctions, Anti-Corruption & Export Controls in the Middle East.

Centralized On Job Training Program

QAPCO had launched and established a standardized on the job training (OJT) program covering all roles in manufacturing and support functions in compliance with the Process Safety Management (PSM) and Management of Change Personnel (MOC-P) requirements of QAPCO.

During 2021 QAPCO used virtual sessions to deliver one of its kind "Returning to Workplace with New Energy" training program, which was designed to empower employees who had worked from home during the pandemic and to make them better prepared physically and emotionally for the new normal moving forward with all challenges.



2.3.5 Community

One Team Event: Is basically a series of quarterly conducted engagement with QAPCO (Operator of QVC) contractor partners and management of QAPCO. The event objective is to establish a channel between partners and the company and reflect on the performance and lesson learned and how effective processes are.

QAPCO is establishing new strategic relationships and nurturing existing partnerships. Raising awareness of the Company's business value to local stakeholders will encourage neighbouring educational and business communities to learn more about the company and its exciting career opportunities.

The key to Company's strategy is to make an impact, by inspiring and encouraging students. QAPCO places particular focus on the STEM (Science, Technology, Engineering, and Math) disciplines as it feels that these particular disciplines are vital to the energy sector and support numerous out-reach STEM programs and initiatives.

Successful educational initiatives implemented in 2021 include the following:

The QAPCO Welcome to Industry Program

As part of QAPCO's collaborative strategy with its partners in the education sector, Company has implemented a new initiative, 'The QAPCO Welcome to Industry Program'.

The program aims to enable engineering students and school students from the local education



sector to gain an insight into its industry and to experience at first hand the sights and sounds of an industrial plant. This is achieved through regular student visits to the QAPCO plant for a one-day orientation.

Agreement with Qatar University Young Scientists Center

A new agreement was signed between QAPCO and Qatar University's Young Scientists Center.

The Center is dedicated to transforming the national youth into resilient, intentional, critical, and engaged people. In conjunction with the Center, QAPCO aims to develop the students' life skills through science activities and build their key behavioral competences.

The agreement comprises three programs:

1. Gateway to Qatar University

This program aims to attract Qatari students from high schools to enroll in STEM majors at Qatar University. It provides insights and a better understanding of different specializations through interactive scientific workshops and challenges.

2. Summer Course

The program engages students in a course of structured activities, thereby developing key competences such as research skills, design, and innovation. Students will apply knowledge of STEM in the development of environmentally friendly products.

3. The Youth Research Forum

This seeks to develop the culture of scientific research in young people and to demonstrate their role in leading change and creating opportunities for development and progress through scientific research and innovation.

QAPCO's Year of Blended Training

The education sector has been one of the areas most affected by the unique challenges of the COVID-19 pandemic.

QAPCO helped address this in 2021 by utilizing a blended training approach that combined a virtual platform with live site visits, enabling us to successfully deliver internships and industrial site visits to 208 engineering students from local universities, colleges, and schools.

The summer Internship program was delivered virtually to engineering students from Qatar University, Texas A&M University – Qatar, and College of the North Atlantic – Qatar, as well as international students from Canada, North Africa, and Poland. The decision to go virtual was based

on a strong belief that the internship program is an essential and important development opportunity for students as they need to obtain practical experience in the field to complement their academic studies.

The six-week program involved 31 virtual training sessions delivered by training specialists from 5 operational departments (Utilities, Ethylene, Polymer, Maintenance, and QVC) plus 2 guest lectures from subject-matter experts.

When the Government lifted COVID-19 restrictions, Company took the opportunity to arrange two site visits to plants for small groups of selected students and host individual internship programs at the Plant and the Company's Doha Headquarters.

QAPCO is proud that it supported the education sector during these difficult times by providing opportunities for students to complete their practical training in the field.

Donation of Decommissioned Equipment to Qatar Technical School

As part of the Mega Turnaround process, decommissioned and expired/written-off equipment became available to be disposed of. To follow a more sustainable approach, Company invited Qatar Technical School to visit the plant in order to view and select any of this machinery that could be of value to them.

This equipment, including transmitters, I/P converters, controllers, sensors, gauges, valves, and calibrators will now be used to train the school's students, enabling them to experience the size, shape, and feel of heavy machinery.

Mega Turnaround –Virtual Workshop

Mega Turnarounds do not occur very often in the cycle of the plant. The Turnaround in 2021 was therefore an excellent opportunity to share information and knowledge with students. A virtual workshop was delivered by Company's Chief Operation Office (Vinyl) to 120 students from Qatar University, Texas A&M University Qatar, the College of the North Atlantic – Qatar, and the Community College Qatar.

