

صناعات قطر
Industries Qatar

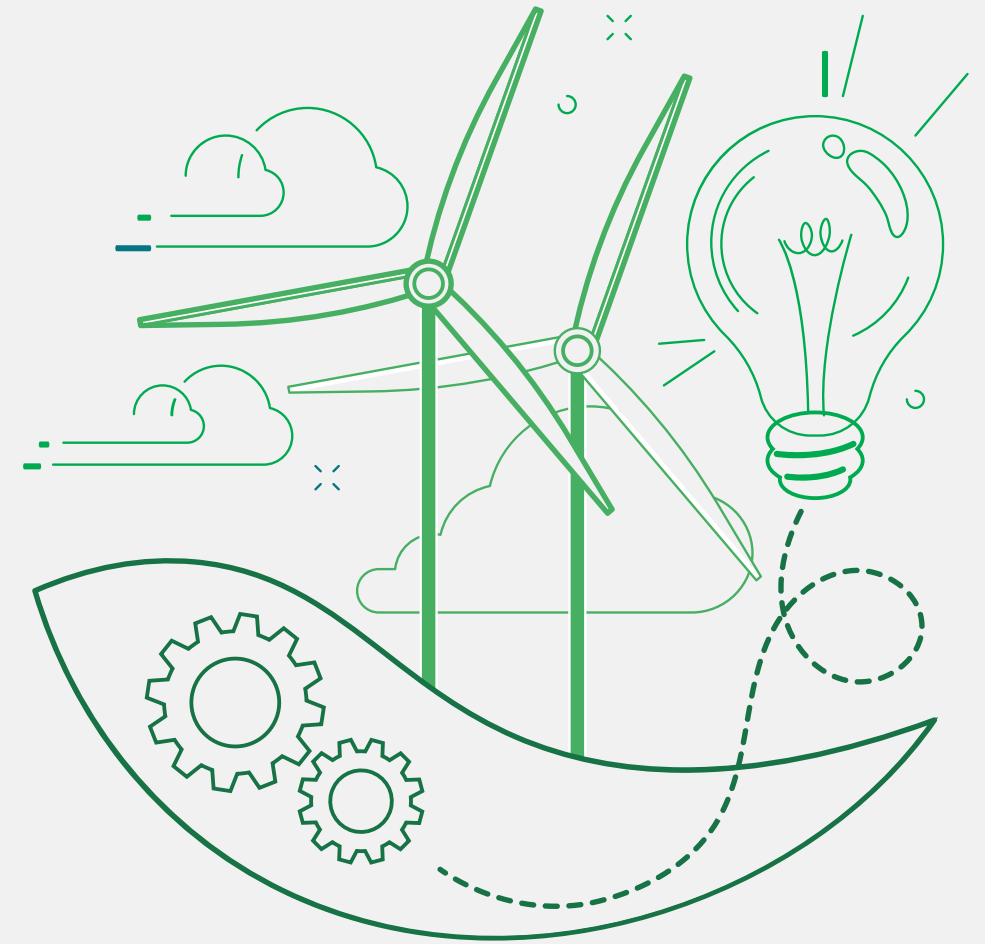


Sustainability Report 2021

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IQ is committed to increasing production capacity and widening its industrial products range.



Our Vision & Mission

Our Vision

IQ aims to be a leading and recognized player in producing the highest quality industrial products through its growth-driven portfolio that generates profitable returns and creates value for its shareholders.

Our Mission

IQ is committed to increase production capacity and widen its industrial products range by broadening its business/investment portfolio to help sustain profitable growth and satisfy shareholder expectations.

Message from the **Chairman and Managing Director**



I am pleased to present our second Sustainability Report for Industries Qatar (IQ) Group. Sustainability has gained prominence over the last few years around the world as climate change is proving to be a reality day by day. The group is therefore committed to the environment and socio-economic developments in a responsible manner which reflects in the Group's performance in terms of reducing emissions, ensuring safe operations and contributing to the local communities. To demonstrate this and what has been achieved we highlight our performance for 2021 in this report.

The Group continues to invest in environmental projects to optimize and efficiently use natural resources and reduce the generation of emissions, effluents, and waste which include recycling of process wastewater, carbon dioxide recovery, reduction of nitrogen oxide emissions, recycling steel scrap etc,. The Group endures to manage responsibly its operations

by ensuring highest personal and process safety, while maintaining efficiency and reliability of its operations. On social front the Group supports local communities and programs in line accordance with its own program of social responsibility.

We are optimistic about our approach and our ability to respond to our stakeholders' needs, as we are embracing innovation and our approach towards operational excellence, while remaining focused on our long-term aspirations and leveraging our global supply chain strengths, operational efficiencies, and capital preservation strategies. We will continuously strive to enhance our systems to create value for our people, society, and the environment.

I would like to thank you for your interest in Industries Qatar and invite you to read the following report to learn about our sustainability journey for 2021. We look forward to continuing our cooperation to achieve our shared commitment to a more sustainable future.

His Excellency Mr. Saad Sherida Al-Kaabi
Industries Qatar's Chairman and Managing Director



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 the four Group Companies:



Qatar Fertiliser Company P.S.C
(QAFCO)



Qatar Petrochemical Company
Q.P.S.C (QAPCO)



Qatar Steel Company
Q.P.S.C (QS)



Qatar Fuel Additives Company
Limited Q.P.J.S.C (QAFAC)

The sustainability aspects in this report are summarized and presented at a consolidated level for IQ and its Group Companies. For a more detailed information and disclosures related to the group companies kindly refer to the individual sustainability reports published on respective Group company websites.

The report has been prepared considering GRI Standards. This report also references the requirements as per Sustainability Accounting Standards Board (SASB), Oil and Gas Sector Standard, the International Petroleum Industry Environmental Conservation Association (IPIECA) and Qatar Stock Exchange (QSE) Environmental Social and Governance (ESG) Guidance. Furthermore, this report highlights our role in supporting the United Nations Sustainable Development Goals and the Qatar National Vision (QNV) 2030.

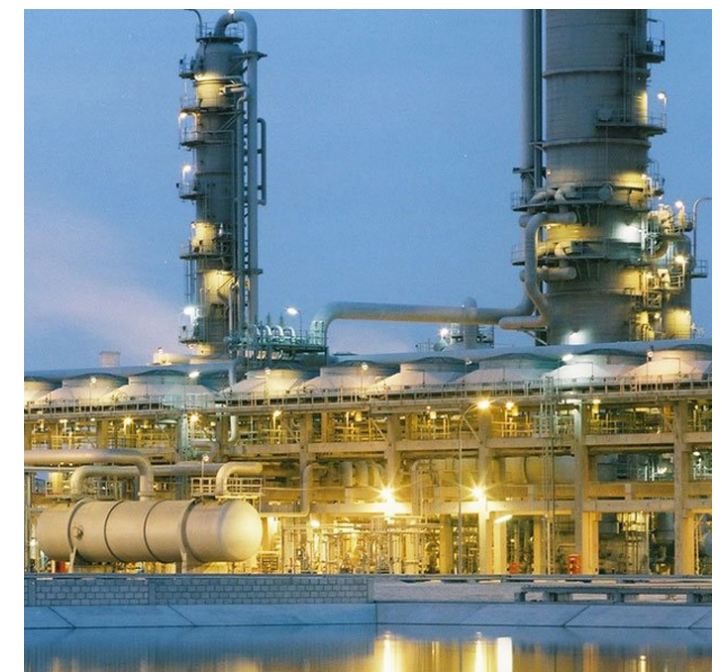
This report covers information related to the management approach and performance on the topics that are material to our business and stakeholders.

The information and data disclosed are gathered from relevant functional departments within the group. Our approach for data collection, calculation methodologies, and assumptions, if any have been specified in the report. Greenhouse gas (GHG) emissions are substantiated by a QatarEnergy appointed verifier. The report has not been subjected to external verification. However, the data and information have gone through an interactive review process to identify any potential inaccuracies and ensure reliability.

REPORTING PERIOD:
The report covers 2021
calendar year.

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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 IQ intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as "plans", "aims", "assume", "continues", "believes", or any variations of such words that certain action, 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 IQ's ability to control and therefore do not represent a guarantee that event implied in these forward-looking statements will actually occur.



About Industries Qatar (IQ)

Industries Qatar Q.P.S.C. was incorporated as a Qatari joint stock company on April 19, 2003. IQ operates into three segments through the group companies: Petrochemicals, Fertiliser and Steel.

The business operations of IQ comprise of acting as a holding company for the four companies where IQ owns a subsidiary or joint venture level stake in these companies.

The operations of the subsidiaries and joint ventures are managed independently by the Board of Directors (BOD), Board Committees and Executive Management teams at the respective companies level. IQ is represented by its nominated director(s) on the BOD of these companies.



A wholly owned subsidiary of IQ, manufactures ammonia, urea, urea formaldehyde and melamine.



A joint venture owned 80% by IQ and Total Energies (20%), engaged in the production of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and Sulphur.



A wholly owned subsidiary engaged in manufacturing and selling steel billets and reinforcing bars.



A joint venture owned 50% by IQ, producing methanol and methyl-tertiary-butyl-ether ("MTBE").

Approach to Sustainability

“Sustainability” takes a broader perspective to include Economic, Environment, Social, and Governance elements. The pursuit of excellence is embedded in IQs 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 to our stakeholders.

The sustainability elements align with the Group’s corporate strategy of value creation in each of the three segments in which IQ 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 development of specific KPIs to drive value creation for its stakeholders.



Economic

- Products, Sales and Marketing
- Customer satisfaction
- Quality Control



Environment

- Energy consumption and renewable energy
- Water management
- Waste management
- Policies and Compliance



Governance

- Governance
- Risk management
- Code of conduct and ethics



Social

- Workforce
- Employee Welfare
- Health and Safety

Key Achievements and Highlights

QAFCO

- | | | |
|---|---|---|
| <ul style="list-style-type: none">QAFCO maintained its position as the number one single-site producer of urea, making Qatar the second largest exporter of urea worldwide.Managed to reduce gas vented/flared by 17% in 2021Recorded the lowest ever | <ul style="list-style-type: none">Total Recordable Incident Rate and low Process Safety Recordable Incident Rate both at 0.16, well below their respective target.Removed 100% of hazardous wastes off-site for recycling, recovery, and disposal in environmentally responsible | <ul style="list-style-type: none">manner, within the time limit agreed in the Consent to Operate.Achieved Qatarization rate of 23.52%.Exceeded annual ammonia production target in 2021 while also reducing Energy Intensity. |
|---|---|---|

QAPCO

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| <ul style="list-style-type: none">NOx emissions decreased by 47% (QAPCO) and 33% (QVC) between 2019 and 2021.Process energy intensity went down by ca. 8.5% between 2018 and 2020.Upgraded wastewater treatment units at QAPCO and QATOFIN and Started reusing/recycling the treated effluents since January 2021. | <ul style="list-style-type: none">Invested QAR 1.3 million to sponsor and organize several activities throughout 2021. 3-fold increase in social spending in 2021 compared to 2020.Successfully completed Mega Turnaround with 10-year low total recordable injury rate of 0.3.Sales increased by over 40% | <ul style="list-style-type: none">over the last 2 years.QAPCO, Qatofin, and QVC's 2021 combined revenues increased by 50% compared to 2020.QAPCO and QATOFIN's Economic Value Distributed grew by over 80% between 2020 and 2021.Achieved Qatarization rate of 27%. |
|--|--|--|

Qatar Steel

- | | | |
|--|---|--|
| <ul style="list-style-type: none">Developed new Sustainability Road Map 2022 - 2026 with new objectives, benchmarked with regional and international steel companies and in line with Qatar National Vision 2030.Successfully completed the verification process and received the Scope 1 and Scope 2 GHG emissions verification certification. | <ul style="list-style-type: none">Re-certified for ISO 45001:2015 and ISO 14001:2018 by CARES.Achieved World Steel Association's (worldsteel) Safety and Health Excellence Recognition 2021 (for safety culture and leadership).Received recognition for 10-year participation in the "Worldsteel Climate Action Data Collection Programme" | <ul style="list-style-type: none">as climate action data provider from the worldsteel association.Started "Planting Tree" initiative which will proceed in 2022.4.31 out of 5 points from the customer satisfaction survey, with 4.86 gained on product quality.Achieved Qatarization rate of 14.31%. |
|--|---|--|

QAFAC

- | | | |
|--|--|--|
| <ul style="list-style-type: none">Commissioning of Regenerant Gas Scrubber (RGS) operationsReduced 68.5% of gas flaringCertification and appreciation in Greenhouse Gas (GHG) Accounting & | <ul style="list-style-type: none">Reporting (A&R)Successfully captured 175,000 metric tons of carbon dioxide and converted to Methanol.Achieved 18 million safe working hours without an LTI | <ul style="list-style-type: none">Successful roll-out of refreshed QAFAC StrategySilver awardee for Occupational Health & Safety system and culture rewarded by RoSPAAchieved Qatarization rate of 30.1% |
|--|--|--|

IQ 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 IQ 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 AoA.

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



BOARD OF DIRECTORS

Board Structure

Recognizing the specific nature of IQ's activities and its strategic position as one of the main pillars of Qatar's economy and taking into account the public interest, the Board shall, in accordance with the Company's Articles of Associations, consist of up to eight (8) Directors, seven (7) of whom are appointed by the Special Shareholder, provided that the Chairman and Vice Chairman are amongst them. One (1) Director is appointed by the General Retirement and Social Insurance Authority. The Special Shareholder "QatarEnergy" appoints 7 Directors to IQ Board for the following reasons that show how closely the Company's financial and operational performance is connected to QatarEnergy, making it vital to maintain aligned strategy and vision:

- QatarEnergy is the founder, special shareholder and 51% majority shareholder.
- Industries Qatar and its subsidiaries/joint ventures depend on QatarEnergy for supply of feedstock and infrastructure.
- Industries Qatar and its subsidiaries/joint ventures depend on QatarEnergy for technical and technological support.
- QatarEnergy provides all financial and head office services to the Company under a service-level agreement. These services are provided as and when requested to ensure that the operations of Industries Qatar are fully supported.

► 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. 4 of 2021 dated 3rd of March 2021, IQ 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 05 March 2021 and one (1) director was appointed by the General Retirement and Social Insurance Authority. In accordance with the definition of the Independent Director in QFMA Governance Code, IQ 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. The Board is composed of one (1) Executive Directors and seven (7) Non-Executive Directors.

In accordance with the composition of the Board and its roles and responsibilities under the Board Charter, Manual of Authority and Company's Articles of Association, no one or more of the 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 had the appropriate training and awareness programs so that group companies' boards of directors can achieve the highest levels of performance and adopt the best governance practices. QatarEnergy makes timely disclosure of any and all resolutions concerning the composition of the Board of Directors or any change thereto.

IQ BOARD COMMITTEE

As part of implementing governance, the Board of Directors established some Board Committees and Special Committees delegated with some powers and authorities to carry out special tasks and conduct Company's business so delegated. The Board of Directors remains liable for all the powers and authorities. 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:

► Audit Committee

The Board Audit Committee (BAC) was constituted pursuant to Board resolution no. 7 of the fourth meeting of IQ Board of Directors of 2011. The current BAC was formed by virtue of resolutions nos. 3 and 5 of 2018 following Board reconstitution. The BAC presently comprises of 3 members, including a Board Director as Chairman. 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 had established a Remuneration Committee pursuant to Board resolution no. 1 of 2018. Committee was reconstituted on 2019/02/10 pursuant to resolution no. 1 of 2019. Committee presently comprises of three members, including a Board Director as Chairman. All of whom have the required experience to efficiently carry out their duties and exercise all 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 51% majority shareholder. QatarEnergy provides financial and non-financial head office function services to the Industries Qatar under a service-level agreement. 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 Industries Qatar with the support received from other QatarEnergy departments such as Human Resource, Information and Communication Technology, Finance & Planning etc., led by the Manager, Privatized Companies Affairs, the department is supported by staff with varied experience in the field of Finance, Investor relations, Communication, 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 is one of the driving force, the Privatized Companies Affairs Department is headed by a Qatari national and the ratio of Qatari employees to the total staff providing head office services to IQ stands at a healthy 41%. QatarEnergy undertakes efforts to recruit more female employees as a commitment to diversify the workforce. Female employees currently comprise 18% of the total staff providing head office services to IQ.

IQ's 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 IQ Board. IQ Board audit committee oversees the risk management and Internal control systems of IQ 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). The appointed internal auditors also carryout shareholder's audit on IQ group companies to provide comfort on groups risk and control processes to the IQ BAC. BAC in turn reports to the Board on significant internal control matters and actions taken.



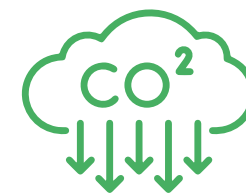
Environment

IQ through its Group companies is committed to integrating sustainable development principles into operations by developing and addressing environmental, health and safety aspects and ensuring compliance to all legal and regulatory requirements while committing a continual improvement to operations to reduce environmental impacts. To that extent the Group companies under IQ periodically develop and review environmental policies in line with the legal requirements as prescribed under consent to operate to assess, report and mitigate any environmental impacts associated with direct or indirect effects of IQ Group operations.



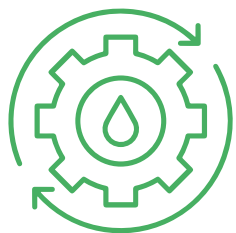
Efficient Energy Usage

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 in its operations producing steel, Fertilizers and petrochemical products (which constitutes 96% of total energy consumption by the group) which is cleaner and more environmentally friendly than the other method of generating energy.



Emissions 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 operations' environmental performance, while enhancing their reliability and safety.



Water Management

Since we operate in a country that is 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 green belt irrigation. Group companies are also in the process of implementing several projects including Zero or Near Zero liquid discharge projects with the aim of reducing discharge, reusing and increasing recycling rate of processed water in the production process and to reducing freshwater consumption.



Waste Management

Group companies adopt comprehensive procedures for identifying, segregating, collecting, and disposing of waste generated from operations. A summary of all waste shipments for non-hazardous wastes is reported to the Ministry of Environment and Climate Change periodically. Hazardous waste is stored at an approved hazardous waste storage facility and disposed of locally by third parties within the coverage of disposal contracts. Studies are also conducted to evaluate various options to reuse / recycle the production waste such as in the case of Qatar Steel where the company works towards, palletizing DR product dust and EF dust, recycling of refractory bricks and extracting iron from slag.,.

Social

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

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

Health and safety of employees and contractors is a top priority for the group. The group implements various procedures and programs to support upholding the highest health and safety standards in its operations. As part of the sustainable supply chain agenda and in alignment with the Economic Development Pillar of QNV 2030, the group 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

IQ and Group:

IQ Group is committed to upholding strong governance standards and implementing sound practices to ensure that the group's business is conducted with the highest ethics, transparency and integrity. IQ 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 risk management.

The Board of Directors (BoD) is the highest governing body at IQ and its Group Companies and represents the interests of the Group and its shareholders. BOD Charters are developed at IQ 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 the Company's Articles of Association.

Adequate representation of IQ 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 respective Group Companies Board, which explains his or her roles and duties. Guidelines/terms of reference in terms of IQ requirements will be provided to each representative – these will include governance reporting and control requirements that the group entity must comply with.

The BOD at IQ and each of 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 IQ and its group companies and remains the cornerstone of its business conduct. The Code of Conduct provides a 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.



QATAR FERTILIZER COMPANY (QAFCO)

About QAFCO

QAFCO stands proudly as the world's largest single-site exporter of urea, supplying the world with essential agri-nutrients for more than 50 years and making Qatar the second largest exporter of urea worldwide. QAFCO's vision is to be the world's leading urea producer by 2030. Established with a view to diversify the economy and utilize the nation's enormous gas reserve by producing ammonia and urea. Through successful planning and completion of several expansion projects over the past four decades, QAFCO has evolved into a world-class fertilizer producer. QAFCO is now a private joint stock company that is owned 100% by Industries Qatar.

In addition to its ammonia and urea operations, QAFCO diversified into two industrial market segments, namely melamine and urea formaldehyde through its subsidiaries: Gulf Formaldehyde Company (GFC – 70% ownership) and Qatar Melamine Company (QMC – 60% ownership).

Policies, and practices

In QAFCO, business ethics are at the core of all QAFCO's business activities and are embedded in its organizational values of Excellence, Teamwork, Safety, and Integrity. These values create an environment that respects individuals and is the foundation for QAFCO's future successes and aspirations.

QAFCO's values are incorporated in its Code of Conduct where a clear commitment to human rights of all individuals is established. QAFCO is committed to adhering to the highest standards of ethical and legal conduct for its operations and subsidiaries with the full support of its shareholders. The Code of Conduct was approved by QAFCO's Board of Directors and Chief Executive Officer. The Code of Conduct is published and available to everyone, including third parties and customers. QAFCO suppliers and all its employees have to comply with the Code. Moreover, regular training is being held at QAFCO for employees on the applicable provisions of the Code.

In the event failing to comply with its Code of Conduct, QAFCO has established an openly available channel for reporting of any fraudulent or unlawful activities, misconduct or corrupt practices. This channel provides an avenue of raising concerns that can be subject to further investigation. Anyone who is disclosing such information will receive full support and protection from QAFCO.

Sustainability management at QAFCO

Along the journey to being the leading urea producer globally, environmental responsibility and sustainability remains a special focus for all so that QAFCO continues to meet the world's growing demand for urea responsibly. One of the measures QAFCO has implemented in this regard, is the forging of meaningful partnerships with the agricultural and education sector, learning and spreading awareness on how to evolve the existing approach and understanding of agricultural best practices. With the world's growing need for food security, the best way forward is to focus on solutions that could increase crop yields or optimize the amount of mineral nutrients required.

Moreover, and in-line with QatarEnergy's direction, QAFCO is currently working on its Sustainability Strategy. The plan shall be in alignment with Qatar National Vision 2030 and the United Nations Sustainable Development Goals.

Economic performance

The price of fertilizer is the key metric that influences QAFCO's revenues. As farmers must apply nitrogen fertilizers year-on-year to maintain crop yields, urea is an essential component

for the global food supply chain. Significant changes in urea prices are driven by changes in supply, energy prices, crop prices, weather patterns, and trade flows.


In 2021, QAFCO achieved its highest historical revenue recorded due to high fertilizer demand and increase in price complemented by QAFCO's high plant reliability all these factors contributed positively to the financial performance.

KPI	Actual 2020	Actual 2021	Variance YOY	Target 2022
	Mn USD			
Direct Economic Value generated:	1,210	2,825	1,615	1,624
Revenues				
Economic Value Distributed:				
Operating Costs	953	1,433	480	1202
Employee wages and benefits	169	157	(12)	181
Payments to providers of Capital	413	767	354	353
Payments to Governments (Tax payments)	106	488	382	147
Community Investment	0.0015	0.11	0.108	0.082

There is no financial assistance received by the Company from the government. QAFCO is fully compliant with the applicable tax laws in the State of Qatar. QAFCO's financial statement is audited externally by tax consultants annually and approved by the general assembly. Any concerns about tax compliance are raised to the General Tax Authority, Industries Qatar and QatarEnergy tax teams.

Climate Change (Energy and Emissions)

QAFCO seeks to become a leader in energy efficiency in its sector. The energy consumption within QAFCO consists of natural gas, electric power, and steam. As QAFCO is seeking to reach its maximum production levels, the Company remains committed to optimize its energy efficiency by maximizing the utilization of natural gas for optimal economic outcome and environmental performance improvement. Additionally, QAFCO is working on several initiatives to increase its energy efficiency and improve the production output. In 2021, QAFCO achieved lower actual specific energy versus its targets for the year, meaning that less energy was expended for the production of each ton of product. Moreover, QAFCO has reduced its natural gas and electric power usage due to better utilization and efficient operations. Total energy reduction: 2,183,949 GJ due to better utilization and efficient operations(2020 vs 21):

	Overall Energy reduction/savings achieved: 2,183,949 GJ.
	Direct Energy reduction (Natural gas consumption): 2,128,083 GJ (1.2% reduction from year 2020)
	Indirect Energy reduction (Elec. Power purchased): 55,867 GJ (1.4% reduction from year 2020)
	Reduction in overall product energy intensity factor: 0.08 GJ/t (0.27% reduction from year 2020)

KPI	Actual 2020	Actual 2021	Variance YOY	Target 2022
Non-renewable energy consumption (amount of energy usage in GJ):				
(Natural Gas -Feed +Fuel)	183,588,393	181,460,311	(2,128,083)	180,232,971
(Electric Power Purchased)	3,870,874	3,815,007	(55,867)	3,859,920
Total	187,459,267	185,275,318	(2,183,949)	184,092,891
Renewable energy consumption (Amount of energy usage in GJ):	–	–	–	–
Consumption (Electric power internally produced & purchased and steam) (in GJ):				
– Electricity	15,718,238	15,624,506	(93,732)	16,166,885
– Heating	–	–	–	–
– Cooling	–	–	–	–
– Steam	34,301,715	33,750,282	(551,433)	35,662,498
Renewable energy %age	0	0	0	0
Energy Intensity (GJ/Ton)	29.21	29.13	(0.08)	29.40

Notes:

- Conversion factor used: MMBtu to GJ – 1.0546 (Standard).
- Organization-specific metric (the denominator) chosen to calculate the ratio - Total tonnage of products (Urea, Ammonia sale, UFC and Melamine).
- ISO 50001 Energy Management systems methodologies are applied to estimate/calculate, review energy performance.
- There is no energy sold and no energy consumed outside of the organization.

QAFCO understands its impact on the environment and believe that is important to protect, conserve, and preserve it. QAFCO is constantly looking for mitigation measures to reduce GHG emissions to enhance the environmental sustainability of its processes and products. In 2021, QAFCO managed to reduce the gas vented/flared by 17%. It also continued its efforts to pursue diversification into higher efficiency products with the objective of improving nutrient use efficiency of crops. With the world's growing need for food security, the best way forward is to focus on solutions that could increase crop yields and minimize the loss of mineral nutrients.

KPI	Actual 2020	Actual 2021	Variance YOY
Total GHG emissions (Metric Tonne of CO2E)			
— Direct emission (scope 1):			
CO2	5,263,838.35	5,158,252.30	(105,586)
Methane (CH4)	2,222.56	2,202.45	(20.11)
N2O	2,103.49	2,084.46	(19.03)
— Indirect emission (scope 2):			
CO2	205,113	146,352	(58,761)
GHG Intensity ratio (MT CO2E/production)	0.847	0.828	(0.019)
GHG emissions reduced as a direct result of reduction initiatives (MT CO2E)	–	–	–
Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions:			
Nox	2,636.4	2,469.8	(166.6)
Sox	1,618.1	1,422.5	(195.6)
NH3	3,658.6	4,496.1	837.5

Water Management

Qatar is located in a water scarce region and, factoring in the climate change repercussions, water security is one of the most important environmental issues. QAFCO is committed to promote responsible water management. It acknowledges the fundamental need for more detailed work on water conservation, efficiency, and productivity. The strategy adopted by the company is to use water efficiently and recycle and reuse it wherever possible.

QAFCO complies with the “Consent to Operate Permit” issued by the Ministry of Environment and Climate Change. QAFCO constantly monitors the quality and temperature of wastewater discharges to the sea. The seawater used for cooling is also tested to make sure it remains within the parameters established by the Ministry of Environment and Climate Change.

Ammonia and urea manufacturing is a highly energy-intensive process and require water for process cooling and steam generation. Seawater is used as the main cooling medium and is also used to produce desalinated water. Process water generated from operations is then recycled and reused completely within the process. QAFCO is also increasing its focus on reusing water in core operations and production processes, and remains committed to the elimination of wastewater discharge to sea. Accordingly, the Zero Liquid Discharge (ZLD) project is under execution to recover maximum process wastewater. Recovered wastewater is used internally for other processes and will minimize the reliance on water supply from other sources.

Moreover, by incorporating and modifying operating procedures during plant startup and rundown activities, QAFCO has already significantly reduced discharge to sea. In the last 5 years, QAFCO has reduced the overall desalinated water consumption by almost ~ 30,600 m3. Approximately, 96% of the Company’s water requirement is met internally, through recovery, recycling, and reuse, hence the improvement in water recycling in the last few years.

The company does not use freshwater for irrigation purposes. Final sanitary wastewater is treated in sanitary wastewater treatment plant and is used as irrigation water for the greenbelt within the company premises.

Priority substances of concern for which discharges are treated, include pH, TSS, COD, BOD, NH3 -N, Heavy metals – Chromium, Lead, Sulphides and Free residual Chlorine.

Standards, methodologies, and assumptions used are based on Compliance to Consent to Operate (CTO) and established water monitoring through laboratory measurement as per CTO.

KPI	Actual 2020	Actual 2021	Variance YOY	Target 2022
Water withdrawal				
1. Water withdrawal by source:				
Produced water				
Freshwater (≤1,000 mg/L Total Dissolved Solids) (million m3)	5.77	5.512	(0.258)	5.759
Other water (>1,000 mg/L Total Dissolved Solids) (million m3)	–	–	–	–
– Third party water withdrawal (produced water) (million m3)	0.746	0.939	0.193	0.838
TOTAL Water Withdrawal (produced water (total) + third-party water (total))	6.515	6.452	(0.063)	6.596
2. Water discharge by destination (Seawater)	0.372	0.224	(0.148)	0.268
3. Water recycled/reused in m3	6.143	6.227	0.084	6.328
4.% age of water recycled to total water consumed	94.3%	96.5%	2.2%	95.9%

Waste Management

QAFCO has continuously improved its waste management and treatment mechanisms to minimize the necessity to treat and dispose of the waste materials. A summary of all waste shipments for non-hazardous wastes is reported to the Ministry of Environment and Climate Change periodically. Hazardous waste is stored at an approved hazardous waste storage facility and disposed locally by specialist companies.

In 2021, QAFCO has successfully achieved 100% of all its hazardous wastes being removed off-site for recycling, recovery, and disposal in an environmentally responsible manner, within the time limit stipulated in the Consent to Operate permit.

KPI	Actual 2020	Actual 2021	Variance YOY
1. Waste Generated (MT)	4094.80	5211.00	1116.2
Waste diverted from disposal (MT)	432.70	808.30	375.60
Waste directed to disposal (MT)	3662.10	4402.70	740.60
2. Waste diverted from disposal by recovery operation (MT)			
Hazardous waste (Onsite):			
Recycling	283.81	527.28	243.47
Other recovery operations	1	–	(1)
3. Waste prevented (MT)	147.84	281.1	133.26
4. Waste directed to disposal by disposal operation.			
Hazardous waste (Offsite):			
Incineration (with energy recovery)	2.54	61.05	58.51
Landfilling	627.86	0.65	(627.21)
Non-hazardous waste (Offsite):			
Landfilling	3031.7	4341.0	1,309.30

Employment

QAFCO Strongly believes that its greatest asset is in its people, and its aims to continue motivating and retaining its highly skilled workforce.

	Head Office	Plant
Male	92	1072
Female	22	28

The above numbers represent all staff working with QAFCO on a direct hire basis. QAFCO does not employ part time employees.

Gender	Under 30	30-50	50+	Grand Total
Male	0	2	5	7
Female	0	0	0	0
Grand Total	0	2	5	7

The above numbers represent the organization’s governing body

Percentage of employees per employee category in each of the following diversity categories:

Permanent: 1114

Permanent	Under 30	30-50	Above 50	Total
Male	1.71%	74.33%	20.56%	96.59%
Female	0.54%	2.42%	0.45%	3.41%
Grand Total	2.24%	76.75%	21.01%	100.00%

Trainees & Developpees: 100

T&D	Under 30	30-50	Above 50	Total
Male	62%	26%	0%	88.00%
Female	10%	2%	0%	12.00%
Grand Total	72%	28%	0%	100.00%

New Employee Hires

Gender	Under 30	30-50	50+	Grand Total
Male	14	12	2	28
Female	2	1		3
Grand Total	16	13	2	31

Employee Turnover

Gender	Under 30	30-50	50+	Grand Total
Male	6	34	28	68
Female	0	0	0	0
Grand Total	6	34	28	68

Total number of employees that were entitled to parental leave	Female: 50 employees
Total number of employees that took parental leave	1 (Female)
Total number of employees that returned to work in the reporting period after parental leave ended	1 (Female)
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1 (Female)
Return to work and retention rates of employees that took parental leave	1 (Female) / Retention Rate: 100%

Occupational health, safety and security

QAFCO believes that a strong safety culture is a business imperative, and therefore it is a core value in the organization. The company is committed to providing a safe workplace for all people working on its behalf through various risk-based safety and health programs. The occupational health and safety management system covers all workplace (QAFCO, QMC and GFC), employees and contractors, and their work-related activities.

Believing that safety transcends all boundaries, QAFCO's senior management launched a flagship program "Road Beyond Zero", in 2018, which aimed to change how people perceive safety and how it applies to their day-to-day lives. Road Beyond Zero is a personal and organizational commitment to creating an incident and injury-free workplace.

In 2021, QAFCO achieved its lowest ever Total Recordable Incident Rate and recorded a low Process Safety Total Incident Rate, both at 0.16 and remained below their target. Improvement in the Company's safety performance is the result of the dedication of its employees and systems in place. Moreover, QAFCO Introduced the organization-wide Behavior Based Safety program, encouraging employees to report positive safety observations as well as unsafe acts/conditions.

'The number and rate of fatalities as a result of work-related injuries or high-consequence work related injuries or work related ill health was zero for both employees and contractors. During the reporting period a total of ~6.4 million 12 month rolling man hours were recorded by employees and contractors.

Work related hazards that pose a risk of injury or ill health are covered through Risk Assessment for each activity to include inspection programs. This is preceded by Hazard identification at initial stages. Control measures are identified, implemented, & maintained through different programs such as surveillance program, which is conducted by QAFCO medical as per OSHA guidelines.

There were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products during the reporting period

QAFCO has established its management system based on ISO 9001:2015, ISO 45001:2018, OSHA 1910.119 PSM of highly hazardous chemicals and RC 14001:2015.

QAFCO's HSE risk management process includes risk assessments, process hazard analysis and SIL studies, periodic review of all registered risks, follow up actions for implementation, progress checks and KPIs to monitor performance. Employees are required to report unsafe acts, behaviour or conditions. Established Policies and procedures such as Corporate policies, HSSE policy, risk management policy serves as guidance in implementing HSE processes available to employees through Company's intranet portal.

All safety related incidents are subject to investigation by relevant team involving all relevant stakeholders as per established procedure.

Occupational health service covers primary health care services, pre-employment health assessments, routine health surveillance and return to work assessment after a long period of absence due to illness of injury.

HSE Committee meeting is chaired by CEO involving all Chief Officers including HSE line management conducted quarterly The Employee representative for OH&S Management are an essential part of the meeting, reflecting employee's concerns and feedback regarding OH&S. The committee has the ultimate decision-making authority with respect to HSE matters.

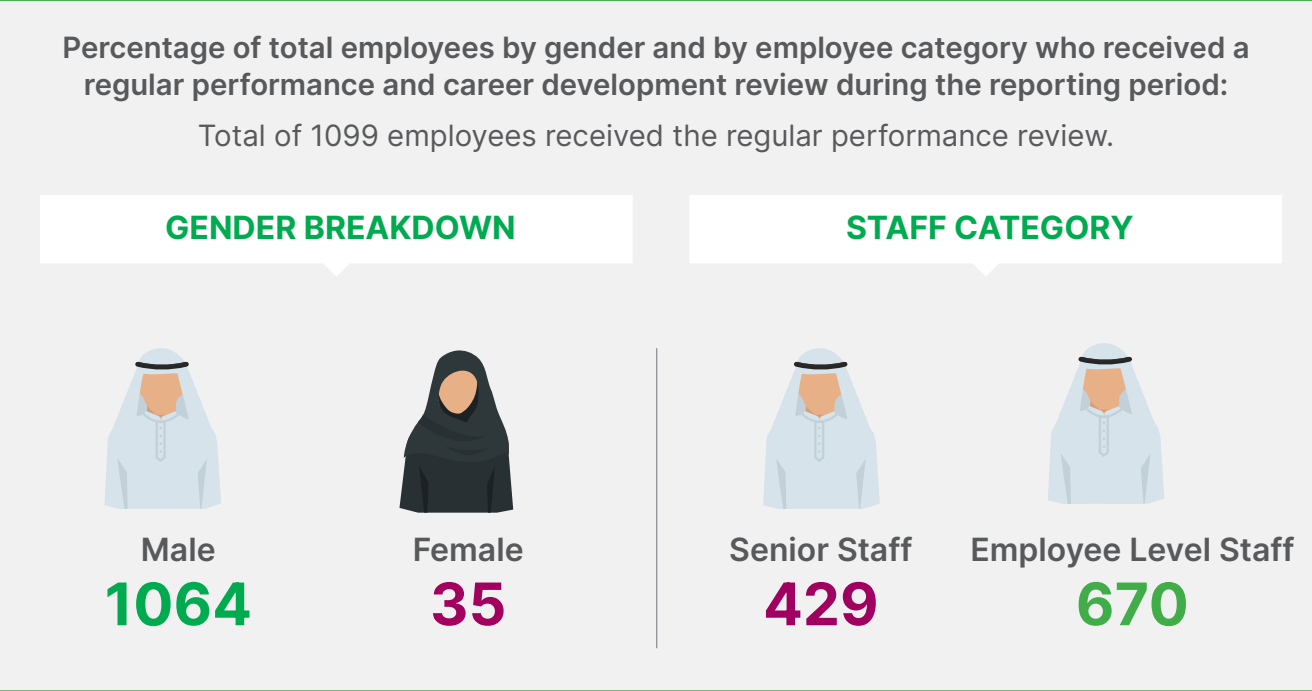
QAFCO implemented an occupational health and safety management system that covers approximately 1130 employees and contractor employees whose work is controlled by QAFCO (49% of total QAFCO employees and Contractor employees), which has been internally audited and certified by an external party;

Training and Education

Training and development is essential to the success of the business and its operations. QAFCO provides up-to-date skills and knowledge to its employees and thus enables the business and its operations to grow in a sustainable manner.

In 2021, QAFCO implemented a comprehensive talent management framework to ensure the quality of people development is in alignment with the business needs and world-class

standards. QAFCO also established a successors talent pool, introduced generic skills required at different levels, and developed a comprehensive competency management framework. The framework will become a basis for development initiatives and other people-related processes.



Irrespective of the challenges posed by Covid-19 and abiding by the associated protocols, QAFCO proactively utilized digital platforms to train its employees. Employee Training is being monitored and evaluated to maintain the quality of learning and implementation on the job, demonstrating the significance placed on the development and growth of employees.

79% of the targeted personnel (769 employees out of 969) have completed the Code of Conduct training that communicated the human rights policies and anti-corruption policies of QAFCO. The code of conduct is also published on QAFCO website The applicable contracting procedure and the contract documentation, requires every business partner (or contractor) to comply with the Code of Conduct of QAFCO, including the anti-corruption part thereof.

Supply Chain

QAFCO has taken rigorous measures to ensure that health, safety, security and the environment are taken into account by the suppliers, transporters, contractors and distributors. Service providers and suppliers are selected following procedures for HSSE (health, safety, security, and environment) requirements. Their HSSE performance is evaluated regularly to ensure compliance.

QAFCO is an active participant in QatarEnergy’s localization strategy (Tawteen) program initiated with the objective to maximize the sustainable in-country value creation, upskill local talent, develop local suppliers and contractors and promote in-country private investment. QAFCO has already incorporated Tawteen’s localization strategy into its procurement process. In 2021, QAFCO had spent 82% on local procurement (Cumulative order amount of QAR 433 Mn - computed based on orders issued on local suppliers/ contractors) which shows its commitment to the growth and diversification of Qatar’s economy and establish sustainable and competitive local suppliers to meet Qatar’s energy sector’s requirement.

Local Communities

In terms of social responsibility, QAFCO’s ongoing partnerships with education and agricultural entities are a demonstration of its efforts to support a knowledge-based economy, as outlined in Qatar National Vision 2030. As an international leader in the fertilizer industry, QAFCO remains firm in its commitment to contribute to the development of Qatar’s self-sufficiency goals, in a sustainable and environmentally responsible manner.

In 2021, QAFCO made continuous efforts to engage with employees, their families, and the local community by conducting several activities and conveying awareness messages on several topics, in line with ministry regulations on COVID-19 protocol as follows:

- Awareness Sessions held on Organ Donation and Dental Hygiene.
- Blood Donation Campaign conducted in coordination with HMC.
- Several Planting Activities, for employees, their families, and the community.
- Drawing competitions, quizzes and photography competitions held to raise awareness about Safety at Home and at the workplace.
- Awareness Messages shared with employees on Mental Health, Breast Cancer, Alzheimers, Dementia and Diabetes.
- Conducted school visits to share knowledge about the organization and career opportunities

Product responsibility

To maintain and improve quality of products, QAFCO has implemented a stringent quality management program facilitated by real time monitoring and measurement of production processes, right from incoming raw materials to the distribution of final products, supported by sophisticated laboratory analysis at various stages of production processes.

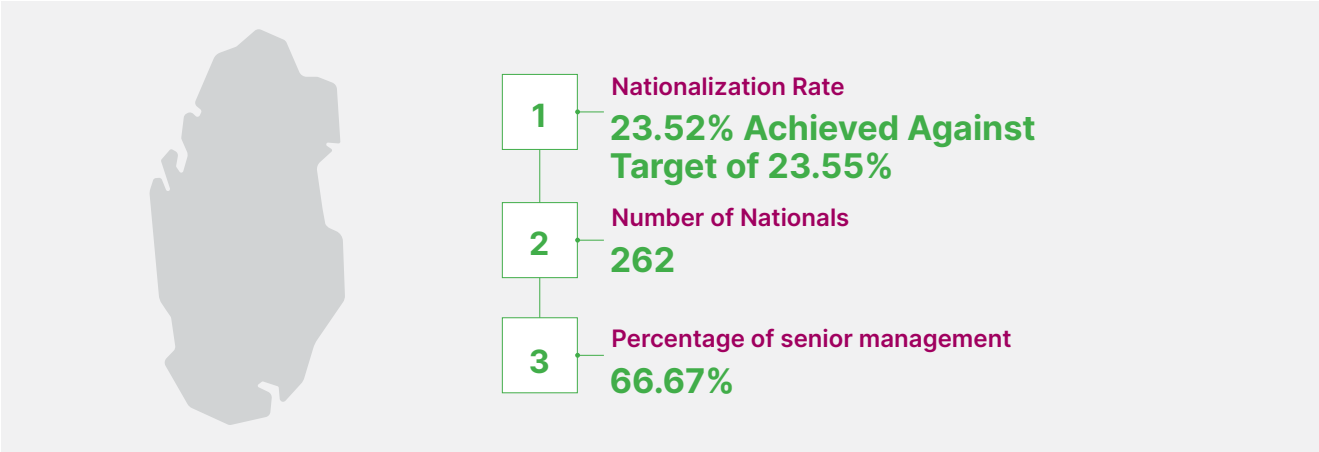
The Company is committed to achieving high levels of customer satisfaction through the reliable supply of high-quality products in an environmentally responsible and sustainable manner coupled with first-class product support

Percentage of reclaimed products and their packaging materials for each product category:

For Year 2021		
Product	% Of Reclaim Product	Packing Material
Bulk Prilled Urea	89.55	plastic sheets & masking tapes to cover cargo holds for Yara vessel
Bagged Prilled Urea	10.45	PP/PE bags, sewing thread
Bulk Granular Urea	98.61	plastic sheets & masking tapes to cover cargo holds for Yara vessel
Bagged Granular Urea	1.39	PP/PE bags, sewing thread
Anhydrous Liquid Ammonia	100	–
Melamine (in 1 MT packing)	492.4	PP/PE jumbo bags, wooden pallets
Melamine (in 500 Kg packing)	0.26	PP/PE jumbo bags, wooden pallets, strapping rolls, and buckle
Melamine (in 25 Kg packing)	7.34	Paper bags, wooden pallets, stretch hooding plastic, slip sheet

Qatarization

In 2021, QAFCO continued its support to Qatar National Vision 2030 of building a highly motivated and engaged national workforce. The Company has set a five-year Qatarization strategic plan to increase the quantity and quality of Qatari Nationals’ participation in the company. QAFCO is constantly looking to attract and recruit Qatari candidates at different levels and support their further development within the organization, which was done through structured programs. Moreover, there is a governance structure in place to provide direction and ensure the implementation of initiatives relative to the attraction, development, and retention of Qatari nationals.