The presentation explained, in great detail, everything the students need to know about the history of Turnarounds, the technical process and procedures, and how QAPCO planned and delivered the 2021 Turnaround.

Teach For Qatar Leadership Journey Program

QAPCO (Operator of QVC) is supporting the Teach for Qatar Leadership Journey program through the sponsorship of two STEM Fellows who teach mathematics to high school students. In this way, Company is contributing to the development of Qatar's next generation of doctors, engineers, scientists, and chemists.

The two Fellows teach grade 5 and 7 students in local government schools and have positively impacted the math department and their students. They have recognized opportunities within the math curriculum to introduce engineering to their students, helping them understand an engineer's role and engineering challenges.

Focusing on improving their students' non-academic, as well as academic, learning has resulted in high academic achievement and an enhanced learning experience within the classroom.

2.3.6 Corporate Governance

The Company 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), 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 Protocol of Association (POA), 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 POA, 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

Corporate Committees

1. Health, Safety, Security and Environment (HSSE) Committee
2. Human Resource (HR) & Qatarization Committee
3. Disciplinary Committee
4. Information Technology (IT) & Cyber Security Committee
5. Event, Club, Sport and Technical Committee
6. Tender Committee 2

Managing the impacts

The senior executives develop, approve, and update the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development and submitted to the board for final endorsement and approval.

Reports related to HSEQ, Environment, Operations, Finance, Engineering, HR and Projects, IT performance are presented to the Board on quarterly basis. This is in addition to Board and Non Board Committee reports submitted to the Board relating to the activities of each committee as per the respective TORs of each Committee. The committees shall report summary of activities to the BOD during 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.



Approach to Risk Management

Enterprise Risk Management (ERM) system is a consistent and clear framework designed for managing and reporting risks to Company's governance structures to avoid incidents, avoid losses, and enhance business outcomes, ERM allows to: Identify, assess and analyze the potential risk exposures for QAPCO (operator of QVC).

- Determine the best way to deal with these risks and manage overall potential exposure.
- Reduce the level of the identified risks to as low as reasonably practicable through various short-, medium- and long-term mitigation actions & initiatives.
- Monitor and provide assurance of the effectiveness of risk management and intervene where necessary.
- Report to the Governance, Risk and Compliance Committee and the Board on a regular basis on how risks are being managed, monitored, assured and on the improvements that are being made.

QAPCO's philosophy on ERM is the proactive management of risks while taking advantage of any arising opportunities. Its methodology aligns with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and other leading industry standards.

QAPCO integrated risk management into key business processes such as strategy, planning and performance management, sustainability, and safety. On a day to day basis, management, staff and partners seek to identify and manage risk, promoting safe, compliant and reliable operations as well as greater efficiency and sustainable financial results.

QAPCO's board of directors, relevant committees, the leadership team, and management provide oversight on how enterprise risks are identified, assessed and managed ensuring that relevant policies processes and procedures are in place to manage risks effectively throughout the year. In addition, QAPCO's group risk team analyses the risks profile and maintains the management system. Company's internal audit team provides independent assurance to the MD&CEO and Board as to whether the group's internal control system is adequately designed and operating effectively to respond appropriately to the significant risks for QAPCO.

QAPCO defines emerging risks as any uncertain future events, external to QAPCO, which may be beyond the organization's direct capacity to control. These risks are difficult to measure or quantify, unpredictable in nature, and maybe without historical precedent, or events that could potentially have a significant or unforeseen impact on the business.

- Climate change and the transition to a lower carbon economy
- Natural resource depletion
- Digital infrastructure and cyber security
- Alignment with the future of work: Retaining and attracting talents

QAPCO continues to monitor the external environment to proactively identify emerging risk themes and develop risk response strategies accordingly. The outlook suggests that the risk environment for the future will be dominated by global economic and market conditions, regional geopolitical instability, cost efficiency and production reliability.

QAPCO focuses on risks that threaten the achievement of its business objectives over the short to medium-term. As part of its annual planning process, QAPCO reviews its annual risk profile and identifies those as having a high priority for oversight by the Board and its various committees. These risks include:

- Cyber-attack / intrusion on critical controls in the industrial control systems and or business networks
- Asset integrity & Plant reliability related risks
- Process Safety & occupational health and safety risks
- Supply Chain disruptions, Business continuity & Resilience risks
- Medium to long term sustainability related risks

The total number of risks assessed for corruption- related risks is 6 out 632 with a percentage of 0.1% which are insignificant.

2.3.7 Projects & Future Plans

As part of Company's 5+ year sustainability strategy, QAPCO (operator of QVC) is planning further development of the circular economy, greater energy efficiency, decarbonisation projects, and other new initiatives and innovations. The ongoing "Greenhouses for Qatari Climate: Energy Saving Smart and Sustainable Phase Change Materials" project has already received a Qatar National Research Fund grant under the National Priorities Research Program.

QAPCO constantly strives to minimize its environmental footprint to help drive Qatar's sustainable development and align with the Qatar National Vision 2030. To mitigate its environmental impact, the company has invested in eco-friendly materials, efficient machineries, and green technologies. As a responsible business, Company is developing projects to reduce GHG emissions, waste, and effluents. Projects with a budget outlay of QR 592 million are in progress or planned for completion in 2023 for QAPCO, QATOFIN and QVC combined. Ongoing projects to enhance QVC's environmental performance include:

- The Installation of Continuous Emission Monitoring System (CEMS) for Vinyl GT stacks
- The Installation of two (2) heat recovery steam generators in the vinyl plant



Index of ESG key performance indicators

KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC
1	Environmental Policy	Does the Company publish and follow an environmental policy?	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)	17.309	1.824	34.368	14.769
4	Energy Intensity	Amount of energy used per M3 of space, and per FTE. (GJ/Tonne)	14.42	2.52	23.61	19.80
5	GHG Emissions	Total amount of greenhouse gas emissions (MT)	991,387	181,017	1,077,812	854,088
6	Primary energy source	primary source of energy used by the company	Natural gas, liquid fuel, Tail Gas (Mainly Hydrogen) and Electricity.	Natural gas, Tail Gas (Mainly Hydrogen) and Electricity.	Natural gas, Tail 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
8	Water Management	Total amount of water consumption in m ³	1,070,073	183,902	658,093	952,178
		The total volume of water recycled/reused in m3 by the organization per year	112,671	238,070	Nil	Nil
9	Waste management - Total waste produced/generated, recycled or reclaimed, by type and weight	Production (MT per year)	7901	1724	42257	251
		Recycled (MT per year)	773	564	1687	Nil
		Treated (MT per year)	217	4.35	11486	Nil
		Disposed/Incinerated (MT per Year)	3340	1118	29074	Nil
10	Full time employees	Total workforce	1039			Not applicable as QVC operated by QAPCO
11	Employee Benefits	Total amount of employee wages and benefits (in Mn QAR)	NR			Not applicable as QVC operated by QAPCO
12	Employee turnover	Percentage of employee turnover.	2.7%			Not applicable as QVC operated by QAPCO
13	Employee Training	Average hours of training per employee (Total hours of training for employees divided by the number of employees)	85			Not applicable as QVC operated by QAPCO
		Training Hours	88,304 (for HSE) and 3,433 (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