Governance structure

QAFCO’s Board of Directors (comprising of 5 members, headed by a Chairman) is the highest governing body in the Company and has specific responsibilities to facilitate best interests of the company. Board Members are appointed by QAFCO’s shareholder, Industries Qatar, the Board consists of four independent members and QAFCO’s CEO, who also serves as the Managing Director of the Company. As per Articles of Association, Board may delegate its authorities to the Chief Executive Officer and Managing Director. The Board Members provide a comprehensive expertise good mix of industry-specific knowledge, broad business sense and commercial experience. This balance enables the Board to provide clear and effective leadership to the company and bring information and independent judgment to many aspects of QAFCO’s strategy and performance.

The work of the Board of Directors is assisted by following committees: Corporate Governance Committee, Enterprise Risk Management Committee and the Board Audit Committee. General Tender Committees and Insurance Tender Committees also operate at the Company, though not considered as part of the governance level.

Managing the impacts

QAFCO 2030 Strategy Map was developed by QAFCO and approved by the Board of Directors in 2018 and was officially launched for implementation in January 2019. QAFCO’s Strategy is reviewed and updated on annual basis to adapt to any internal or external environment changes. The organization’s performance is reviewed on quarterly basis and corrective and mitigation actions are implemented as per the direction of the management and the Board.

Risk Management

QAFCO is committed to the efficient and effective management of risks that impact the achievement of its Mission, Vision, and strategic objectives in a sustainable manner. To fulfil this commitment, QAFCO’s ERM framework aims at providing coordination across the Divisions and centralizes information with the Risk Management Team to make it available to the risk owners and key decision-making authorities. Risk actions are addressed by the relevant parties and are monitored regularly to enhance their effectiveness. The Strategic risk profile is reviewed, developed, and updated on an annual basis by engaging with Risk and Action Owners, Management Team, and Board Members.

Additionally, QAFCO has established cyber security management to fulfill its commitment of preserving the confidentiality, integrity and availability of digital information and associated systems. QAFCO is fully compliant with the applicable legal and regulatory requirements pertaining to information technology and Operations Technology security.

The response plans to Environmental Non-Performance/ climate related risks are addressed at operational as well as strategic levels. QAFCO is currently executing several projects to mitigate the environmental risk. Additionally, work is in progress to establish a sustainability plan that provides an overall direction and future target state along with specific actions to achieve those targets.

Internal Audits are carried out by the Internal Audit Department in accordance with the timelines and scope agreed by the Management Team and Board’s Audit Committee

Remuneration Policies

Board Charter contains approved Directors and Officers Remuneration Policy. For Board of Directors, remuneration is decided by Industries Qatar being a shareholder on fixed basis as per AOA.

Code of Conduct

QAFCO is committed to adhering to the highest standards of ethical and legal conduct for its operations and subsidiaries with the full support of its shareholders. For that reason, it has established a Code of Conduct that states the requirements and provides guidance to help its employees carry out their duties professionally and with the utmost integrity, consistent with the Company’s values and Business Principles QAFCO has zero tolerance to any form of corruption, fraud or trading in influence.

It is applicable to all QAFCO employees and everyone working on QAFCO’s behalf.

Projects and Future plans

QAFCO’s long term strategy aims to maximize production through investments that will lead to increased efficiency and plant availability without compromising health, safety, and environment. To fulfill its commitment towards sustainability, QAFCO introduced its Technical Road Map framework that focuses on:

- Optimizing QAFCO’s assets in a profitable and sustainable manner
- Maintaining capability to use ONSAG Natural Gas
- Complying with the Ministry of Environment and Climate Change (MOECC) environmental regulations



- Minimizing CO2 emissions
- Stop acid gas flaring

In addition to minimizing its environmental impact, QAFCO has embarked on a journey of implementing several environmental projects which include:

- Installation of Continuous Emission Monitoring Systems (CEMS) to monitor the quality and content of emissions released to the ambient environment with budget outlay of 54 mn QAR, target completion by 2023.
- Achieving Zero Liquid Discharge to Sea with budget outlay of 609 mn QAR, target completion by 2025.
- QAFCO has successfully implemented the DeNOx project to reduce NOx emissions with budget outlay of 16 mn QAR in 2021.

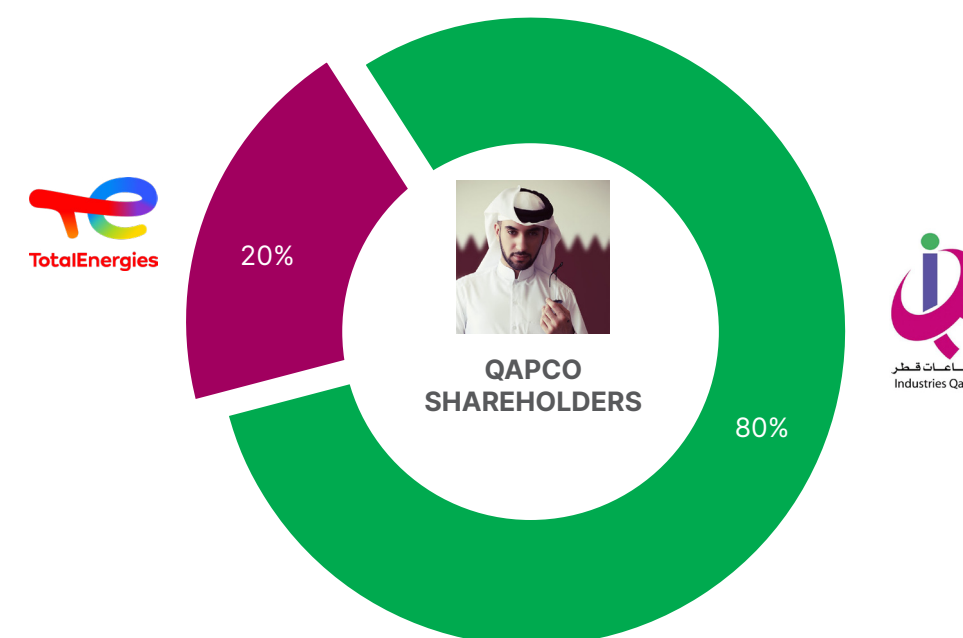
QAFCO shall continue to identify and evaluate opportunities in coordination with QatarEnergy to:

- Optimize its assets through the enhanced utilization and processing of its natural gas feedstock in a profitable and sustainable manner.
- To discuss market developments and co-create a path for the Company to realize its full value potential and enhance its market leadership position.

QATAR PETROCHEMICAL COMPANY (QAPCO)

About the Company and its business context

Based in the State of Qatar, Qatar Petrochemical Company Q.P.J.S.C. is one of the world's largest and most successful producers of low-density polyethylene (LDPE). QAPCO was established in 1974 as the first petrochemical company in the Arabian Gulf by QatarEnergy and Chimie De France. Today, 80% of QAPCO's shares are held by Industries Qatar (IQ) and the remaining 20% by TotalEnergies.



QAPCO has invested directly and indirectly in four associated ventures that contribute to Qatar's downstream petrochemicals sector. In support of the Qatar National Vision, QAPCO's joint ventures and associated companies enable us to develop and diversify Qatar's downstream petrochemical market. This will stimulate new growth opportunities for revenue creation and employment, thereby helping Qatar realize its full potential in this industry.



Qatofin Company Limited Q.P.J.S.C.

Established in 2010 to optimize the utilization of ethane feedstock from Qatar thanks to the development of the country's natural gas resources. It is a joint venture between QAPCO (63%), TotalEnergies (36%) and QatarEnergy (1%).



Ras Laffan Olefins Company Ltd. (RLOC)

A joint venture between Qatofin (45.69%), Q-Chem II (53.31%) and QatarEnergy (1%). It owns a cracker that supplies an LLPE unit with ethylene feedstock and is managed and operated by Q-Chem II.



Qatar Vinyl Company Limited (QVC) Q.P.J.S.C.

Established in 1997 as a limited Qatari shareholding company, and QAPCO began fully operating QVC plants as of 2017. The company's shareholders are Mesaieed Petrochemical Holding Company (55.2%), QAPCO (31.9%) and QatarEnergy (12.9%).



Qatar Plastic and Wooden Products Co. W.L.L. (QPWPC)

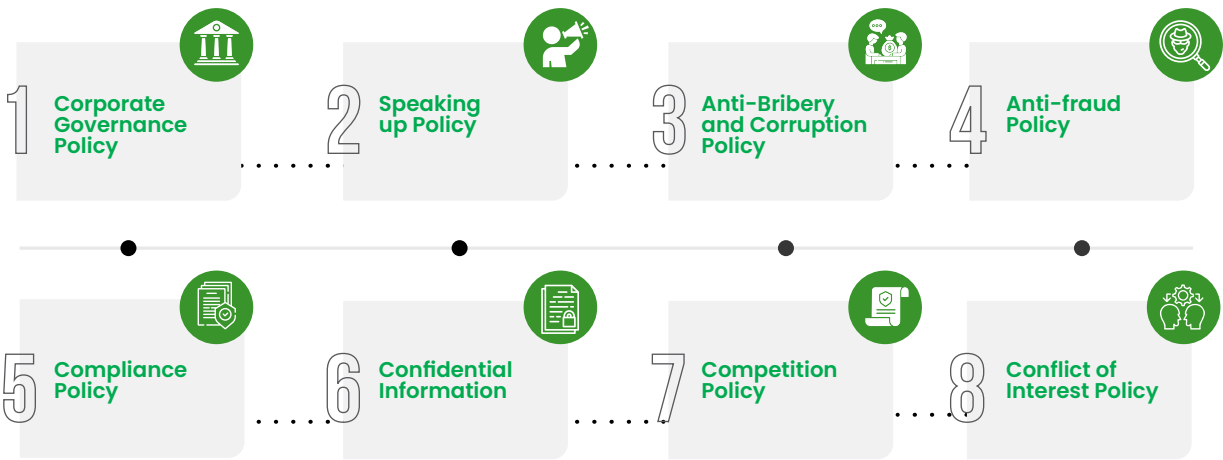
Established in 1998, started commercial production in 2000 of plastic film used for industrial packaging. QPWPC now produces a wide range of products, including wood plastic composite (WPC) from fill seal, shrinkable films, shrinkable hood, construction trash bag, and general-purpose foil. Located at Mesaieed Industrial City, QPWPC is owned by QAPCO (33.34%) and QIMC (66.66%).

QAPCO holds Corporate Membership with Gulf Petrochemicals and Chemicals Association (GPCA) and Abdulla Bin Hamad Alattiya Foundation.

Policies, and Practices

QAPCO recognizes that these measures are essential to delivering value to its shareholders and maintaining trust with its stakeholders. Company is committed to upholding strong governance standards and implementing sound practices to ensure that its business is operated with integrity.

Coming from this spirit and as part of QAPCO's continuous effort to enhance governance and compliance practices in line with its shareholders, QAPCO's Board of Directors approved eight policies which constitute the main pillars of QAPCO Code of Conduct as follow:



QAPCO launched the Campaign under “Our Golden Code” which reflects its values, outlines its expectations for ethical behavior and helps to support a strong collaborative culture of integrity and trust. It clearly states who QAPCO is and how each of QAPCOs employees must act to ensure that QAPCO achieves its business strategy while continuing to grow and prosper as an organization. The eagerness to make things happen and involving you in QAPCOs extraordinary story is critical to its success. QAPCO expects everyone to understand, adopt and model the behaviors outlined in the Code.

QAPCO kicked off a full awareness and engagement program about its Code of Conduct that was made to better understand the role its stakeholders are expected to play toward effective embedding of its Golden Code. These policies are also available through external channel with QAPCO’s stakeholders which is on Company’s website.

Sustainability Management approach

QAPCO’s business strategy has been developed in accordance with the Qatar National Vision 2030, QatarEnergy and Industries Qatar’s (IQ) vision and strategy. The main drivers of QAPCO’s mission and vision are Excellence, Sustainability and Diversify. Achieving operational excellence, QAPCO holds first quartile operating performance including reliability, efficiency and cost. Incorporating sustainability into its business decisions, QAPCO produces with lowest impact to the environment and without any lost time injures. Driven by the diversify and continues improvement approach, QAPCO maximizes return by producing diverse polymers solutions and vinyl products with variety of applications and specialty.

Aside from improving local communities’ quality of life, QAPCO is establishing new strategic relationships and nurturing existing partnerships. Raising awareness of its business value to local stakeholders will encourage its neighbouring educational and business communities to learn more about the company and its exciting career opportunities.

The key to QAPCO’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 itsupports numerous out-reach STEM programs and initiatives.

To further this aim, Memorandums of Understanding (MoU) are in place with:

- Qatar University (QU)
- Texas A&M at Qatar (TAMUQ)
- Carnegie Mellon University - Qatar

These MoUs enable many events and programs to be implemented for the benefit of students.

QAPCO also hosts three academic Chairs:



According to the World Economic Forum (WEF), businesses should perform a materiality assessment to identify which material risks are to be incorporated into their enterprise risk management (ERM) system. The Sustainability Accounting Standards Board (SASB) provides companies with a methodology that helps them understand which sustainability factors will most likely have a material impact on their financial and operational performance.

QAPCO’s materiality assessment arises from in-depth desk research. We referred to the most authoritative sources in the space, including the SASB’s Industry Standards, the WEF’s latest global risks report, industry peers’ material issues, and the Qatar Vision 2030. By combining all this information, we compiled a list including 16 material topics and their priority level.

Material Topic	Priority level
Occupational Health & Safety	Very Highly Material
Research, Development & Innovation	
Product Responsibility	
Customer Satisfaction	
Climate Action, GHG Emissions and Energy Management	
Employee Engagement, Training and Development	Highly Material
Corporate Governance & Business Ethics	
Financial performance	
Community Investment & Engagement	
Other Air Emissions	
Water and Effluents	Material
Risk Management	
Waste Management	
Diversity and Inclusion	
Sustainable Procurement	
Ecological impact	

Financial Performance

For many years, QAPCO has delivered sound financial performance to its shareholders based on strong revenue generation and profit creation. In 2021, QAPCO maintained this with healthy financial results. The value that QAPCO generates goes beyond its direct financial performance, however, including many indirect economic impacts that QAPCO provides as a long-standing leader in Qatar's petrochemical sector.

In 2021, as the economy began to recover from the effects of the COVID-19 pandemic, demand for QAPCO's products increased. Sales have now risen by more than 40% over the last two years, despite the COVID-related dip in 2020, and combined revenues for QAPCO, Qatofin and QVC rose by more than 50% in 2021 to QAR 9,109 million. This resulted in a net profit for QAPCO of QAR 1,500 million, up from QAR 1,070 million in 2020, a rise of 40.2%. While this could be partly ascribed to a higher product price, improved operational efficiency also played a key role.

Going forward, the pandemic is far from over and geopolitical tensions have increased in 2021 with the outbreak of the conflict in Ukraine. However, with demand for QAPCO core product, LDPE, expected to increase, QAPCO can look ahead with confidence.

In addition, QAPCO and QATOFIN Economic Value Distributed (e.g., payments to shareholders and investors, employee wages and benefits) grew by over 80% between 2020 and 2021, thus showing QAPCO keeps creating wealth for its stakeholders. Finally, QAPCO's 2021 social spending experienced a near 3-fold increase compared to 2020.

KPI	Actual 2020 Mn QR	Actual 2021 Mn QR	Variance YOY Mn QR
Direct Economic Value generated:	3,133	4,231	1,098
Revenues	3,133	4,231	1,098
Economic Value Distributed:	3,091	5,635	2,544
EBITDA (includes share of JVs & Associates)	1,024	2,525	1,501
Employee wages and benefits	466	471	5
Payments to providers of Capital	1,170	2,076	906
Payments to Governments	391	532	140
Community Investment	40	32	(8)

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. From an Opportunity perspective, the timing of mitigating the risk can lead to lucrative opportunities subject to QAPCO's ability to de-carbonize as much as possible to produce the most carbon neutral PE leading to higher premiums and demand on products.

From a Risk perspective, failure to mitigate the risk will result in producing an unattractive product, low premiums, increased taxes, and even financial penalties.

QAPCO strives to meet the 25% reduction in GHG emissions as per the QNCCAP 2030 commitment made by the State of Qatar and its Shareholders. The inability to achieve this commitment will result in both material reputational and financial impact to the organization.

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 its carbon footprint such as (i) Upgrading of Gas Turbines (ii) Revamping of

Sulphur Recovery Unit (SRU) and, (iii) 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 (i) HC and Acid gas flaring reduction (ii) Optimization of Boilers and GTs for energy efficiency (iii) Installation of Heat Recovery Steam Generation (HRSG). Product development programs include post-consumer waste PE products in progress as part of the larger R&D initiative.

Taxes

QAPCO has general policy of compliance to all applicable law and regulations including Tax related. However, as it operates solely in Qatar and do not have international investments QAPCO does not have tax strategy. The compliance policy was reviewed and approved by the BOD. The GRC committee oversees the implementation of the policy within the organization. QAPCO ensures full compliance with tax law and regulations in all decision it takes. Furthermore, QAPCO ensures suppliers full awareness of the applicable tax law and regulation implemented in Qatar. Moreover, Chief Finance Officer is accountable to ensure compliance to applicable tax law and regulations. The TOFA policy define the responsibilities and the tax procedure outline the detailed process that shall be followed to calculate record, report and payment of tax duties to the govt authority. The Finance division lead the implementation of the process.

QAPCO takes proactive approach to mitigate risks that may impact its business. QAPCO's risk register is reevaluated on regular basis and if there is any emerging risk identified it will be evaluated, documented and mitigated. For example, although VAT is not applicable yet in Qatar, we have identified it in the risk register and appropriate mitigations controls has been implemented. The tax working is externally reviewed by tax advisor and auditors on half yearly and annual basis.

There are mechanisms to raise concerns about the organization's business conduct and the organization's integrity in relation to tax. The company has speak-up policy through which it guideline members of stakeholders can report to internal audit department for any point related to tax integrity.

All the tax calculation is done internally on monthly basis which is verified by AM and CFO furthermore it is externally reviewed by the tax advisor and QAPCO's auditors on half yearly and annual basis.

As for the stakeholder engagement, QAPCO ensures full awareness and compliance by its stakeholders with the tax law and regulations. Furthermore, we ensure suppliers full awareness of the applicable tax law and regulation implemented in Qatar. All concerns are discussed well ahead of time with its suppliers during contract drafting stage. QAPCO communicates proactively with the tax authority through its tax advisers for any clarifications / concern.

Climate Change (Energy and Emissions)

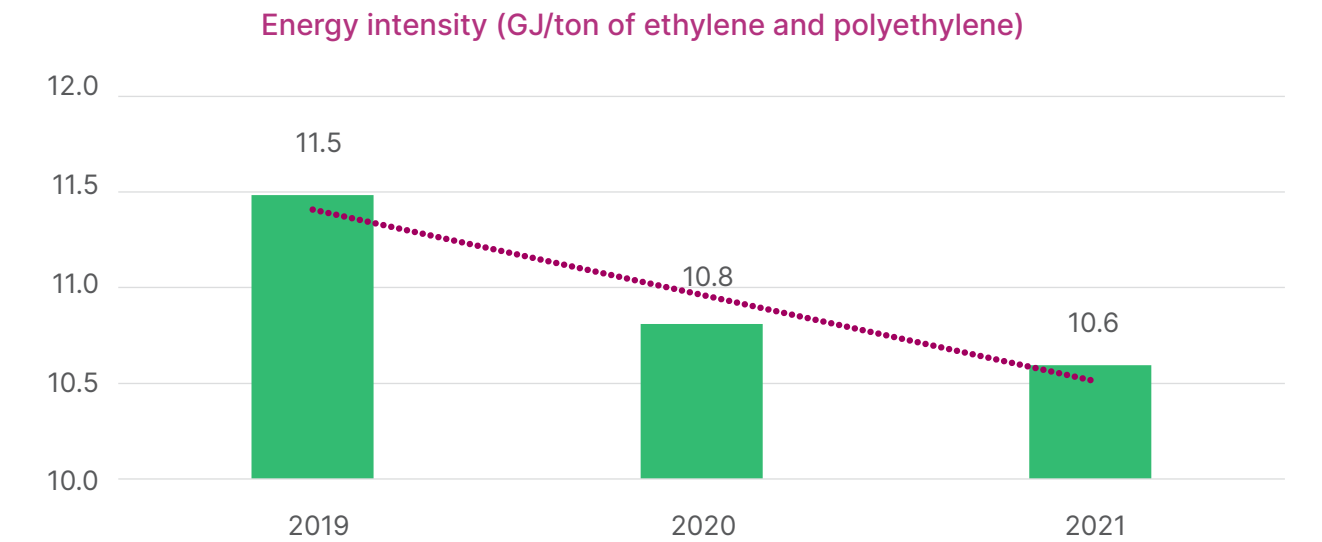
Company operations has positive impact on the economy by contributing to national economy in terms of revenues, jobs and necessary raw materials for dependent downstream industries. QAPCO understands impact of its operations on the environment, which it controls and manages in line with the applicable regulations and industry best practices. This includes internal audits, contractor audits, third party audits for certification. In addition to this regular site inspections and monitoring takes place. The company has an integrated management system that covers ISO14001, RC14001, ISO45001 and ISO9001.

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

environmental impact, company has invested in eco-friendly materials, efficient machineries, and green technologies. As a responsible business, QAPCO is developing projects to reduce its GHG emissions, waste, and effluents.

Through investment in high-efficiency machinery and operational optimisation, QAPCO has achieved significant progress in reducing its environmental impact. Effective coordination and communication with the Qatar Ministry of Environment and Climate Change (MoECC) and the concerned departments in Qatar Energy are critical to successful implementation of QAPCO's environmental management plans.

QAPCO's decarbonisation efforts are also focusing on decreasing its process energy intensity, which it already 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 fuel 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 fuel saving of 92% for the HRSG steam generation unit, this will produce a GHG emissions reduction of ~223,000 tons/year.