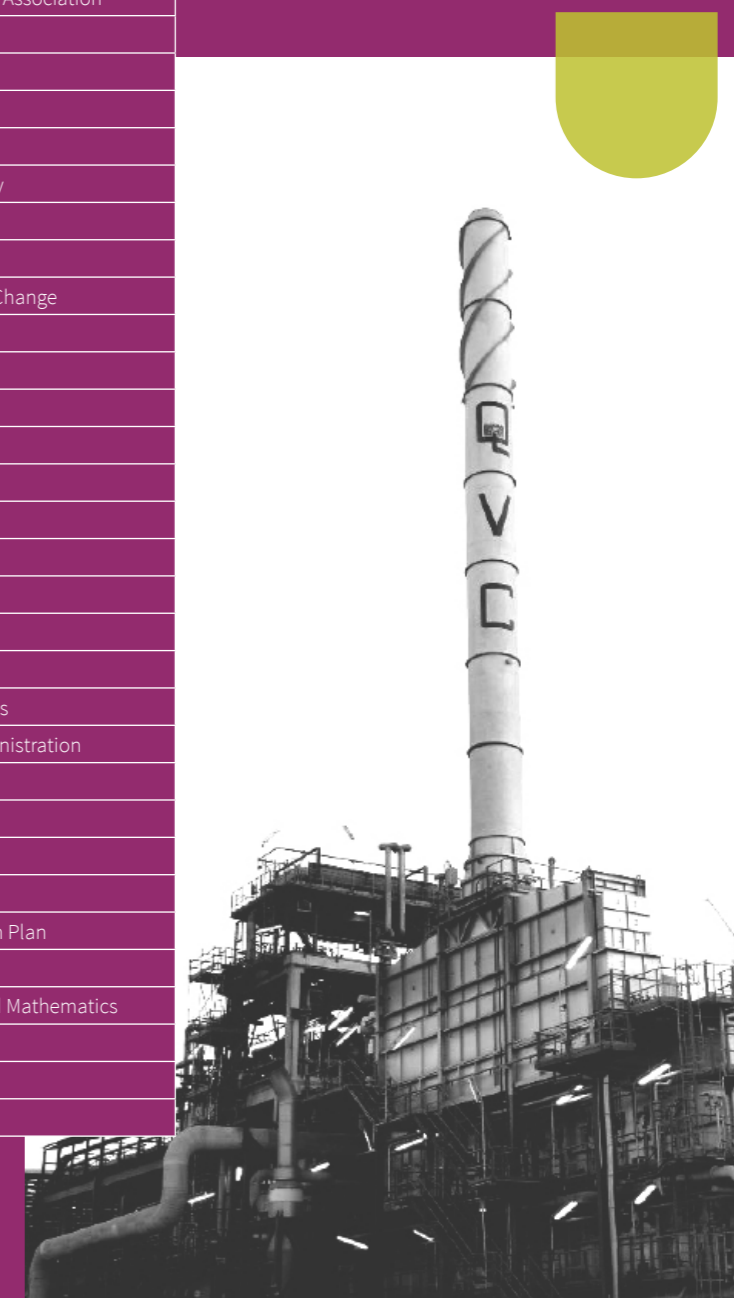
KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC
15	Injury rate	Total number of injuries and fatal accidents (employees)	Injuries varies but less than 1 recordables per year and fatalities are Zero			Nil
		Total number of injuries and fatal accidents (contractors)	Injuries varies but average 2 recordables per year and fatalities are Zero			Nil
		Total number of injuries and fatal accidents (employees and contractors)	Injuries varies but average 2-3 recordables per year and fatalities are Zero			Nil
16	Human rights policy	Disclosure and adherence to a Human Rights Policy? Yes/No	Yes			Yes
17	Human rights Violations	Number of grievances about human rights issues filed, addressed and resolved	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
19	Women in the work force	Women in the workforce (% age and number)	7%			Not applicable as QVC operated by QAPCO
		Total Women Employees	68			Not applicable as QVC operated by QAPCO
20	Qatarization	Nationalisation rate (%) (percentage of Qatari nationals in the workforce) (also provide number of nationals in workforce)	25.1%			Not applicable as QVC operated by QAPCO
		No. of Qatari in workforce	224			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)	294 hours			Nil
22	Local procurement	Spending on locally based suppliers (%age)	80%			QAPCO spends 71.5% on local procurement which includes procurement for QVC
23	Board Diversity	Percentage of Board seats taken by women	Nil	Nil	Nil	Nil
24	Board Independence	Percentage of Board seats taken by independent directors (No. and %age)	Nil	Nil	Nil	Nil
25	Board separation of powers	Role separation of CEO and Chairman	Yes	Yes	Yes	Yes
26	Voting results	Disclosure of the voting results of the latest AGM (Yes/No)	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
28	Gender pay ratio	Ratio of Median male salary to median female salary.	NR			Not applicable as QVC operated by QAPCO