KPI	Actual 2020	Actual 2021	Variance YOY
Non-renewable energy consumption (amount of energy usage in GJ):			
(Gas)	19,957,216	17,421,120	2,536,096
(Electricity - purchased)	1,751,406	1,741,909	9,497
Total	21,708,622	19,163,029	2,545,593
Renewable energy consumption (amount of energy usage in GJ):	-	-	-
Total consumption (in GJ):	21,708,622	19,163,029	2,545,593
Electricity	-	-	-
Heating	-	-	-
Cooling	-	-	-
Steam	-	-	-
Others	21,708,622	19,163,029	2,545,593
Renewable energy %age	-	-	-
Energy Intensity (GJ/Tonne)	10.8	10.6	- 0.2
Total energy sold:			
Electricity sold	23,817	49,740	25,923
Amount of reductions in energy consumption (in GJ)	380,247	2,545,593	2,165,346

In line with the QNCCAP2030 climate action plan, QAPCO has committed to reducing its carbon footprint. By upgrading all its 6 gas turbines (GTs), QAPCO reduced NOx emissions by up to 80%. QAPCO also installed a continuous emission monitoring system on its furnaces to ensure NOx emissions are within the limit recommended by law. Overall, QAPCO achieved an NOx reduction of 47% and 33% at Qapco and QVC respectively between 2019 and 2021. Following up on MoECC concerns regarding acid gas flaring, in 2021 QAPCO set aside a major investment to upgrade its sulfur recovery unit. It will become operational in March 2022 and acid gas flaring has now stopped except during plant upsets and/or trips. The new unit will also release much lower sulfur oxides (Sox) emissions. QAPCO has installed totalizers and analyzers to elevated and ground flare systems to accurately monitor flaring and minimize emissions, and as part of its Mega Turnaround, QAPCO implemented plant maintenance programs to further reduce flaring.

The consolidation approach for emissions is operational control. The GHG emissions intensity ratio for QAPCO is calculated, as the organization-specific metric (the denominator) chosen to calculate the ratio is the total production of the company (ethylene + polyethylene). The most significant emissions are NOx and SOx which are reported in the below table. Emission factors for Scope-1 GHG are local and calculated as per the QatarEnergy GHG Accounting & Reporting Procedure. Emission factor for Scope-2 is advised by QatarEnergy. 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. Methane emissions from stacks are quantified by using standard emission factors from 2006 IPCC Guidelines for National Greenhouse Gas Inventories- Stationary Combustion Sources. Methane fugitive emissions are quantified based on periodic LDAR surveys. Methane emissions are not a significant aspect as QAPCO is a petrochemical plant, however, these are managed by implementing LDAR program to minimize fugitive methane emissions.

About the emergency preparedness and response programmes, QAPCO has an integrated Emergency Response Plan that caters to all emergency scenarios including spills. Regular drills are conducted which also covers emergency scenarios related to spills.

KPI	Actual 2020	Actual 2021	Variance YOY
Total GHG emissions (Metric Tonne of CO2E)	1,658,060	1,824,658	(166,598)
Direct emission (scope 1):	1,426,076	1,586,150	(160,074)
Indirect emission (scope 2):	231,984	238,508	(6,524)
GHG Intensity ratio (Metric Tonne CO2E/production)	0.83	1.01	0.18
GHG emissions reduced as a direct result of reduction initiatives (Metric Tonne CO2E)	-	-	-
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions (Metric Tonne):			
Nox	1,075	750	325
Sox	262	165	97

Water Management

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

Company operations has positive impact on the economy by contributing to national economy in terms of revenues, jobs and necessary raw materials for dependent downstream industries. QAPCO understands impact of its operations on the environment, which it controls and manages in line with the applicable regulations and industry best practices. Also, regular audits are conducted. This include internal audits, contractor audits, third party audits for certification. In addition to this regular site inspections and monitoring takes place.

QAPCO has integrated management system in place that is 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 the regulations. The compliance level is monitored and reported through KPIs. nZLD project is implemented to reuse/recycle nearly 85% of the process wastewater after treatment. This is followed by KPI achievement. Municipal wastewater is treated and reused for landscape irrigation.

Cooling seawater return discharge to 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 with consideration to the industry specific process and operation.

Freshwater 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.

KPI	Actual 2020	Actual 2021	Variance YOY
Water withdrawal			
Water withdrawal by source (in m3):			
Seawater (total) :			
Freshwater (≤1,000 mg/L Total Dissolved Solids)	2,373,199	2,371,927	1,272
Other water (>1,000 mg/L Total Dissolved Solids)	634,150,167	534,853,954	99,296,213
TOTAL Water Withdrawal	636,523,366	537,225,881	99,297,485
Water discharge by destination (in m3)			
Seawater	1,487,669	1,069,712	417,957
Third party (Other)	65,316	80,099	14,783
Total amount of freshwater consumed in m3	2,373,199	2,371,927	1,272
Water recycled/reused in m3	-	-	-
% age of water recycled to total water consumed	-	-	-
Freshwater withdrawal intensity	1.278	1.182	0.096

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 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, it is aiming to drive it down to the 2020 level or even lower in 2022. In the meantime, QAPCO signed a long-term contract with a local company to recycle its used oil. This will boost its recycling ratio, which was nearly 30% last year. In 2020, we started upgrading the wastewater treatment units for QAPCO and QATOFIN. Thanks to this intervention, QAPCO will begin reusing/recycling the treated effluent in January 2022. On top of that, QAPCO sewage treatment plant (STP) has been operational since the end of TA in 2021 and its treated wastewater has been reused for landscape irrigation.

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. Company operations has positive impact on the economy by contributing to national economy in terms of revenues, jobs and necessary raw materials for dependent downstream industries.

Company operations has positive impact on the economy by contributing to national economy in terms of revenues, jobs and necessary raw materials for dependent downstream industries. QAPCO understands impact of its operations on the environment, which it controls and manages in line with the applicable regulations and industry best practices.

KPI	Actual 2020	Actual 2021	Variance YOY
Waste Generated (MT)	546	1488	(942)
Waste diverted from disposal (MT)	250	429	(179)
Waste directed to disposal (MT)	546	1488	(942)
Waste diverted from disposal by recovery operation (MT) (Recycling)	250	429	(179)
Waste directed to disposal by disposal operation (Hazardous waste - Onsite):			
Landfilling	539	1223.94	(685)
Other disposal operations	7	264.04	(257)

Biodiversity Management

The biodiversity management approach, any new projects impacts are assessed through EIA process through consultants which is reviewed and approved by MoECC. All impacts, including biodiversity impacts are managed in line with the recommendations given in the EIA report.

If not recycled, non-biodegradable plastic can stay in landfill or in our oceans for centuries. While QAPCO cannot phase out plastic in immediately, it is investing in innovative materials to design more sustainable alternative solutions such as polyhydroxyalkanoates, which are fully biodegradable. QAPCO understands impact of its operations on the environment, hence is adopting a more climate-friendly design for its facilities. For example, by introducing

HRSO units in GTs, QAPCO is increasing plants energy efficiency, thus decreasing their fuel demand. Following the same principle, QAPCO has devised LLDPE-based heat absorbing construction materials to reduce building energy consumption, thus curbing their carbon footprint.

Employment

QAPCO's culture revolves around diversity, which it sees as an added value for its business workforce. Although men represent most of QAPCO's employees, it increased its female workforce share from 4% in 2020 to 5% in 2021. Regardless of the gender, around two-thirds of staff are aged between 30 and 50. Additionally, to preserve QAPCO's unique cultural identity and align with the Qatar National Vision 2030, in 2021 it employed 279 Qataris and achieved a Qatarization rate of 25%.

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

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

New employee hires, by gender	2020	2021
Female	3	9
Male	80	49
New employee hires, by employment level		
Executive & senior management	4	5
Middle management	14	21
Non-managerial staff	65	32
New employee hires, by age group		
Under 30	17	22
30-50	58	31
Over 50	8	5

Employees that left the organization, by gender	2020	2021
Female	3	1
Male	141	30
Employees that left the organization, by age group	2020	2021
Under 30	4	8
30-50	88	15
Over 50	52	8
Employees that left the organization, by employment level	2020	2021
Executive & senior management	7	2
Middle management	45	16
Non-managerial staff	92	13
Voluntary turnover rate (%)	1.78	1.42

Ratio of the basic salary and remuneration of women to men for Doha office 1:4 and for Mesaieed office is 1:50 accordingly. The compensation is based on the salary scale, while QAPCO always consider the minimum basic salary.

QAPCO concern parental leaves, as the total number of employees who were entitled to it is 56 female staff only, 5 of them took it. The total number of employees that returned to work in the reporting period after the parental leave ended is 4 females, while the total number of employees that were still employed 12 months after their return to work is 5 females. Return to work and retention rates of employees that took parental leave is 100%.

Occupational health, safety and security

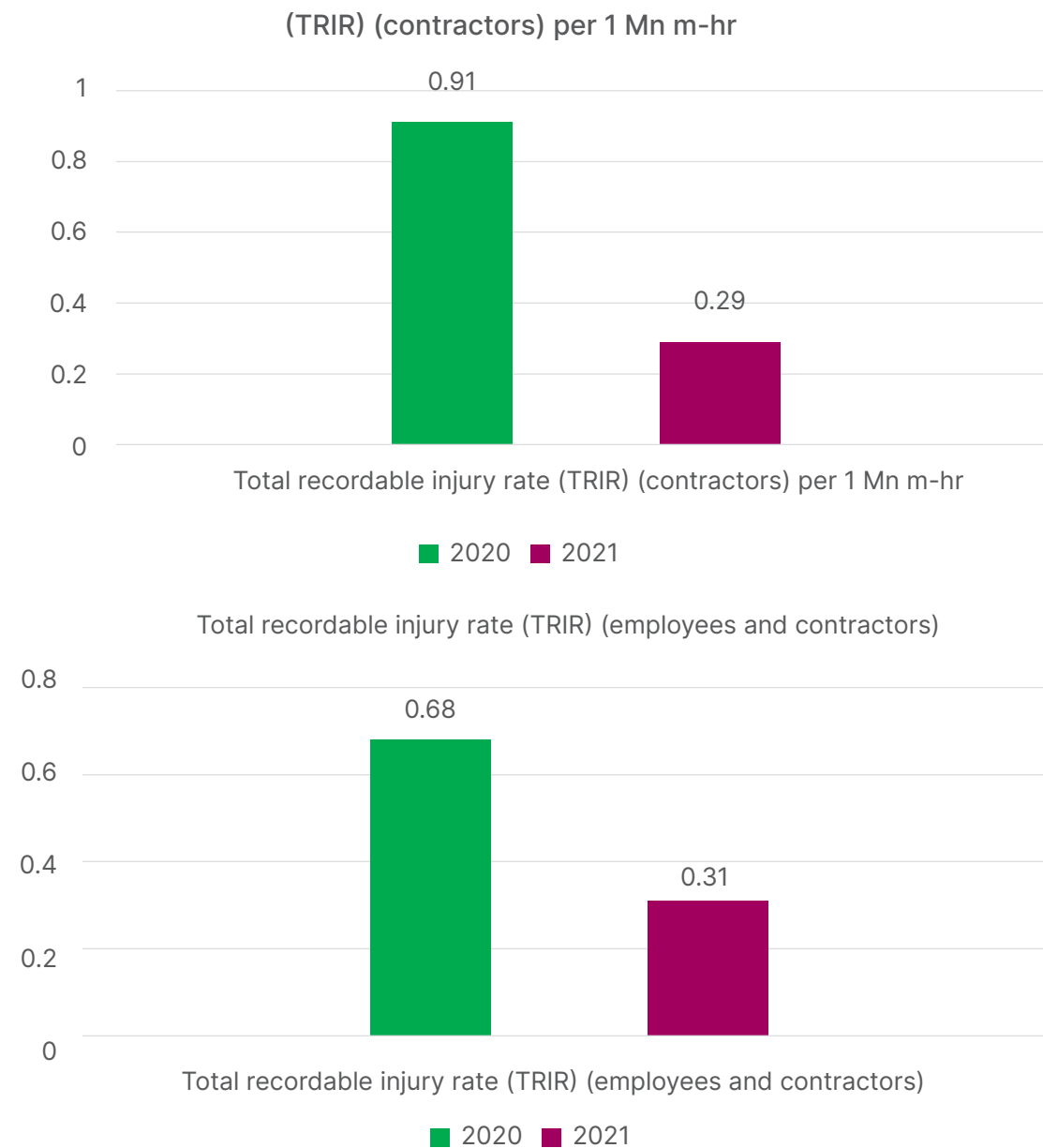
QAPCO prioritizes the safety and wellbeing of its employees through an integrated Health, Safety, Environment, & Quality (HSEQ) management. Protecting its workforce is a primary goal and it does its best to avert any injuries and first aid incidents.

In 2021, QAPCO faced a major health & safety challenge and the execution of Mega Turnaround engaged around 12,000 people in different critical tasks, 24/7. To ensure safe operations, QAPCO 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, QAPCO 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.

QAPCO'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, increased the potential risk. Therefore, 6 months before the shutdown, QAPCO introduced a pre-start-up safety review (PSSR) to mitigate the expected risk. With efficient coordination of the workforce, QAPCO completed 131 PSSRs across QAPCO facilities without a single issue and identified 662 punch A items that we resolved ahead of the plants' start-up. Accordingly, QAPCO achieved an incident-free start-up across all its plants.

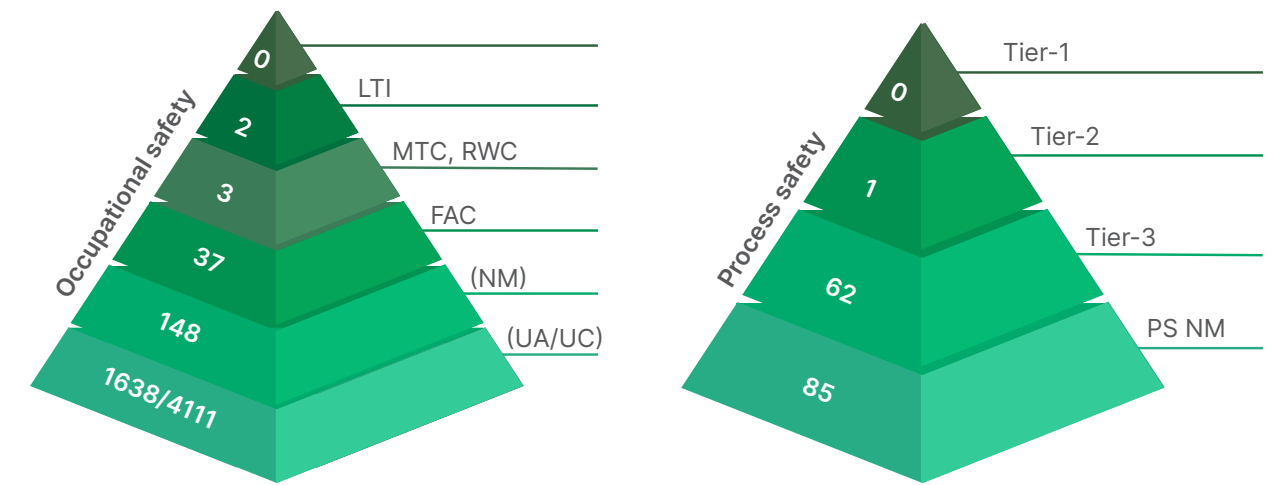
One Team Event

The major challenge for year 2021 was Mega TA in which approximately 12000 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”. Ensuing 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.

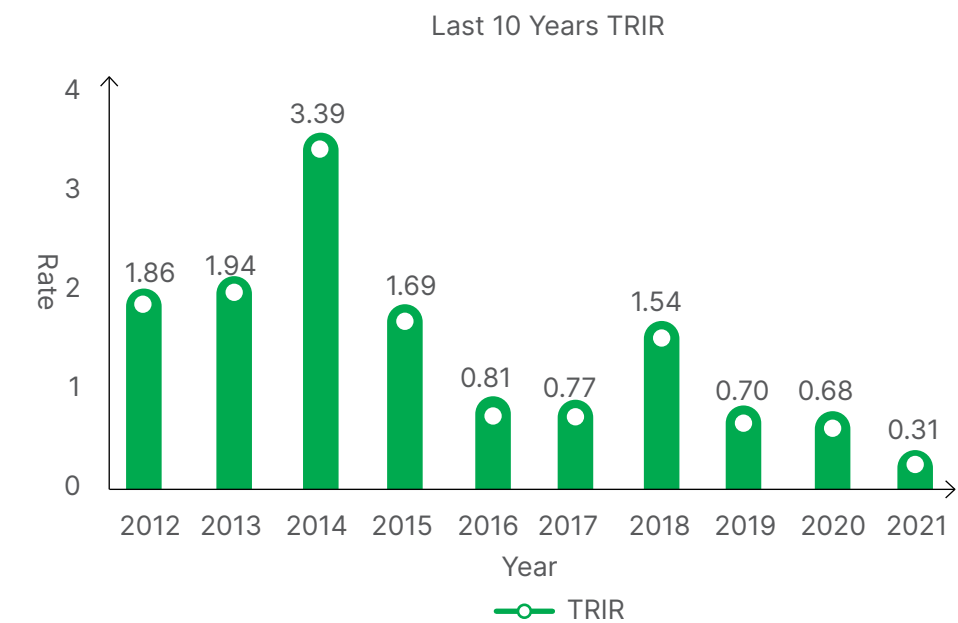


Salamah-Process Safety Management Program

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, QAPCO initiated Salamah, with the aim of further improving its process safety culture, systems, capabilities and preventing major accidents.



2021 Process & occupational Safety incident Pyramid



QAPCO 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.,

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.

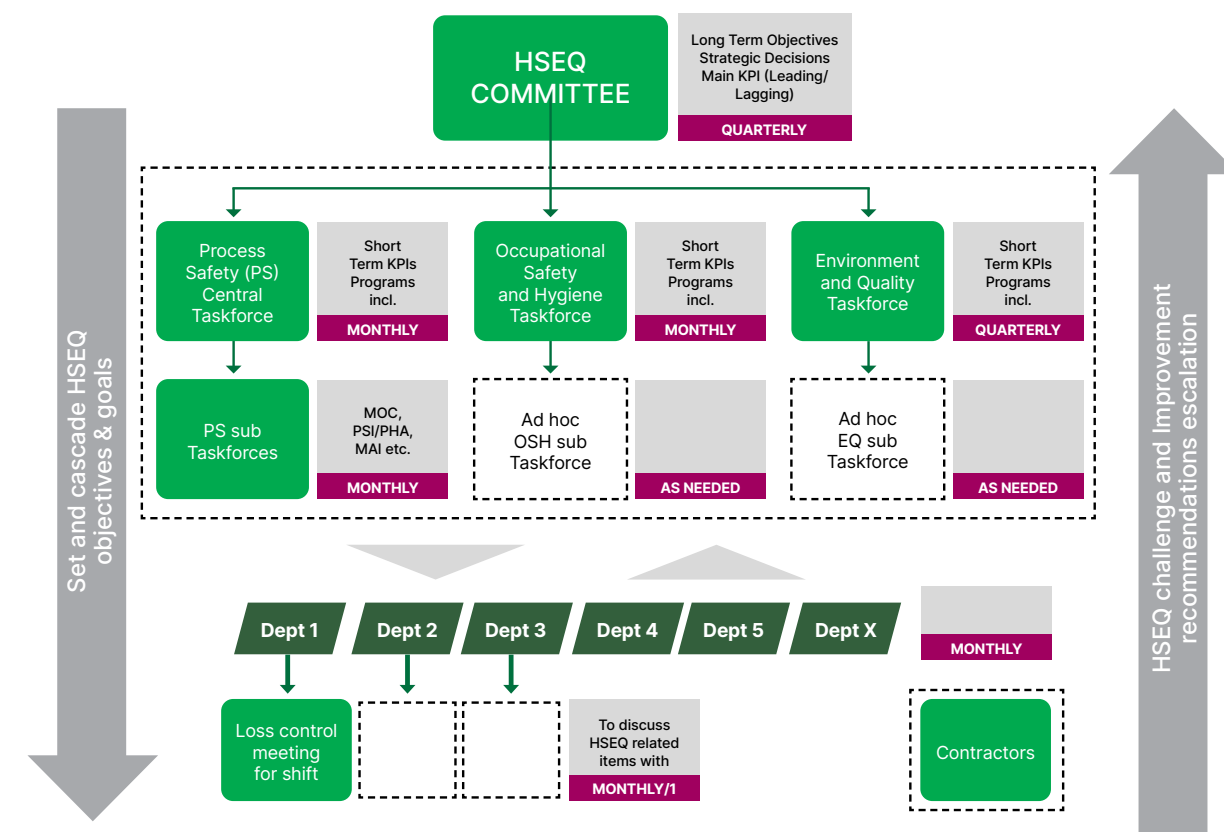
Work related Health hazards (Physical, Chemical, Biological, Ergonomics and Psychosocial) are determined by means of Occupational Health Risk Assessments - OHRA. Only Heat-stress hazard has contributed to few FAC during reporting period. Comprehensive Heat-stress Management Program has been developed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

QAPCO has fitness to work procedure and implemented well. The type of medical assessment 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 resulting 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 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.



Training and Education

QAPCO 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 its 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 its Mega Turnaround in Q4 2021, QAPCO’s training focused on safety and technical skills to support the turnaround activities. Of the training needs identified, QAPCO delivered 41% of them online. This included a virtual “Returning to the Workplace with New Energy” workshop, which was conducted after QAPCO revised its COVID-19 protocol.

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

Moreover, to reflect its commitment towards code of conduct, QAPCO initiated the full comprehensive awareness program that is built to embed it in the way it operates. QAPCO kicked off this program 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 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 we used virtual sessions to deliver one of its kind “Returning to Workplace with New Energy” training program, which was designed to empower QAPCO 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.



Turnaround Training - Classroom

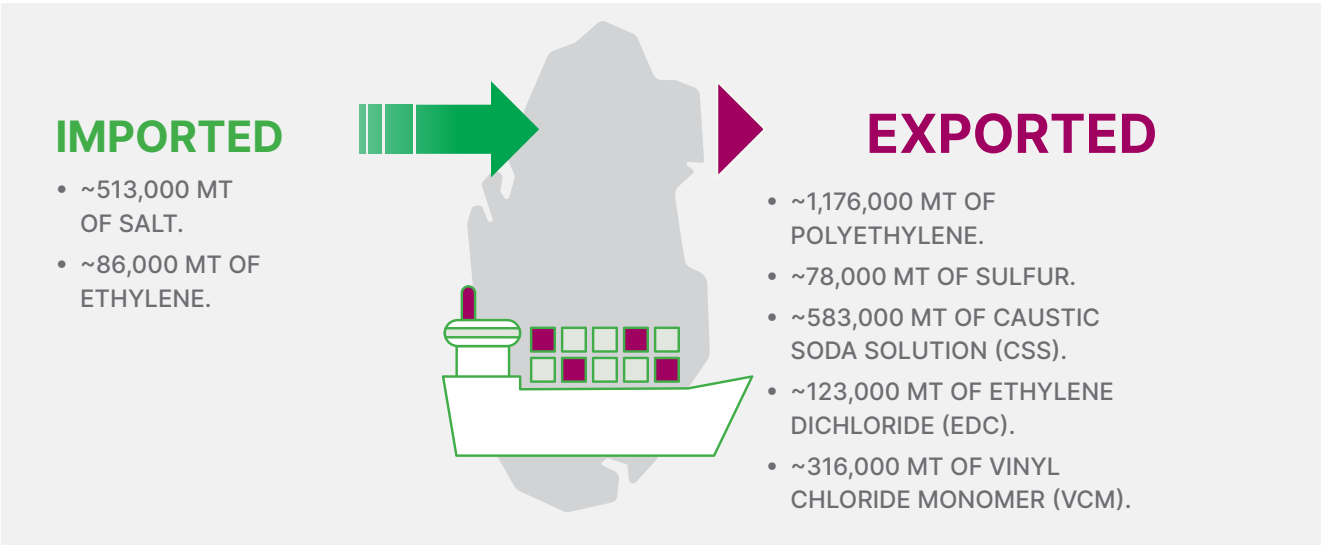


Live-Virtual Instructor Training

Supply Chain

The percentage of the procurement budget used for significant locations of operations that is spent on suppliers local to that operation is 70% (such as 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.

Effective logistics are key to ensuring a seamless flow of QAPCO products throughout its supply chain stages (production, shipment, warehousing, and final delivery). In 2021, QAPCO successfully handled the following product quantities:



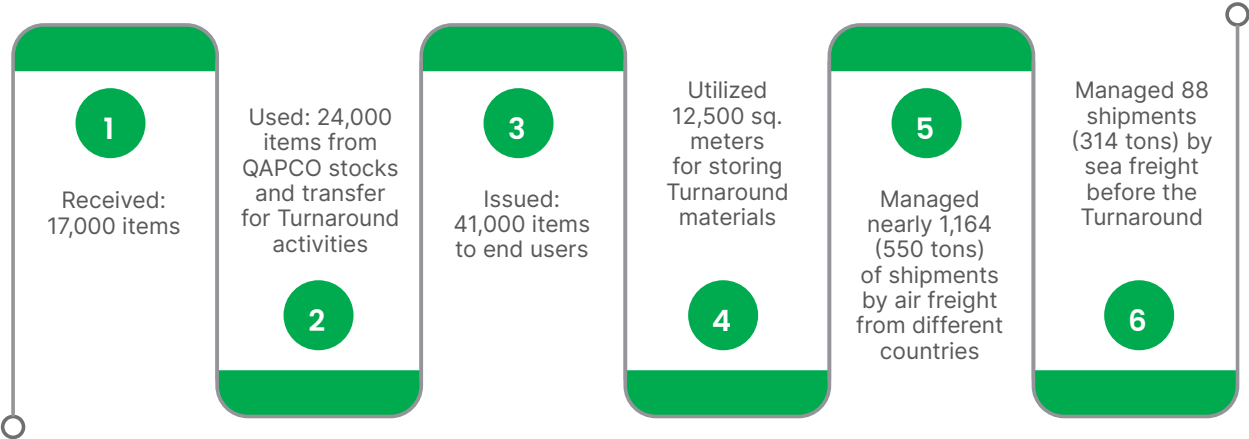
QAPCO is working on expanding its ethylene loading arm freeboard and will double its vessel capacity, from 6,500 to 12,000 MT. Completion of this is expected by Q3-2022.

QAPCO’s Logistics & Warehouse department played a major role in the logistics activities required to deliver the necessary materials and equipment to deliver its Mega Turnaround in 2021. The logistics team demonstrated maximum effort to arrange all the logistics activities needed to

support the Turnaround. Thanks to their work, QAPCO achieved movements of all necessary goods and materials from their point of origin to QAPCO in the least possible time, while incurring least cost, maintaining quality and ensuring safe and timely delivery of the shipments.

Activities started in April 2018 and were still in process even after completion of the turnaround for various related activities such as material returns, stock replenishments, the freight forwarding invoices process, creating two years’ stock of spare parts, and receiving upgraded and new installed machines. In total, sourcing all the raw materials and spare parts needed for the turnaround required the management of nearly 63,400 material reservations and ~11,000 purchase requisitions.

In the 3 years before the start of the Turnaround QAPCO:



Sustainable Procurement

When choosing suppliers, QAPCO applies a series of technical evaluation criteria such as health, safety, security, environmental records and requirements, and their quality systems. Also, as per its “Guidelines for Accommodation, Living & Remunerations”, QAPCO discloses contractors’ personal facilities (i.e., minimum basic monthly salary, health care, accommodations, recreation and meals, transportation, etc.). Furthermore, all QAPCO contracts comply with Qatar labor regulations (e.g., waste management, etc.) and its contractors must also adhere to QAPCO’s ‘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 QAPCO’s contractors breached either its environmental or labor compliance.

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



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

Additionally, QAPCO 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. QAPCO also is aiming to achieve a local procurement share of 75% in 2022, up from 71.5% in 2021.



Local Communities

One Team Event: Is basically a series of quarterly conducted engagement with QAPCO 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 QAPCO processes are.

The major challenge for 2021 was the Mega Turnaround in which approximately 12000 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”. Ensuing 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. This culture, together with comprehensive PSM system, adherence to best practice, and strong leadership and management commitment to safety, helps to ensure that QAPCO remains a safe and healthy workplace where the wellbeing of all its employees is paramount.

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

The key to QAPCO’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 QAPCO feels that these particular disciplines are vital to the energy sector, and it supports numerous out-reach STEM programs and initiatives.

Successful educational initiatives implemented in 2021 include the following:

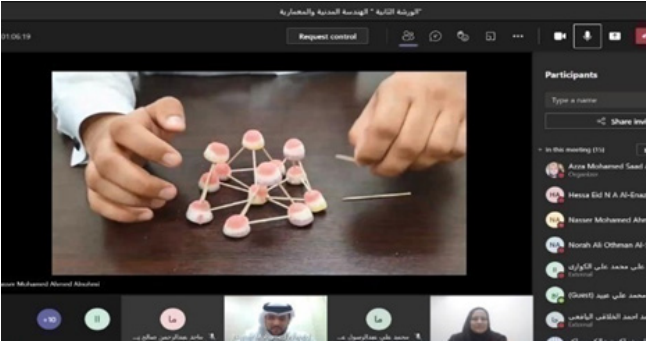
The QAPCO Welcome to Industry Program



As part of QAPCO’s collaborative strategy with its partners in the education sector, QAPCO 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 though 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.

QAPCO’s 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. QAPCO’s 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 COVID-19 restrictions were lifted by the Government, QAPCO took the opportunity to arrange two site visits to its plants for small groups of selected students, as well as hosting individual internship programs at the Plant and at its Doha Headquarters.

QAPCO is proud that during these difficult times it was able to continue to support the education sector by providing the 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, QAPCO 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 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 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, QAPCO 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 made a positive impact in the math department and with their students. They have recognized opportunities within the math curriculum to introduce engineering to their students, helping them to understand the role of an engineer and engineering challenges.

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

Product responsibility

QAPCO endeavors to deliver high-quality products while respecting its employees, contractors, communities, and the environment. QAPCO’s product stewardship is backed by its Responsible Care accreditation—the chemical industry’s global initiative to drive continuous improvement and achieve excellent environmental, health, safety, and security performance.

QAPCO’s quality control department ensures that its products and processes comply with the best practices and regulations. Leveraging an online inspection system, QAPCO prevents the selling of defective products. In addition, when receiving goods, customers can also access

technical data sheets and material safety data sheets. Validated by its quality staff, these documents include information on handling and storage, potential hazards, and other issues.

Despite COVID-19-related limitations, QAPCO have been able to continuously run its plants for over 7 years since the last major turnaround. In 2022, QAPCO is planning to increase the throughput for all its products (e.g., LDPE, LLDPE, ethylene, etc.). In addition, in 2021 its LDPE and LLDPE had a prime grade of up to 96.2% and 99.7% respectively.

	2020	2021	2022 Targets
Production (tons)			
LDPE	796,308	702,982	728,004
LLDPE	414,328	488,953	557,606
Ethylene	797,761	616,769	750,211
Sulphur (sold as by-product)	9,167	9,23	41,104
Gross Ethylene Dichloride	376,891	386,109	458,405
Vinyl Chloride Monomer	309,673	312,347	350,500
Caustic Soda 100%	296,515	305,280	361,583
32% Hydrochloric Acid Solution	8,379	7,219	4,600
C3 C4	38,455	25,448	33,759
Pygas	15,746	12,170	18,755
Total	3,063,223	2,858,200	3,304,527
Ethylene yield (%)	75.21%	74.31%	74.00%
Product handling performance (%)	0.01%	0.01%	0.02%
% of prime grade (LDPE 1)	96.57%	96.15%	95.00%
% of prime grade (LDPE 2)	98.98%	96.20%	97.00%
% of prime grade (LDPE 3)	97.01%	96.11%	95.00%
% of prime grade (LLDPE)	99.68%	99.71%	98.80%

Total weight or volume of materials that are used to produce and package the organization’s primary products and services during the reporting period, by:

- non-renewable materials used: FFS & Shrink Film total 7,030 MT, Jumbo Bags 25,000 pcs, and Bulk Liner 650 pcs, where all made from plastics
- renewable materials used: Wooden Pallets total consumed 755,000pcs

QAPCO ensures to be compliant with international regulations on its products such as the REACH regulation in EUROPE. According to Article 2(9) of the Regulation (EC) 1907/2006 of December 18, 2006 and amendments, polymers are exempted from the Titles II (Registration of substances) and VI (Evaluation).

Article 6(3) of the REACH regulation requires any manufacturer or importer of a polymer that comprises more than 2% of (a) chemically bound monomer(s) in a volume exceeding 1000 kg per year has to register the monomer(s) used. QAPCO/QATOFIN has appointed Only Representative and successfully registered our monomers used in the production of our Low Density Polymer and Linear Low Density Polymer grades under REACH.

Our products are mixtures (preparations) and according to the REACH regulation preparations do not need to be registered separately, provided that the individual parts of the mixture are (pre)-registered. In addition to monomers, we have (pre)-registered our additives based

on the export tonnage quantity and further received confirmation from our suppliers that all their registration obligations under REACH have been met. Qapco and Qatofin do not use any product or will do business with a supplier that is not in compliance with the REACH regulation.

QAPCO/QATOFIN has registered all substances for which it had a registration obligation and will continue to ensure regulatory compliance with the REACH regulation.

We are very well aware of the registration requirements coming out from other regions and national regulatory bodies such as KOREA- REACH, UK- REACH, Turkey - KKDİK and fully committed to consistently meet all the such registration and compliance requirement. Only Representative is appointed to (pre)- register our products or ingredients as the case may be and we have completed pre-registration of our monomers and additives as required.

Qatarization

To preserve QAPCO’s unique cultural identity in 2021 it 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 directions from the Energy Sector 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 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 QAPCO’s Qatari employees their career path does not stop when they become job holder. Effective succession planning and promotion opportunities empowers them to progress and grow. From Senior Staff up to Chief, QAPCO’s policy is to continually promote and encourage its National staff to maximize their potential. 60% of its Heads are Qatari, 49% are Manager, 67% are Group Managers and 70% of its Chief Officers are Qatari Nationals that have been promoted within the company over the last decade.

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 it incorporated all existing procedures into one integrated policy that serves as a benchmark for its HR Planning. 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.

Governance

The Board of Directors (BoD) is the highest governing body at QAPCO and represents the interests of QAPCO and its shareholders, while always maintaining balance and fairness. QAPCO’s board members are responsible for the strategic oversight of the Company’s operations and strategy. Consisting of 9 members, BOD appointment is done by Company’s primary shareholders viz., Industries Qatar and TotalEnergy, based on relevant expertise and knowledge in accordance Article 19 & 20 of QAPCO’s Articles of Association. The chair of the highest governance body is not a senior executive of the Company.

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.

To ensure the highest integrity and confidence in Board activities, the Board Charter requires all Board Members to sign a Declaration of Interest form on an annual basis. Being committed to promote transparency within our company, all employees are required to declare any conflict of interest. These declarations are then addressed through the Conflict-Of-Interest Committee for further assessment and examination.

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:

- **Audit Committee** – primary function is to assist the Board of Directors in fulfilling its oversight responsibilities and has the authority to conduct or authorize investigations into any matters within its scope of responsibility.
- **Governance, Risk & Compliance Committee** – assist Petrochemicals Shared Services (PSS) management in the performance of its responsibilities relating to PSS legal requirements, governance, risk and compliance matters.
- **Cross-Company Executive & Operating Committee** – assist and resolve governance and any operating issues and eliminate potential conflict of interest between PSS and the assist Company at Board level. It also provides guidelines on operating decisions and ensuring excellence in technical processes.
- **Tender Committee 1** – assist PSS Management in the performance of its responsibilities relating to PSS procurement activities.

Non-Board Committees

- **HR & Qatarization Committee** – assist PSS management in the performance of its responsibilities relating to human resources and qatarization matters viz., employee motivation, performance review, promotion, end of service, succession in addition to corporate Qatarization’s participations in the education field.
- **HSEQ Committee** – responsible to develop proactive programs that would improve HSEQ performance at all levels including employees and contractors and achieve HSEQ long-term and short-term targets objectives in PSS. Effectively manage implementation of Health, Safety, Security, Environment and Quality (HSEQ) related systems, regulations & standards, and provide leadership.

- **Information Technology (IT) & Cyber Security Committee** – assist management in the performance of responsibilities relating to PSS information technology services and products as well as information security including confidentiality, integrity and availability of information.
- **Tender Committee 2** – assist PSS Management in the performance of responsibilities relating to PSS procurement activities as per the limits prescribed in PSS Table of Financial and non-financial Authorities (TOFA).
- **Disciplinary Committee** – assist PSS management in the performance of its responsibilities related to conflict of interest, breaches of discipline and adherence to Governing documents as listed in Corporate Governance Policy and/or any other Company documents.
- **Ethylene management and Optimization Committee** – assist management in ensuring adherence to all contractual requirements for Ethylene Supply Agreement, SPA between QAPCO and Qatofin and Spots Sales. Assess the impact of inputs (market intelligence) from marketing company resulting in slower production of its relevant finished goods and consumption of Ethylene. Optimize utilization of available Ethylene for the benefit of all shareholders (IQ, Total and MPHC) and QatarEnergy. Ensure Force Majeure is declared considering equality and fair treatment of the impact to all 3 companies.

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.

Risk Management

QAPCO's Enterprise Risk Management (ERM) system is a consistent and clear framework designed for managing and reporting risks to its governance structures with the aim of avoiding incidents, avoiding losses, and enhancing business outcomes, QAPCO's ERM allows it to: Identify, assess and analyze the potential risk exposures for QAPCO.

- 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. QAPCO's methodology aligns with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and other leading industry standards.

QAPCO has integrated risk management into key business processes such as strategy, planning and performance management, sustainability, and safety. On a day-to-day basis, QAPCO 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. QAPCO'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, that are difficult to measure or quantify, unpredictable in nature, 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, the 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 risks related to corruption is 6 out 632 risks with a percentage of 0.1% which are not significant.

Remuneration policies

The Remuneration of the highest governance body is as per Article 29 and 43 of the Company's Articles of Association, in addition it is in line with QatarEnergy's directive in this regard.

The ratio of the annual total compensation for QAPCO's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) is 10.5:1. While the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is zero.



Individual Director self-assessment tool is used to complete the self-assessments by the Board of Directors on annual basis. The Board Secretary shall prepare executive summary of the results and an outline of the next steps or an agreement on an action plan. In addition, there is external assessment of Directors performance done in every three years. The latest engagement was conducted in 2019 and 2022 assessment is planned to be conducted.

Projects and Future plans

As part of its 5+ year sustainability strategy, QAPCO is planning further development of the circular economy, greater energy efficiency, de-carbonization 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, QAPCO has invested in eco-friendly materials, efficient machineries, and green technologies. As a responsible business, QAPCO is developing projects to reduce its GHG emissions, waste, and effluents. Projects with a budget outlay of QR 592 mn are in progress or planned for completion in 2023. Ongoing projects to enhance QAPCO’s environmental performance include:

- Installation of Heavy Oil Collection Facility for U13-U14
- Installation of Continuous Emission Monitoring System (CEMS) for Vinyl GT stacks
- Installation of RO on the flare sweeping gas lines in the complex as per the API521
- Installation of advanced oily water coalescer on dilution steam generation systems in EP1 and EP2
- Installation of two (2) heat recovery steam generators in the vinyl plant
- Ethylene flare header flow meter
- EP flare gas on-line analyzer
- SRU revamp
- Ls line from Idpe-3 to sdu and Is network
- SDU-2 replacement in utility plant
- Energy efficiency diagnostic (capital decision on boiler capacity addition (
- CEMS for furnaces f13311 f13312
- Tail gas and acid analyzers for SRU
- GTG CEMS upgrade
- Sewage treatment plant for domestic waste
- LLDPE wastewater system improvement
- High performance separation skid for ep1/ep2 compressor drips
- PMP/1528 new oxidation basin
- Waste Water Treatment Revamp
- Lighting improvement study for EP1, EP2 and Utility Plants



QATAR STEEL (QS)

About the Company and its business context

Founded in 1974 as the first integrated iron and steel plant in the Arabian Gulf, over the course of four and a half decades Qatar Steel has firmly established its position as a leader in the steel industry within the GCC region.

Commercial production began in 1978 and the company has since strived to meet the growing demand for steel in Qatar and globally through the provision of unparalleled quality, flexibility and reliability in all its products and service offerings.

Qatar Steel's production plant is located in Mesaieed Industrial City, 45 kilometers south of the capital Doha, where the company's corporate headquarters are based. The plant with its office occupies an area of ~1,811,000 square meters, and a further ~243,750 square meters plot adjacent to the site is reserved for future development and expansion.

The plant consists of several operational facilities such as direct reduction plants, electric arc furnaces, ladle furnaces, continuous billet casting machines, rolling mills, and calcinated lime plants. These facilities are operated using state-of-the-art technology to ensure efficient and high-quality production of direct reduced iron, steel billets and reinforcing steel bars (rebar).

Ownership, Subsidiaries and Affiliates

Qatar Steel is fully owned since 2003 by Industries Qatar, which is a subsidiary of QatarEnergy with investments in the petrochemicals, fertilizer and steel sector.

Qatar Steel operates two primary subsidiaries: UAE based subsidiary – Qatar Steel Company FZE (QSC FZE) and Qatar Steel Industrial Investment Company. The former was established in July 2003 to meet the demand for wire rod and rebar products in the GCC and internationally. It has two production facilities in Jebel Ali Free Zone, Dubai: a wire rod mill and a rebar mill with a capacity of 240,000 and 300,000 metric tonnes per year, respectively.

Qatar Steel also established a joint venture with the Qatar Industrial Manufacturing Company (QIMC) to develop a product solution for local environmental challenges related to rebar corrosion. This effort led to the creation of Qatar Metals Coating Company (Q-Coat) in Mesaieed, which produces an innovative fusion bonded epoxy coating for Qatar Steel's rebar products.

Refer to <https://www.qatarsteel.com.qa/vision-mission-and-values/investment-in-subsidiaries-and-associates/> for an overview of Qatar Steel's Subsidiaries and Affiliates.

Refer to <https://www.qatarsteel.com.qa/chairmans-message/qatar-steel-memberships/> for complete list of memberships.

Refer to <https://www.qatarsteel.com.qa/wp-content/uploads/2022/05/ISO-14001-2024.pdf> for EMS certificate.

Policies and practices

Qatar Steel has a Code of Ethics & Business conduct which is available to all employees to access through the intranet. There is also a Sustainability Policy publicly available that highlights the commitment to the topic, and is available at the following link:

<https://www.qatarsteel.com.qa/wp-content/uploads/2022/03/Sustainability%20Policy%202022.pdf>

Furthermore, Qatar Steel has published a Responsible Sourcing Policy which is publicly available at the following link:

<https://www.qatarsteel.com.qa/wp-content/uploads/2022/06/1.38.1.1.02.01-Policy-Responsible-Sourcing.pdf>



Last, the company has put in place a Discipline, Harassment, and Grievance Handling policy in Human Capital Department.

Qatar Steel submitted an application for Worldsteel Sustainability Charter membership in 2021 and obtained recognition by fulfilling the requirements of 20 principles based on the overall Sustainability Management of the company. The 20 principles covered the following topics: Climate Action, Circular Economy, Environmental Care, Safety and Health, Our People, Local Communities, Responsible Value Chains, Ethical & Transparent Operations, and Innovation and Prosperity.

In line with the QNV 2030, Qatar Steel reinforces its commitment to the pillars of social and human development through its programs, policies, and initiatives on the development of local talent, community investment, and local procurement.

Qatar Steel's WSA Sustainability Charter Membership is available at the below link: <https://www.qatarsteel.com.qa/news/sustainability-charter/>

Sustainability Management Approach

Qatar Steel's sustainability management approach forms the foundation for the establishment of sustainability within the company. The approach is based on the integration of the company's Material Topics, Sustainability Policy, Sustainability Framework, Corporate Strategy Map 2021-2025, and the Sustainability Roadmap defined for the 2022-2026 period.

These tools work together to enable Qatar Steel to measure its progress and continuously improve upon its sustainability efforts both on a local level in line with stakeholders' opinions and the Qatar National Vision 2030, and on an international level in line with the United Nations Sustainable Development Goals (UN SDGs) and with the World Steel Association Sustainability Development Charter (Worldsteel).

Qatar Steel submitted an application for Worldsteel Sustainability Charter membership in 2021, to obtain which there were 20 criteria to be fulfilled based on the overall Sustainability Management of the company. The 20 principles covered the following topics: Climate Action, Circular Economy, Environmental Care, Safety and Health, Our People, Local Communities, Responsible Value Chains, Ethical & Transparent Operations, and Innovation and Prosperity.

In March 2022, Qatar Steel succeeded in becoming a member of the World Steel Association's (worldsteel) revised and expanded Sustainability Charter and Qatar Steel is one among the 39 worldsteel members who have provided evidence that they are aligned with these criteria and are therefore recognized as Charter Member for a three-year period.