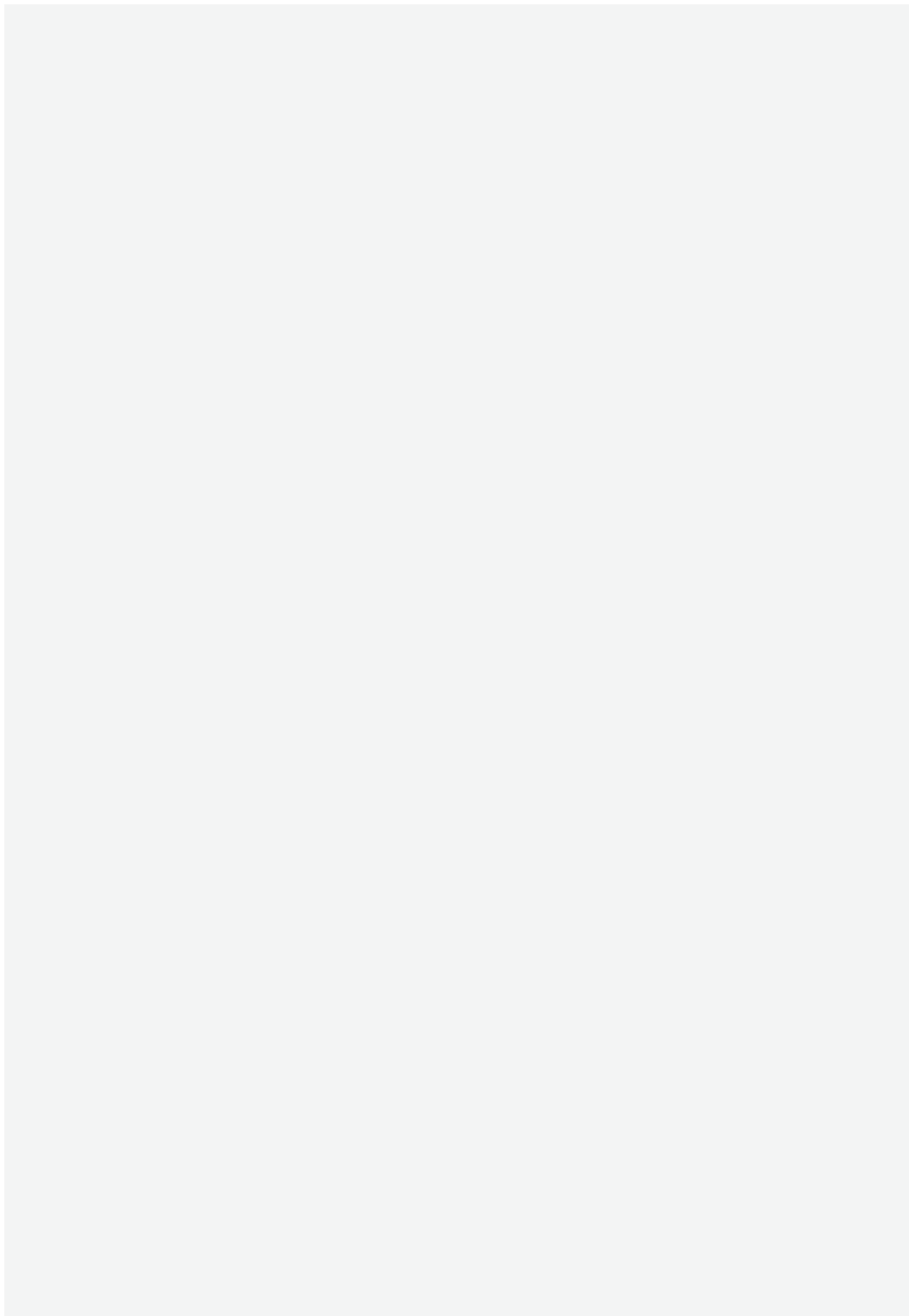
KPI #	ESG Key Performance Indicators	Measurement	Q-Chem	Q-Chem II	RLOC	QVC
29	Incentivized pay	Specify the links between (executive) remuneration and performance targets (Yes/No)		NR		Not applicable as QVC operated by QAPCO
30	Ethics code of conduct	Does the company publish and follow an Ethics Code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

NR – Not Reported
NA – Not Applicable

Abbreviations

Abbreviations	Description
AOA	Articles of Association
BAC	Board Audit Committee
BOD	Board of Directors
BCM	Business Continuity Management
COE	Carbondioxide Equivalent
CEMS	Continuous Emission Monitoring System
CSR	Corporate Social Responsibility
ERM	Enterprise Risk Management
EU	European Union
FIFA	Federation de Internationale Football Association
GJ	Giga Joules
GWP	Global Warming Potential
GHG	Green House Gas
HSE	Health Safety and Environment
HSEQ	Health, Safety, Environment, & Quality
HRSRG	Heat Recovery Steam Generation
ILO	International Labor Organization
IPCC	Intergovernmental Panel on Climate Change
KPI	Key Performance Indicators
LDAR	Leak Detection and Repair
LTI	Loss Time Injury
MOA	Manual of Authority
MIC	Mesaieed Industrial City
MT	Metric Tonne
MOPH	Ministry of Public Health
nZLD	near Zero Liquid Discharge
NOx	Nitrogen Oxide
NAO	Normal Alpha Olefins
OHRA	Occupational Health Risk Assessments
OSHA	Occupational Safety and Health Administration
OJT	On the Job Training
POA	Power of Attorney
PSM	Process Safety Management
QFMA	Qatar Financial Markets Authority
QMCCAP	Qatar National Climate Change Action Plan
RLIC	Ras Laffan Industrial City
STEM	Science, Technology, Engineering and Mathematics
Sox	Sulphur oxide
TRIR	Total Recordable Injury Rate
TA	TurnAround







Mesaieed
Petrochemical
Holding Company