Qatar Steel is the first company in the Middle East and one of the four companies in the world to have achieved the "1 Rosette" rating in the Sustainable Construction Steel (SCS) Certification scheme, granted by the authority of CARES, for the production of continuous cast steel billets and hot rolled steel bar for the reinforcement of concrete.

Qatar Steel also Maintains a certificate for Sustainability and Responsible sourcing (BES 6001) certified by CARES.

Certificates can be accessed through the following links:

<https://www.qatarsteel.com.qa/wp-content/uploads/2022/07/CARES-Sustainable-Constructional-Steel-Scheme-Certification-SCS.pdf>

<https://www.qatarsteel.com.qa/wp-content/uploads/2022/07/CARES-Responsible-Sourcing-of-Construction-ProductsBRE-BES-6001.pdf>

Corporate Strategy Map:

Qatar Steel's Corporate Strategy Map is integral to the continued success of its business. It provides a holistic approach to business management as it consists of key priorities identified through consultation with internal and external stakeholders.

These priorities are further dissected into key performance indicators, which are in turn monitored and measured in balanced scorecards and regularly reviewed at all levels of the organization from the employee to the corporate level.

Qatar Steel's strategy map was updated in 2020 to meet the corporate objectives for the next five years and in line with the company's long-term goals and published on its website.

Qatar Steel's Sustainability Framework:

Qatar Steel's Sustainability Framework is based upon major seven pillars with "Building the Future" at Qatar Steel's Sustainability Framework was amended in 2020 in order to prioritize HSE's operational criteria along with the other pillars of the Sustainability Framework, and is centered on seven pillars with the core theme 'Building the Future.' These pillars are envisioned to have the greatest impact on the company's performance and its stakeholders. The pillars provide the foundation for the establishment and core management of sustainable development within the company. Each of the seven pillars links to material issues identified as most material to the company. These issues are monitored on a regular basis throughout the course of the year.

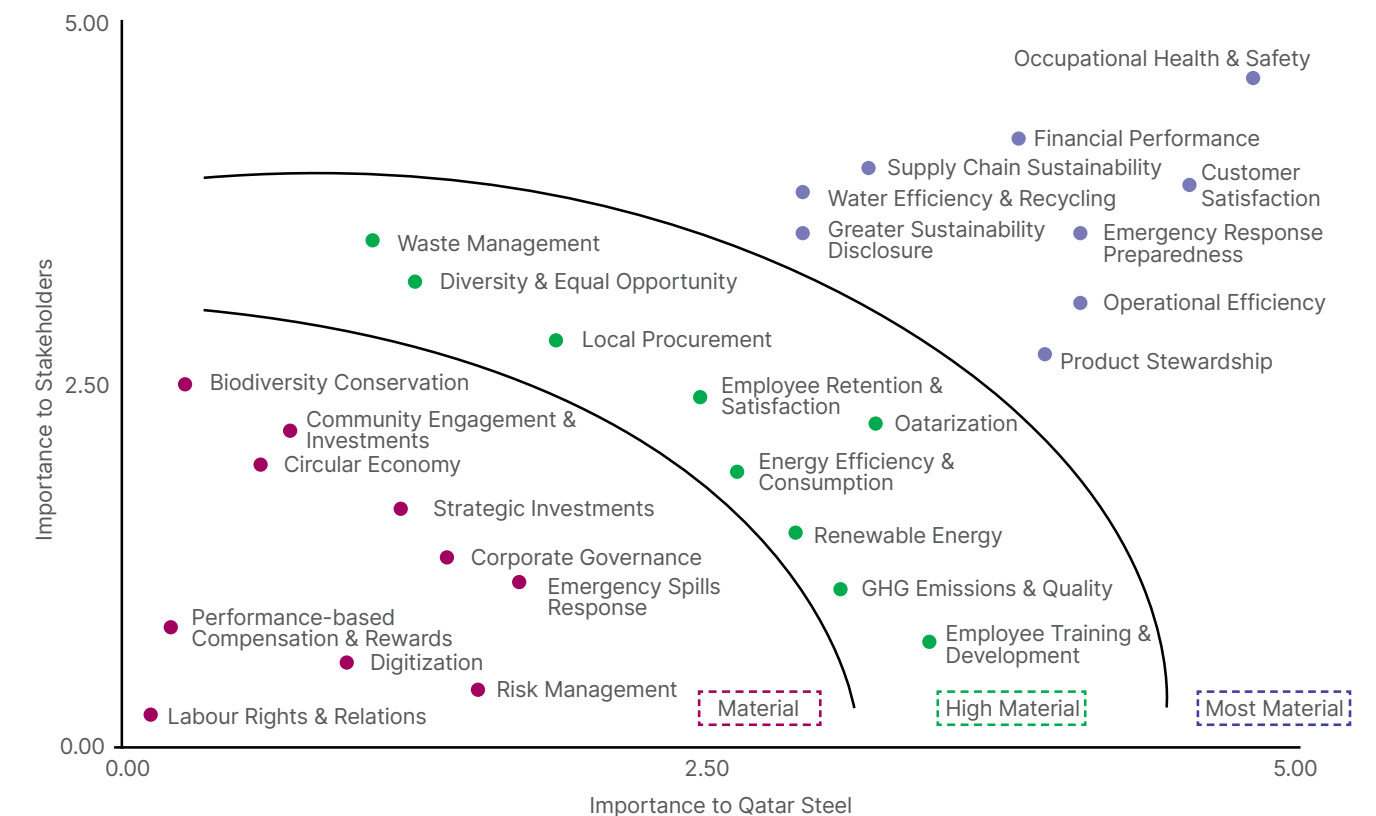
Qatar Steel's Sustainability Road Map.

In the year 2021, Qatar Steel extended monitoring the objectives based on the Sustainability Roadmap 2016 - 2020 as it was decided to develop a new Sustainability Road Map 2022 - 2026 with new objectives by benchmarking with regional and international steel companies and in line with Qatar National Vision 2030 and the project was awarded to a third-party consultant.

Qatar Steel's Sustainability Road Map outlined the performance targets achieved under the following six thematic objectives, defining a clear path to improve the whole sustainability management plan in Qatar Steel and its plant. The six objectives are: be the sustainable steel supplier of the region, breakthrough low carbon footprint in the steel industry, world class energy consumption rates for the industry, leader in recycling and reusing in Qatar's industry sector, zero harm culture and performance, leading water management practices for Qatar and the industry globally.

Qatar Steel's new Sustainability Road Map 2022 - 2026 builds on the previous roadmap and draws a deeper picture of the strategic objectives that will give QS a competitive edge over its regional and international peers. The previous six objectives were expanded into ten with a detailed action in place to enable QS to capture improvement opportunities and performance gaps within the short and medium term. Qatar Steel's materiality assessment provides insights into the expectations and needs of its stakeholders. It enables us to identify and prioritize the most material sustainability issues through an exclusive and extensive stakeholder engagement process. As part of its sustainability management, Qatar Steel revises its material issues biennially, reviewing the changing industry context, emerging trends, and stakeholder feedback. Nevertheless, during the annual management review meeting related to sustainability management the topics are checked to assess their relevancy. In 2020, the full materiality review and updates were carried out in order to align the material issues with the new Corporate Strategy 2021-2025.

The assessment started by listing all possible material issues that will affect the organization and will impact the decision of its stakeholders in relation to the social, environmental and economic issues. In this step, a list of 28 sustainability issues was identified and then prioritized to build the materiality matrix. This same matrix is valid for 2021:



Financial Performance

Qatar Steel undertook some strategic restructuring initiatives in 2020 to face the market situation that followed the breakout of the pandemic. The Company's 2021 performance improved significantly compared to 2020 performance, mainly due to:

- **Selling prices improvement:** selling prices improved by 31% compared to last year, due to an increase in demand linked to a rebound in construction activity. Iron ore prices on the other hand remained volatile with a significant price hike noted during the early parts of the year, followed by recent lower trajectories.
- **Focused marketing:** while mothballing, the Company now focuses on selling in more profitable domestic market on its restricted production capacity. Nevertheless, the Company also made few international sales on opportunistic grounds, due to better international prices
- **Cost optimization:** continue to focus on its operational efficiencies, commercial excellence, and cost reduction and optimization plans across its business.

KPI	Actual 2020	Actual 2021	Variance YOY	Target 2022
Mn QR				
Direct Economic Value generated:				
Revenues	2,994	3,886	30%	4,257
Economic Value Distributed:				
Operating Costs	2,714	2,959	9%	3,726
Employee wages and benefits	430	370	-14%	422
Payments to providers of Capital	-	150	100%	500
Payments to Governments	-	-	-	-
Community Investment	-	-	-	-

Climate Change (Energy and Emissions):

Unlike most international steel manufacturers, Qatar Steel uses natural gas as an energy source for producing steel, which is cleaner and more environmentally friendly than the method of burning coal. The company further sets itself apart from its competitors in terms of sustainability by following an Electric Arc Furnace (EAF) route for the production of steel which is less energy intensive than other steelmaking routes followed widely in other parts of the world, such as Blast Furnace (BF) and Basic Oxygen Furnace (BOF).

Opportunities for renewable energy projects such as installing a solar power plant are under collaborative feasibility study. This collaboration would support the reduction of natural gas and electrical power consumption and GHG emission.

Source of Conversion Factor used: US EPA and IPCC, 2006 from US Energy Information Administration and US Department of Energy.

Regular audits are conducted by CARES for ISO 14001 Environment Management System. (<https://www.qatarsteel.com.qa/wp-content/uploads/2022/05/ISO-14001-2024.pdf>). Energy Consumption outside the organization is not measured at the moment.

All the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, actions taken to manage the impacts and tracking and reporting the effectiveness of the impacts to stakeholders are described in detail in Qatar Steel's yearly Sustainability Reports, publicly available through its website.

KPI	Actual 2020	Actual 2021	Variance YOY
Non-renewable energy consumption (amount of energy usage in GJ):			
Diesel Consumption - Fleet (GJ)	43,407	32,672	-25%
Gasoline Consumption - Fleet (GJ)	2,962	2,796	-6%
Natural Gas (GJ)	10,628,470	10,429,123	-2%
Total	10,674,839	10,464,591	-2%
Renewable energy consumption (amount of energy usage in GJ):	0	0	0
Total consumption (in GJ):			
Electricity	3,447,963	2,770,400	-20%
Renewable energy %age	0	0	0
Energy Intensity (GJ/Tonne)	11.50	13.11	+14%

Due to the carbon-intensive process of steelmaking, high levels of Greenhouse Gas (GHG) emissions, particularly carbon dioxide (CO₂), remains one of the greatest challenges that the industry faces. The International Energy Agency (IEA) notes that as global steel production increases, sustained and substantial efforts to cut emissions are of paramount importance to prevent the exponential growth of greenhouse gases in the atmosphere. This is achieved by prioritizing energy-efficiency improvements, increasing scrap collection, and adopting new technologies that favor low-carbon process routes. As a responsible corporate of the State of Qatar and as part of the global industrial community, Qatar Steel is committed to reducing its carbon footprint and implementing industry best practices in order to fight climate change.

As part of a new project which was initiated in January 2020, Qatar Steel has started a different system for calculating GHG emissions for Scope 1 and Scope 2 emissions. Scope 1 emissions include direct emissions at the plant (fuel combustion, materials process etc.); Scope 1 emissions from natural gas is calculated by using emission factors developed from the gas characteristics, while the emissions from materials process are calculated based on the Intergovernmental Panel on Climate Change and EU Emissions Trading System emission factors. Scope 2 emissions cover indirect emissions from the electricity which is consumed and are calculated using Kahramaa's emission factors provided by QatarEnergy. QatarEnergy has appointed SGS, UK as the third-party verifier for the GHG report verification and Qatar Steel has successfully received the verification certificates from SGS, UK in 2021. Gases included in the calculation are CO₂, CH₄, N₂O. Qatar Steel is not measuring Scope 3 emission, however, there are plans to consider it in the future. The GHG emission refers to Qatar Steel Mesaieed only over which it has complete financial and operational control.

With the new calculation system, the average GHG emission from Scope 1 and Scope 2 has been found to be around 0.95 MT CO₂/MT steel production which is quite below the world average of 1.85 (according to World Steel Association standards).

Please see the Scope 1 and Scope 2 GHG Report in the below link.

<https://www.qatarsteel.com.qa/wp-content/uploads/2022/07/SGS-QP-Verification-Statement-QSteel-Scope-1-2021.pdf>

<https://www.qatarsteel.com.qa/wp-content/uploads/2022/07/SGS-QP-Verification-Statement-QSteel-Scope-2-2021.pdf>

The reduction of CO₂ emissions is due to:

1. Lower number of plants in operation, with consequent reduction in natural gas and energy consumption,
2. the increase in consumption of recycled scrap (~>33 %) in EAF,
3. A trial for recycling MgO-C bricks at EAF as a partial replacement of dolomite (Dolomite is produced in Lime Calcination Plant generating CO₂).

Several initiatives to further reduce the total GHG Emission such as Carbon Capturing and Utilization, MIDREX H₂ process etc. are under early stage of discussion and require detailed feasibility study and necessary approvals.

Qatar Steel has two MIDREX based Direct Reduction Plants, three electric arc furnaces, two rolling mills and two lime calcination plants. The plants are run on electric power supplied by the local electricity distributing entity, KAHARAMAA and natural gas supplied by QatarEnergy. The use of cleaner energy sources reduces the pollutants emissions substantially.

In order to check the environmental emissions, Qatar Steel carries out regular environmental monitoring such as continuous Ambient Air Quality Monitoring (AAQM), monthly ambient air quality monitoring at different locations by third party, CEMS monitoring, and manual stacks monitoring where CEMS is not installed.

Further, all the emission sources are equipped with pollution control measures such as bag house filters (at electric arc furnaces and furnaces at Kilns), cyclone dust collectors and wet venturis (at Direct Reduction Plants). In addition to the pollution control measures at the point air emission sources, there are control units for fugitive air emissions such as closed conveyer belts, hoppers, suction hoods etc.

The monitoring results are quarterly shared with the QatarEnergy-MIC and MOECC - Qatar (regulatory authorities). External and internal audits are carried out routinely to ensure that the monitoring and environmental management systems are working as per regulatory and best practice requirements.

Qatar Steel has emergency preparedness and response programs, plans, organizational structures and affiliations for an effective response to spills and other emergencies within its EMS.

Methane emissions through the combustion of natural gas and flaring is considered in the calculation of the Scope 1 emissions of the plant. Another source of GHG emissions though is given by methane fugitive emissions and losses. In order to manage and reduce these, Qatar Steel has implemented a program to monitor and control losses of natural gas in two steps.

As of 2019, a Survey of Natural Gas Pipelines called LDAR (Leak Detection & Repair) by a third-party was initiated to monitor the gas leakages within Qatar Steel plant. The monitoring is extended to any potentially leaking equipment, such as valves, Flanges and connectors. The final maintenance survey report (Methane emissions & LDAR) supports in assessing the reduction in emissions due to repairs of the faulty equipment. Thanks to this program, in 2021 11.398 tons of CH4 emissions were avoided.

The second program implemented is the “Integrity Testing of Pipeline & Vessels Integrity Program”, which started in 2019 and is still ongoing. The objective of this program is to confirm the integrity of methane pipelines in order to early detect any deterioration that could lead to methane losses. In this program API Inspector/Engineer is mapping out the condition of Natural Gas pipeline & pressure vessels and accordingly develop the inspection & testing plan in order to carry out NDT of pipelines & vessels. After carry out NDT the FFS (Fitness for Services) & RLS (Remaining Life Services) assessment will be carried out.

All the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, actions taken to manage the impacts and tracking and reporting the effectiveness of the impacts to stakeholders are described in detail in Qatar Steel's yearly Sustainability Reports, publicly available through its website.

KPI	Actual 2020	Actual 2021	Variance YOY
Total GHG emissions (Metric Tonne of CO2E)	1,140,499	958,403	-15.97%
Direct emission (scope 1):	683,740	591,301	-13.52%
CO2	683,219	590,788	-13.53%
Methane (CH4)	268	264	-1.48%
N2O	253	250	-1.51%
Indirect emission (scope 2):	456,759	367,102	-19.63%
GHG Intensity ratio (MT CO2E/production)	0.93	0.95	2.15%
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions:			
NOx	538	460	-14.50%
Sox	211	96.5	-54.26%
Particulate matter (PM)	326	205.5	-36.96%

Water Management

As a company operating in a water-scarce region, Qatar Steel aims to reduce fresh water consumption to the best of its ability, for the benefit of operations, as well as of the community and environment.

Qatar Steel's Environmental Management System includes a procedure – “Identification & Evaluation of Environmental Aspects and Impacts” which individuates all the most relevant environmental impacts associated with its operations and products. Among these, there is the discharge of process wastewater to the sea. A risk matrix has been built, and the major risks associated with process wastewater management have been identified. Overall, these risks are all minor to moderate, and therefore do not require any mitigation action.

Nevertheless, being this topic is relevant to the organization, different processes are in place to define and monitor performances relative to water management topics, and to increase awareness of all stakeholders, such as:

- On the occasion of World Water Day, held on 22 March every year since 1993, Qatar Steel raised the importance of freshwater and its conservation. World Water Day celebrates water and raises awareness of the 2.2 billion people living without access to safe water. It is about taking action to tackle the global water crisis. A core focus of World Water Day is to support the achievement of Sustainable Development Goal 6: water and sanitation for all by 2030.
- In its Sustainability Roadmap 2016-2021, and then again in its new Sustainability Roadmap 2022-2026, Qatar Steel has highlighted its objective of constantly improving its water management: as part of an industry that technically allows for nearly 100% of water re-use and under local regulatory requirement of zero liquid discharge of wastewater to the sea, Qatar Steel aspires to achieve industrial leadership in the water recycling rate, minimizing the consumption of freshwater and complying with wastewater discharge targets. Qatar Steel's water management approach focuses on three objectives:
 1. Decrease freshwater consumption,
 2. Reduce process wastewater discharge to Sea.
 3. Increase the recycling rate of processed wastewater.

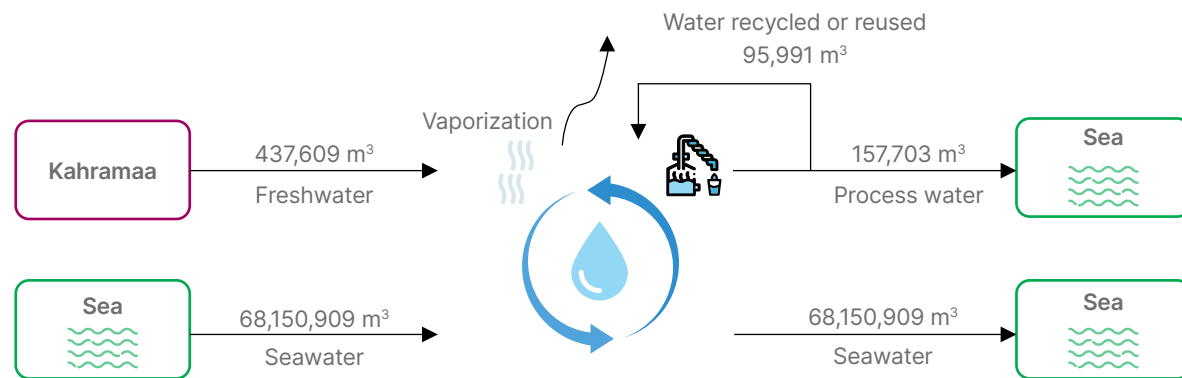
Qatar Steel's performances in terms of water management are yearly reported on in its Sustainability Reports, publicly available on the company's website.

Discharge of used water (wastewater) has been an issue for industries which not only causes contamination to the environment, but it is also a resource and monetary loss for the industries. Near Zero liquid discharge (NZLD) is an engineering approach to Wastewater treatment where maximum water is recovered, and contaminants are reduced to solid waste. Qatar Steel is in the process of construction of a NZLD plant, with the equipment installation in progress as from 2nd quarter 2021.

As described in the company's Consent To Operate (CTO), Qatar Steel has two sources of water for its operations:

- Freshwater (≤1,000 mg/L Total Dissolved Solids), which is purchased from Kahramaa;
- Seawater (>1,000 mg/L Total Dissolved Solids), which is withdrawn, utilized for cooling and then discharged to the sea directly by Qatar Steel.

For year 2021, the material balance on the water is shown in the following figure:



The purchased freshwater is used in all the plants (DRI, Steel Making & Rolling Mill) for process & cooling purposes. Due to the kind of process in Steel Making & Rolling Mill, there is no discharge from these operations (no generation of wastewater) and there is a continuous make-up just to compensate for evaporation losses. In the DRI plant freshwater is used directly in the process in scrubbers dedicated to washing and cooling of reformed gas. The output from these scrubbers is sent to a DR Water treatment section in order to abate NH₃ present in the water before being discharged to sea. Part of the wastewater is reused in the different plant for cooling, irrigation and other uses.

In 2021 (compared to 2020) no reduction of freshwater consumed is registered as a consequence of initiatives carried out, only due to lower productivity.

The organization is subject to periodical audits as required by the ISO 14001 certification.

KPI	Actual 2020	Actual 2021	Variance YOY
Water withdrawal			
Water withdrawal by source:			
Seawater (total):			
Freshwater (≤1,000 mg/L Total Dissolved Solids)			
Other water (>1,000 mg/L Total Dissolved Solids)	91,689,552	68,150,909	-26%
Third-party water withdrawal by withdrawal source			
Produced water (Produced by Kahraama)	673,570	437,609	-35%
TOTAL Water Withdrawal (Seawater +third-party water)	92,363,122	68,588,518	-26%
Water discharge by destination			
Seawater	91,912,347	68,308,612	-26%
Water discharge by freshwater and other water			
Freshwater (≤1,000 mg/L Total Dissolved Solids)	222,795	157,703	-29%
Other water (>1,000 mg/L Total Dissolved Solids)	91,689,552	68,150,909	-26%
Water recycled/reused in m3	64,639	95,991	49%
% age of water recycled to total water consumed	9.6%	22%	129%
Freshwater consumption intensity	0.59	0.61	3%

Waste Management

A comprehensive procedure has been developed for identification, segregation, collection, and disposal of waste generated within Qatar Steel operations. A summary of all waste shipments for non-hazardous wastes is reported to and MOECC - Qatar each quarter. Hazardous waste is stored at an approved hazardous waste storage facility and shall be disposed locally by the third parties within the coverage of disposal contract. Qatar Steel has studied and implemented various options to reuse / recycle the production waste. Palletizing of EF dust, recycling of refractory bricks and extracting iron from EAF Slag are many examples of Qatar Steel's salient achievements.

The Facilities Department has undertaken various initiatives in the non-hazardous waste management segment. For many years, unsegregated waste generated in the company used to be sent to the landfill. In order to reduce the resulting negative environmental impact, we started segregating waste from the source point of generation and diverted the recyclable waste to recyclers.

Colour codes of blue, yellow, green, brown and black have been provided for containers meant for collecting wood, plastic, domestic, general and paper wastes respectively. The steel skips and plastic bins which are properly colour coded and labelled, are placed in different parts of plant and office areas to collect wastes in a segregated manner. PP jumbo plastic bags, HDPE cans, packing cardboard boxes etc. constitute a considerable portion of Qatar Steel's waste streams. In 2021, 1,073 metric tons of plastic and paper wastes have been successfully given to recyclers.

KPI	Actual 2020	Actual 2021	Variance YOY
Waste Generated (MT)	372,838	252,843	(47%)
Waste diverted from disposal (MT)	229,071	109,311	(110%)
Waste directed to disposal (MT)	1,320	738	(79%)
Waste diverted from disposal by recovery operation (MT):			
<i>Hazardous waste (Offsite):</i>			
Recycling	89.3	71.5	(25%)
<i>Non-hazardous waste (Onsite):</i>			
Preparation for reuse	53,554	56,319	5%
<i>Non-hazardous waste (Offsite):</i>			
Preparation for reuse	174,904	52,584	(233%)
Recycling	524	337	(55%)
Waste directed to disposal by disposal operation (MT):			
<i>Hazardous waste (Offsite):</i>			
Incineration (without energy recovery)	0.2	2.1	91%
Landfilling	0.0	0.0	(100%)
Other disposal operations	1.0	0.0	0%
<i>Non-hazardous waste (Offsite):</i>			
Landfilling	1,319	736	(79%)

Please note that the waste generated in the year refers to the waste generated by Qatar Steel in 2021. The recycled and disposed of waste can also have been generated in previous years and the waste generated in 2021 can be stocked on-site and recycled or disposed of in future years.

Biodiversity Management

As recommended in the National Biodiversity Strategy and Action Plan 2015-2025, Qatar Steel is committed to preserving Qatar’s natural environment. Consultants and studies have ensured that Qatar Steel’s operations are not conducted in areas of high biodiversity value and do not have a harmful impact on the biodiversity in its region.

Qatar Steel is located in the Mesaieed Industrial City-MIC, a designated area for industrial usage. There are no natural habitats, reserves or sanctuaries in the nearby area surrounding the industrial city. The sea is the only significant natural body near to the plant. There are two ports, the MIC Mesaieed Industrial City Port and Qatar Steel’s Port located near to the Qatar Steel boundary. Both ports are protected by Qatar’s environmental Laws to prevent any kind of harmful activities. Analysis from earlier Environmental Impact Assessment studies which were conducted prior to any new project, showed that the area has low environmental significance and therefore the potential of environmental impacts is also low. Ecotoxicity studies are always conducted when new materials are procured.

As per the consent to operate and other regulatory requirements and guidelines applicable, Qatar Steel is monitoring the emissions, conducting environmental studies, and submitting the reports to the MoECC - Qatar and QatarEnergy-MIC. There weren’t any raised reports regarding the negative impacts of Qatar Steel’s plant on society or biodiversity. Most of the company’s environmental emissions are within the consent to operate assigned limits of Qatar’s MoECC for analysis of gases, particulate matters, blown down water (processed water) discharge analysis, noises, and other environmental factors.

A Biodiversity Impact assessment was carried out in 2021, which concluded that as Qatar Steel’s operations are not conducted in areas of high biodiversity value and do not have a harmful impact on the biodiversity of the region, no further action or study is required. Nevertheless, to improve biodiversity in the company’s premises, Qatar Steel planted around 139 different varieties of trees in year 2021. The planted trees species are Ziziphus spinachristi, Acacia Tortilis and Mesquites, which are all native to Qatar and are able to sustain in the local climate and allows to enhance biodiversity within the plant area. The Tree plantation initiative will be continued in 2022.

A study regarding the ecotoxicity of the substances utilized in Qatar Steel’s plants has been commissioned and carried out in 2021. This shows that the only substances of concern used in the plants are Sodium Tetraborate and Titanium Oxide (max equal to 0.02%). Qatar Steel conducts periodical analysis to search such compounds in seawater and groundwater, and these are always below the detection limits of the methods.

Employment

Qatar Steel has latest and approved Policies covering various aspects of Wages, these includes policies such as: allowance and benefits, bonus, overtime and basic pay structure policies. The impact and effectiveness are assessed on intervals of three years to maintain parity with inflation and social and economic changes.

The Benefits for workers are as follows:

- Health insurance
- Annual, Compassionate, Court, Pilgrimage, Industrial Accident/Illness Leave, Hospitalization/

Specialist treatment, Iddah (confinement leave for female staff in case of death of husband), Sick, Marriage, Maternity and Special Leaves are treated in a dedicated policy which applies to all workers, independent of nationality and contract (full or part-time),

- Senior Staff is allowed flexible working hours
- People with Medical conditions are allowed reduced working hours
- End of Service is provided
- Insurance coverage - Employees are covered both for Life and Medical and personnel Accident and occupational injuries

Only the health insurance implies different benefits depending on nationality of the employee (Qatari and non-Qatari).

In terms of benefits related to parental leave, the following is the data relative to 2021:

KPI	2021
Total number of employees that were entitled to parental leave, by gender.	All full-time employees
Total number of employees that took parental leave, by gender.	0
Total number of employees that returned to work in the reporting period after parental leave ended, by gender	0
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	0
Return to work and retention rates of employees that took parental leave, by gender.	0

In terms of incidents related to discrimination, no incident was recorded during 2021. No incidents were reviewed during 2021 and no remediation plan was implemented.

Ratio of basic salary of women to men stood at 1.09:1 (Average median salary)

The overall employee turnover ratio stood at 4.37% in 2021.

No. of Employees	Management, Senior & Intermediate Office staffs	Intermediate Plant staffs
Male	296	758
Female	8	0
Total	1062	

Employees who left the organization By level		
	2020	2021
Senior Management	0	2
Middle Management	49	8
Staff	736	37

By Age Group		
	2020	2021
18-30	83	57
31-40	456	436
41-50	416	426
51-60	116	142
60+	1	1

Employment by level (Number of Individuals)		
	2020	2021
Senior Management	23	27
Middle Management	174	169
Staff	875	866
Total	1,072	1,062

New Employees		
By Gender	2020	2021
Female	1	0
Male	21	37

New hires and attrition		
	2020	2021
Total Number of new employee hires	22	37
Total attrition	785	47

New hires by Age Group		
	2020	2021
18-30	3	4
31-40	10	15
41-50	7	13
51-60	2	5
60+	0	0

Attrition by Age Group		
	2020	2021
18-30	38	5
31-40	287	21
41-50	296	17
51-60	161	4
60+	3	0

Attrition by Gender		
	2020	2021
Female	0	0
Male	785	47

Occupational health, safety and security

An occupational health and safety management system has been implemented based on ISO 45001:2018 standard. Qatar Steel has obtained in 2021 recertification by CARES according to this standard.

All the activities that take place within Qatar Steel Premises are addressed in Standard Operating Procedures (SOP), Method of Statement (MOS) and Risk Assessments (Hazard Identification and Risk Assessment - HIRA/ Job Safety Analysis - JSA) to evaluate the hazards and risks linked to the specific activities and to ensure all the required controls are in place.

In order to identify work-related hazards and assess risks on a routine and non-routine basis, a Risk Assessment Committee composed by 11 members reviews and updates the HIRA Procedure and evaluates all the departments complete and update the HIRA register within specific timings.

To ensure the quality of these processes, including the competency of persons who carry them out:

- employees are trained in developing HIRA,
- the HIRA register is reviewed and approved by the Department Managers,
- Department Managers periodically verify the HIRA register.

This process and its outcomes are subject to 2nd Party Audits (HIRA/JSA) for all the operations departments to ensure that the activities are covered in the HIRA register, and by 3rd party verifications during the ISO 45001 Audits.

HSEMS-related deficiencies eventually identified during each investigation are implemented and tracked to closure for ensure improvements, which can also consist in revision of the HIRA register and of procedures in the management system itself.

All Qatar Steel employees have Enterprise Resource Planning (ERP) access to report work related hazards (Unsafe Act or Unsafe Condition) as observations / near misses. The reported observation / near miss will review by the Safety Team and reported to the line management supervisor or Engineers to implement corrective actions.

Qatar Steel Implemented a "Stop work" procedure and Life-Saving Rules (LSR) to protect workers from critical hazardous situations. All workers are trained in LSR.

Qatar Steel's "Incident Investigation" procedure requires to investigating on all the reported incidents in Qatar Steel, with the aim of preventing incidents from occurring and continuously improve the HSE systems by identifying and implementing actions to prevent an incident from recurrence.

The Investigation Team Leader is trained and competent in Incident Investigation and Reporting processes, including Root-Cause Analysis techniques. Specific Root-Causes Analysis techniques may be adopted (5 Why Analysis, Fishbone, Why Tree Analysis). Proposed corrective and/or preventive action arising from the Incident Investigation must address all of the identified root causes, by implementing the most appropriate control measures, such as: Elimination, Substitution, Engineering control, Procedures & Training and PPEs.

In terms of occupational health services, Preventive Periodic Medical Checkups (PME) are foreseen for employees at regular intervals (office employees under 50 years old every alternate year, while office employees over 50 and all the plants staff every year). Any deviation of health-related parameters is reported to the management for further evaluation. Qatar Steel also has a medical facility that is available round the clock (24*7), and the quality of the test carried out within the facility is ensured by periodic maintenance of all the equipment.

To allow the participation and consultation of workers 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, several actions are in place. Workers are in fact required to:

- monitor and report to their supervisor any unsafe condition,
- Correct any hazard that they have the ability to correct and report that event to the appropriate supervisor and in the ERP Observation reporting system,
- Provide feedback to their supervisor regarding the need for additional controls to ensure safety and health standards are met;
- Participate in dedicated activities, such as preparing Job Hazard Analyses (HIRA/JSA), conducting accident investigations, and serving on safety and health committees.

The **Behavioral Observation Program** is aimed at proactively identifying and eliminating hazards at the workplace through active participation by line management and frontline staff and contractors. Qatar Steel utilizes an IT-enabled reporting and action planning platform for employees to record observations.

Safety training topics are wide and vary from technical competence training to awareness sessions. Technical courses enhance employee skills and deepen their knowledge of worksite hazards. Meanwhile, awareness sessions improve employee understanding of general safety protocols and procedures.

To continue regular engagement with all employees in terms of training, an HSE eLearning Platform was developed to provide awareness to employees on various subjects. Every employee must be made aware of the worksite hazards. Not only the safety aspects: unsafe acts and unsafe conditions, but also on health and environmental hazards. For this purpose, awareness courses were designed, developed, and initiated on the new HSE eLearning Platform and they covered Occupational Health and Environment. The Occupational Health Awareness course addressed health hazards that can arise within plants and other premises, and what controls need to be implemented to correct the hazards.

HSE Training on key risks are being conducted based on Qatar Steel HSE procedures. Certified training is provided by a number of third-party providers through Learning & Development Department. Certified 3rd party training focuses on First Aid Training, Permit to Work, Confined Space Entry, AGT, etc. Internal trainings are covered mainly by Qatar Steel HSE Trainers with the support from BBS Officer, Process Safety Engineer, and Fire fighters on particular key risk subjects. Internal training includes HSE induction for newly joined employees, yearly HSE Refresher training, Working at Heights, Accidents Investigation, Chemical Handling, Process Safety Management, Behavioral Based Safety and Radiation Safety Awareness, and so on.

The HSE department established a new training facility for practical training demonstrations. In 2021, Qatar Steel's safety department began the provision of comprehensive Working at Heights program in a newly developed platform. The technical aspects of inspecting fall arrest equipment, fall distance calculation, and other fall protection systems used in Qatar Steel were examined and demonstrated.

The Fire Section provides emergency services using a wide range of firefighting and fire

prevention methods. The team also takes proactive measures like providing regular training exercises and conducting mock / fire drills (Rescue / Evacuation drill and Emergency First aid), periodic inspection, testing, maintenance & operation of firefighting equipment, such as Extinguishers, Breathing Apparatus/road run of all fire vehicles /appliances monitoring for fault fire alarm & firefighting system. In 2021 10 number of surprise mock drill conducted for different scenarios with the proper precaution of COVID-19 protocol.

Qatar Steel's Occupational Health Centre (OHC) has three main domains: Primary Health Care, Occupational Health Services, and Emergency Medicine. The Centre aims to maintain and improve employees' health and well-being through pre-employment medical exams, periodic medical exams, and special exams for employees exposed to hazards. As part of the company's focus on preventative medicine, clinics also provided individual consultations for employees and conduct a variety of health awareness campaigns. For year 2021 the following figures can be highlighted for the QS Medical Service (QSMS) Department:

- a total of 4288 Qatar Steel Employees and 187 contractor employees were consulted in primary and urgent care facilities at Qatar Steel Medical Services,
- a total of 1054 (98.23 %) Qatar Steel and Q-Coat employees are now fully vaccinated and a total of 560 employees (~50.13%) have completed their 3rd dose till date,
- a total of 151 Employees were trained as Designated First Aiders with the internationally recognized certification of HABC
- QSMS received the License to operate a Pharmacy from MOPH linked with the existing Clinic in early 2021.

Additionally, in 2021 QSMS has successfully completed all three phases of Project SAHA: Objective of Project SAHA (HEALTH in Arabic) is to promote employees' health and wellness, targeting employees with chronic diseases and lifestyle risk factors. Project SAHA encourages a healthier lifestyle by implementing the "Simple 7" steps: Get Active, Eat Better, Lose Weight, Control Cholesterol, Manage Blood Pressure, Reduce Blood Sugar, and Stop Smoking.

	Employees	Contractors
Number of fatalities	0	0
Rate of fatalities	0	0
Number of high-consequence work-related injuries	1	1
Rate of high-consequence work-related injuries	0	0
Lost Time Injury Frequency Rate (LTIR)	0.44	0.36
Reportable Injuries	1	0
Reportable Cases (TRC)	1.32	2
Man-hour Worked	2,269,703	2,757,025
Lost Time Injuries	1	1
Minor Injuries Reported	2	2
Near Missed Reported	17	0
First Aid Cases, Employees	2	4
Occupational Illnesses	0	-
Man-hours worked	2,269,703	2,757,025
Fatalities recorded as a result of work-related ill health	0	0
Number of cases of recordable work-related ill health	0	0

1. The reportable injury for employee incident occurred during lifting operation, while lifting machine for repair with the pendent crane injured person's finger caught in-between sling & load (pinch point)
2. The reportable injury for contractor incident occurred during an operation of manual lifting

NOTE: all the rates are based on 1,000,000 hours worked

To support the workers' access to non-occupational medical and healthcare services, all employees are given a Medical Insurance and a "Hamad Card" which enables them to access all medical /non-medical services from the Government, as well as private medical facilities in Qatar and their home country.

For Non-Communicable Diseases like Hypertension, Diabetes etc., Qatar Steel carries out "Health promotion" activities which are accessible to all employees, as well as awareness sessions. An example of a voluntary program is Project SAHA, aiming at improving individuals' medical profiles and rewarding the achievements for example by gifting them with a Glucometer &/or Digital Sphygmomanometer.

As to prevent and mitigate the significant negative occupational health and safety impacts that linked to Qatar Steel's operations, the HSE Management System includes a Safety Governance Procedure and a Safety Assurance Procedure: 9 functional committees have been put in place (Contract Safety Management, Incident Management, HIRA, PTW & LOTO, Standards & Procedures, Audit and Inspections, Confined Space & Working at Height, PSM, Rewards & Recognition) to ensure the correct implementation of the safety governance system.

The health and safety management system, built in accordance with the ISO 45001 standard covers all (100%) employees, contractors, suppliers, and visitors. To ensure the quality of its system, Qatar Steel plans yearly a 2nd Party Internal Audit program focusing on six topics (Permit to work, LOTO, HIRA/JSA, Incident Investigation, Contractor Safety Management System, Confined Space & Working at Height, ISO 45001:2018 & ISO 14001:2015 Standard Audits) and third-party Audits (IQ, MME, ISO Standard 45001:2018 & ISO 14001:2015). Audits for ISO Standard Certification, Surveillance, and Recertification are carried out periodically as required by the standards.

All the work-related hazards that pose a risk of high consequence injury are listed in the HIRA and are defined as an output of specific investigations. In particular, those that have caused injuries are the presence of pinch-points that caused injuries during lifting operations. These have been addressed by eliminating the source of the hazard through dedicated engineering controls and use of appropriate PPEs.

To eliminate other work-related hazards and minimize risks, Qatar Steel implements a HIRA Register, JSAs, PTW & LOTO, TBT, and periodically carries out inspections and audits.

Qatar Steel does not recognize any hazard related to its operations and processes that could pose a risk of ill health for its employees and contractors.

In 2021 no incidents related to non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services was recorded.

Training and Education

In line with the Qatar National Vision 2030, Qatar Steel is committed to the welfare and development of its employees and strives to be inclusive as an employer of choice in the region. This is achieved through the work we undertake to create and sustain a flexible working environment and talent retention framework. To achieve this, great attention is given to training of all employees, as shown in the following table:

	2020	2021
Average hours of training per year for employee	16.8	29.4
Total cost of training (QAR)	429,592	619,392

The details regarding how the training is administered are shown in the following table:

Training Company-Wide		
	2020	2021
Total number of training for females (hours)	46	4
Total number of training for males (hours)	17974	31215
Total number of training for total workforce (hours)	18020	31219
Average hours of training per year for female employee	4.6	0.50
Average hours of training per year for male employee	16.92	29.62
Average hours of training per year for employee	16.80	29.40
Average hours of training per employee by employee category		
Average hours of training for senior management	4.44	9.72
Average hours of training for management	16.76	21.25
Average hours of training for staff	17.67	32.07
Average hours of training for Nationals	-	27.25

In terms of type and scope of programs implemented, and assistance provided to upgrade employee skills, it is possible to list the following:

- In-house programs that cover HSE, Technical and Soft skills topics
- E-learning that covers skill set in different area such as Business Strategy and Operations, Finance, HR and Administration, Management, Leadership and personal effectiveness.
- On-line programs that covers Technical requirements such as Steel Manufacturing and Steel Applications

Furthermore, different programs are in place to facilitate continued employability and the management of career endings resulting from retirement or termination of employment such as:

- On-job Training which is a practical approach to acquiring new competencies and skills needed for a job in a real, or close to real, working environment
- Performance Improvement Plan which is a tool to give an employee with performance deficiencies the opportunity to succeed. It may be used to address failures to meet specific job goals or to ameliorate behavior-related concerns
- Succession Planning Program which is a talent management process that builds a pool of trained workers who are ready to fill key roles when leaders and other key employees step down

The employees that received a career development review in terms of training were:

- 4 (3 male & 1 Female) Employees in the On-job Training
- 18 employees (all male) in the Performance Improvement Plan.

100% of employees received a regular performance review during the reporting period.

Security personnel is external to Qatar Steel and no training is provided to this third party. The security though operates following procedures provided by Qatar Steel, withing its H&S management system, and therefore under ISO 45001 certification. All the procedures within the system stem from Qatar Steel's policies and values, which incorporate the company's respect for human rights. Furthermore, the security's main duty is to check on people and transportation entering and exiting the industrial site. The access to it is ensured only to people holding a gate pass, released by the Minister of Interior (MOI) and therefore no discrimination violating human rights can reasonably take place.

Qatar Steel has a policy regarding anti-corruption, which is available to all employees through the company intranet. Ethics & Business Conduct Committee members and Board of Directors (2 nos.) approved the Ethics & Business Conduct Charter in April 2021. This charter is aligned to QS Code of Ethics & Business Conduct Policy, also covering anticorruption practices.

Around 1,140 employees (100%) are signing off the Code of Ethics & Business Conduct on an annual basis. Their acceptance, including disclosures like private business, family members, conflict of interest, is recorded digitally. HR also ensures the awareness of the Code of Ethics & Business Conduct for the new employees. Employees haven't received training on anticorruption specifically.

Clauses for Compliance with the Company's Ethics and Business Conduct are incorporated in most of the contracts with the Company's contractors.

Supply Chain

Qatar Steel's main Raw Materials are:

- Iron Oxide Pellets, procured from Sweden, from a supplier owning ISO 14001, 45001 and 9001 certifications and sustainability certification, and
- Steel Scrap wholly procured locally.

Overall, 79% of key raw material suppliers are certified ISO 9001, ISO 14001, and ISO 45001.

The suppliers screened for their environmental and social impacts are at the moment the suppliers of key raw materials, i.e., oxide pellets, scrap, and ferroalloys. Qatar Steel intends to extend the list of suppliers subject to this screening in the future.

The following considerations apply only to the suppliers of key raw materials, who represent around 85 to 90% of raw materials on an economical basis.

Significant actual and potential negative environmental impacts identified in the supply chain are: GHG Emissions and Air Quality, Waste Management, Water Efficiency, Biodiversity Conservation, and Energy Efficiency. Significant actual and potential negative social impacts identified in the supply chain are: Occupational Health and Safety, Ethical Business Practices and Legal Compliance, Human Rights and Labor Practices, and CSR initiatives.

The suppliers are required to demonstrate the above compliance through certificates / Sustainability Reports/ third-party evaluation reports.

In 2021 there was one new supplier, that was screened for its environmental and social performances. The total number of suppliers of these key raw materials is 60, and they have all been screened based on the criteria defined.

4 suppliers of key raw materials were identified as having significant actual and potential negative environmental impacts. There were no suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of the assessment. There were no suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of the assessment.

No operations and suppliers are considered to have a significant risk for incidents of: child labor, young workers exposed to hazardous work, or forced labor, as suppliers are requested to provide an ILO declaration to ensure these practices are not in place.

All of the key raw materials suppliers are identified as having significant actual and potential negative social impacts (see link below for details).

78.6% (in weight) of key raw material suppliers were screened for their social performances, for a total of 6 suppliers.

No suppliers were identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment or with which relationships were terminated as a result of assessment.

For more details please refer to the following link: <https://www.qatarsteel.com.qa/creating-a-balanced-ecosystem/responsible-sourcing-and-material-consumption/>

Qatar Steel actively contributes to the Country's economic development by supporting the growth of local businesses through a supply chain localization program called 'Tawteen'. Tawteen is a strategic initiative led by QatarEnergy which contributes to developing the local economy by providing new opportunities and capacity building for Qatari based companies, particularly small and medium enterprises (SMEs). The program consists of three key pillars: new investment opportunities, supplier development initiatives and a new In-Country Value (ICV) Policy.

Qatar Steel's definition of 'local' is for Qatari, and the 'significant locations of operation' refers to the plants in Qatar.

Qatar Steel's local acquisition accounted for 35% of the overall procurement costs throughout 2021. In 2021 due to an increase in market demand, Qatar Steel revised its production plan, and accordingly, key raw materials were imported, hence local acquisition accounted for 35% of the overall procurement costs. In 2020 the procurement of imported raw material was according to reduced market demand which resulted in an exceptional increase in local procurement spending to 62 %. However, Qatar Steel continues to prioritize its local procurement commitment to support the growth and diversification of Qatar's economy.

No legal actions or cases are pending or completed pertaining to Anti-Competitive behavior and no judgment or decision available on the topic.

Local Communities

Creating shared value is one of the sustainability priorities that guide Qatar Steel as a company. Qatar Steel aims to be a strong contributor to the community in which it operates and therefore it does its part for society by investing in those initiatives that measurably impact the quality of life of the local community in Qatar. This includes community investments,

running programs in local communities, sponsoring events, and donating to different charitable causes. Apart from this, Qatar Steel also seeks to hold itself and the company operations to the highest ethical standards. Qatar Steel strives to achieve excellence through performing operations in a socially and ethically responsible manner and putting in consistent efforts to manage its business as conscientious members of its community.

In 2021, due to the challenges of budgetary restrictions arising from the COVID-19 pandemic situation, Qatar Steel was unable to make annual investments in local CSR projects.

Overall, Qatar Steel is located in Mesaieed Industrial City-MIC, a designated area for industrial usage. There are no local community in the nearby area of the industrial city, hence no direct impact.

At the time, when the plant was established in 1974, there was no requirement of Environmental Impact Assessment (EIA) study for establishing an Industry. However subsequent expansion in plant have had an EIA studies as below:

- EIA for QS Phase II Expansion Project
- Environmental Impact Assessment (EIA) for QS Fuel Station
- EIA for Process Wastewater Recycle Project (NZLD)
- Environmental Impact Assessment for briquetting plant
- EIA for Melt Shop and Rolling Mill

Qatar Steel is liable for the requirement of Mesiaeed Industrial City (MIC), QatarEnergy and Ministry of Municipality and Environment (MME). As compliance to its environmental obligations, Qatar Steel is regularly conducting environmental monitoring of ambient air quality, stack emissions, ground water quality, noise level, GHG monitoring & Weather monitoring.

No incidents of violations involving the rights of indigenous peoples were recorded during the reporting period or ever since starting the operation of the plant.

Product responsibility

Qatar Steel used as recycled input material a total amount of 376,654 MT, which represents 33% of raw input material to the steel making plant.

No incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.

No incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship

No substantiated complaints received concerning breaches of customer privacy

Qatar Steel did not receive any complaint about data breach or complaint from regulatory body.

No cases were reported in relation to leaks, thefts, or losses of customer data.

In 2021, Qatar Steel received 6 customer claims through the Sales & Marketing department relating to product quality and resolved them successfully

Qatarization

Developing human capital programs targeted for Qataris: to attract fresh talent, Qatar Steel follows local industry best practices by offering incentives for Qatari nationals, such as competitive pay packages, highly specialized training, and on-going career development opportunities. Moreover, Qatar Steel's excellent salary and benefits packages include group insurance, retirement benefits, tuition reimbursement, sick leave, and paid vacation.

Qatar Steel's target is to reach 20% Qatarization in the next five years.

For its achievements in the past, Qatar Steel received several Qatarization Awards:

- 2014: Supporting Qatarization
- 2016: Support for Learning and Development
- 2017: Support and Liaison with the Education Sector
- 2020: Supporting Qatarization

Qatarization	2020	2021
Qatari employees	158	152
Qatarization rate (%)	14.74	14.31
Qatari new hires	11	1
Qatari Senior Management (New Hire)	1	1

Governance structure

Qatar Steel has a robust safety governance structure that links top management to shop floor in a structured manner, with clear reporting lines and mechanisms. The purpose of the governance structure is to drive messages, concerns, and progress from the bottom-up, and cascade decisions top-down while ensuring an effective process. The governance system is equipped with a set of leading and lagging KPI's and dashboards to measure and monitor safety performance in an effective, structured, and sustainable manner to drive decision making.

Fostering a system of governance and accountability based on the principles of transparency, integrity, and independence, is key to ensuring operational excellence at Qatar Steel. The company's procedures to establish a responsible governance system helps in the effective management of business risks, and in building and retaining long-term relationships with its employees and community based on trust and goodwill. During challenging times such as the COVID-19 pandemic, the support of Qatar Steel's strong governance structure has been integral in maintaining business continuity, serving its customers, and keeping its people safe.

Qatar Steel's commitment to efficient and ethical leadership is driven by the company's Corporate Governance Charter, which provides the principles for the Board of Directors in its foundation of independence and protecting shareholders' rights. The seven highly skilled Board members are appointed by the corporation's principal shareholder, Industries Qatar (IQ), at the General Assembly. The members of Qatar Steel's board of directors can be found at the following link: <https://www.qatarsteel.com.qa/chairmans-message/board-of-directors/>. It is composed of 100% men, 2 aged between 41 and 50, and 5 aged between 51 and 60.

The highest governing bodies are the Board of Directors and the Board Audit Committee, formed of Board members.

The members of the Board of Directors are appointed by Industries Qatar, being a sole shareholder as per its applicable policies and procedures.

The Board of Directors have approved the Policy for Code of Ethics and Business Conduct and two members are appointed as Ethics Committee members to oversee conflicts of interest. Annually a declaration is signed, which covers all aspects of personal and business transactions and eventual conflicts of interest that are found.

Managing the impacts:

Qatar Steel has a robust safety governance structure that links top management to shop floor in a structured manner, with clear reporting lines and mechanisms. The purpose of the governance structure is to drive messages, concerns, and progress from the bottom-up, and cascade decisions top-down while ensuring an effective process. The governance system is equipped with a set of leading and lagging KPIs and dashboards to measure and monitor safety performance in an effective, structured, and sustainable manner to drive decision-making.

Risk Management

Qatar Steel's Enterprise Risk Management Framework and its close relationship to strategy have identified environmental risks including but not limited to waste management, monitoring and reporting of the company's carbon footprint and the initiatives towards green steel and emissions reduction. The board of directors is accountable for the companywide risk management framework and as such all risks are reported from a functional level, then a step-up Risk Committee level, then board audit committee level which then eventually reports to the board of directors. The company's strategy also incorporates a sustainability pillar whose business objectives include measuring, monitoring and developing initiatives towards reducing the company's carbon footprint.

All the climate-related risks and opportunities are incorporated in the company's Sustainability Policy.

Qatar Steel future energy supply risks and opportunities linked to achieving green steel status have led to consideration of the use of renewable energy and hydrogen in the steel production process. The future trends in the whole Steel Industry are towards achieving green steel status. To this effect various initiatives are in their infancy stages around the use of solar energy and utilizing hydrogen through synergies with other QatarEnergy downstream companies. Successful role out of these alternative green sources of energy will result in a lower carbon footprint, lower costs of production, higher profitability levels, and an increase in company reputation. This will in turn increase financial capacity for expansion capital expenditure, and competitive advantage against other international and regional competitors thereby unlocking shareholder value.

Through its ERM program, Qatar Steel has identified carbon footprint related risks at both functional and department levels and companywide strategic levels. Opportunities have been identified for the achievement of green steel, though, e.g., the use of hydrogen and solar energy in the production of steel. The company's new sustainability roadmap will incorporate carbon capturing and utilization strategies, measurements and monitoring.

All functional risk registers request for monthly review and approval by functional managers and are automatically sent to all risk champions from the QS ERP system. The risk champions circulate them to functional officials and managers for review and update, before electronically submitting them via the QS ERP system for approval by functional managers. Functional managers approve them on the ERP workflow and audit trail is retained in the ERP system.

During 2021 Qatar Steel developed a Fraud Risk Management Policy, which also incorporates the identification of corrupt activities. This is strengthened by the existing companywide Ethics policy, which includes the ethics reporting anonymous hotlines. All business areas within Qatar Steel have identified and assessed the risks of fraud and actively monitor and manage these risks.

Remuneration policies

Board Charter contains approved Directors and Officers Remuneration Policy. For Board of Directors, remuneration is decided by Industries Qatar being a shareholder on fixed basis as per AOA.

Individual Director complete self-assessments on annual basis. The Board Secretary shall prepare executive summary of the results and an outline of the next steps or an agreement on an action plan.

Code of conduct, Ethics and Culture

Qatar Steel's Code of Ethics & Business Conduct Policy was established in 2010 and is well practiced. The Code of Conduct (Code) is published over the intranet and is accessible to all employees of Qatar Steel. All employees are showing their acceptance towards the Code on annual basis including all disclosures per the Code. Qatar Steel's Code of Conduct (Code) covers the topics like Bribery / Anti-Corruption.

In 2021 there were no incidents of corruption, no incidents of employees being were dismissed or disciplined for corruption, no incidents when contracts with business partners were terminated or not renewed due to violations related to corruption, and no legal cases regarding corruption brought against the organization or its employees.

Projects and Future plans

In 2021, Qatar Steel proceeded with monitoring the objectives based on the Sustainability Roadmap 2016 - 2020 as it was decided to develop a new Sustainability Road Map 2022 - 2026 with new objectives, defined by benchmarking with regional and international steel companies and in line with Qatar National Vision 2030. This process was carried out and completed in 2021.

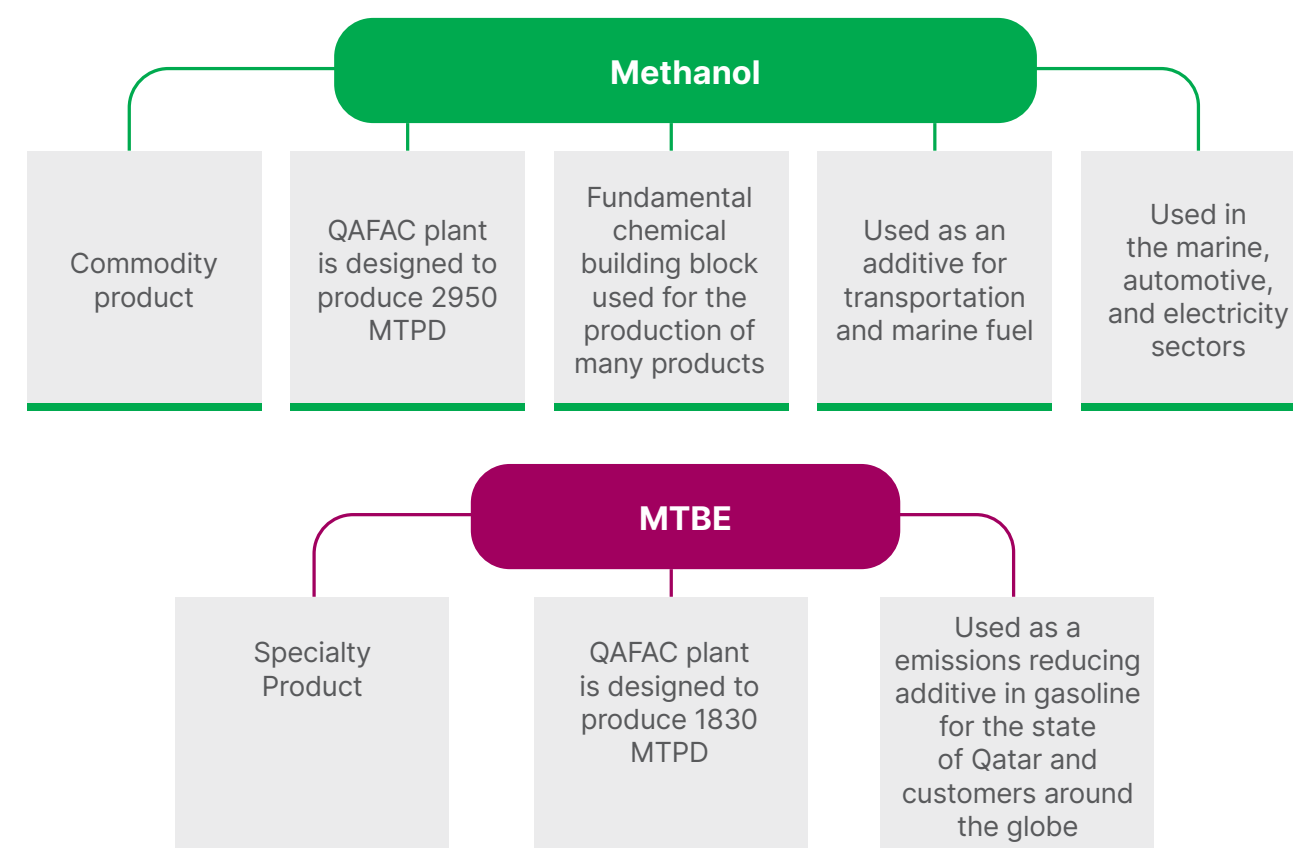
Qatar Steel's new Sustainability Road Map 2022 - 2026 builds on the previous roadmap and draws a deeper picture of the strategic objectives that will give QS a competitive edge over its regional and international peers. The previous six objectives were expanded into ten with a detailed action in place to enable QS to capture improvement opportunities and performance gaps within the short and medium term. The new ten objectives build on the six of the previous Road Map, adjusting and adding some completely new targets: Pursuing Innovation in Green Steel Making, Nurturing Human Capital, Empowering Local Communities, and Championing Sustainability Stewardship.

QATAR FUEL ADDITIVES COMPANY (QAFAC)

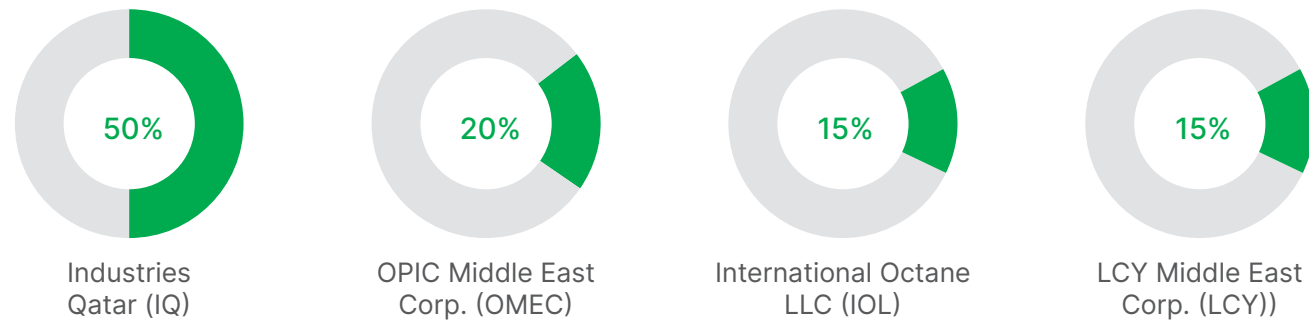
About QAFAC:

Qatar Fuel Additives Company (QAFAC) was established as a joint venture in 1991 and began its operations in 1999. QAFAC's ownership currently rests with Industries Qatar (IQ), OPIC Middle East Corp., International Octane L.L.C, and LCY Middle East Corporation. We are headquartered in Doha, Qatar; while its manufacturing plant is located in Mesaieed Industrial City (MIC), Qatar.

QAFAC is a critical component of Qatar's downstream value chain, manufacturing two commercial derivatives of natural gas. QAFAC's integrated facility uses Natural Gas and Butane to produce Methanol and Methyl-tert-butyl-ether (MTBE). The input Natural Gas is sourced from QatarEnergy, and Hydrogen produced inhouse. Additionally, pentane is produced as a by-product. QAFAC's finished Methanol and MTBE products are marketed by Muntajat, which has exclusive rights to purchase, market, distribute and sell specified regulated chemical and petrochemical products produced in the State of Qatar, both internationally and domestically.



QAFAC Shareholders



QAFAC Values

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

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



Sustainability at QAFAC

The renewed strategy has defined a pillar on sustainability- "Prepare for long-term sustainability". The objectives established under this pillar enable QAFAC to streamline its approach towards sustainability. QAFAC directed efforts and resources to align the Company's operations and activities to address the six sustainability enablers.

In addition, QAFAC's core team members track the progress of KPIs related to adaptation of sustainability practices about its sector, and its impacts on the production of Methanol and MTBE.

Stakeholder Engagement and Materiality Assessment

A proactive, clear, transparent, and responsive culture form the foundation of its relationships with

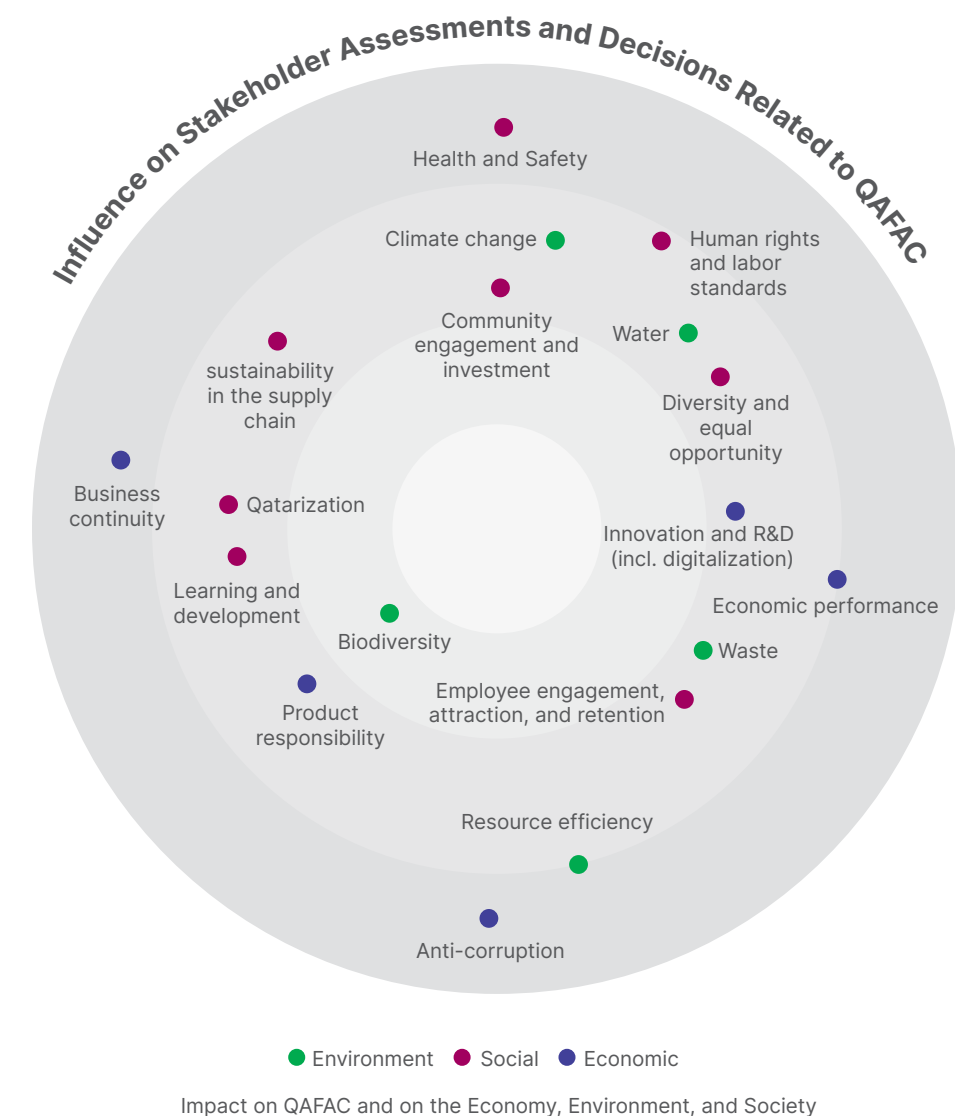
all its stakeholders. QAFAC will continue to remain active, accountable, aspirational, and responsible towards its stakeholders. Further, QAFAC actively engages with its stakeholder through several channels such as, conferences, one-on-one meetings with regulatory bodies, publishing annual sustainability reports, periodic meetings with shareholder representatives, HSSE newsletters, etc.

This reporting year 2021, QAFAC carried out a materiality refresh, which entailed a series of tasks, fundamentally maintaining the materiality matrix of previous years, QAFAC accounted for the following externalities in the refresh exercise:

- Global megatrends affecting the sustainability/ESG landscape
- Trends affecting the Oil & Gas and downstream sector
- QAFAC's internal growth trajectory in 2021
- QAFAC's future business plans and growth prospective

This materiality refresh exercise resulted in the following developments to QAFAC's 2021 Materiality Matrix:

- Amalgamation of Energy and Emissions topics into Climate Change- maintaining the integrity and cognizance of the relationship between energy and emissions management.
- Amalgamation of Process Safety and Occupational Health & Safety into Health and Safety- encompassing the aspects of workforce and contractor health and safety, reliability and process safety, asset integrity and associated health & safety matters.



Economic performance

To ensure compliance with the set budgets, QAFAC holds regular budgeting meetings with its internal stakeholders to analyze the actual budget and take the appropriate measures in case of existing deviations between the actual and the planned budgets or just obtain the required approvals for these deviations.

QAFAC measures, tracks and monitors its economic performance using its existing Finance Management System. It is an integrated software solution that helps QAFAC management in taking strategic decisions and it allows it to set budgets, forecasts, taxes, cash flows and investments at QAFAC. With the assistance of an external auditor, QAFAC performs an independent assurance on its annual financial statements.

All of these practices, combined with directed leadership, shared values and a culture that emphasizes accountability for control and effective communication, institute its internal control system. This internal control system is continuously monitored in order to identify, assess, and mitigate any rising risks in a timely manner. For 2021, QAFAC had set a reasonable target of USD 266 million in revenues and has successfully exceeded it and achieved an 82% increase in its revenues in comparison to 2020 with a total of around USD 658 million. The revenue is attributed to a favorable selling price of MeOH and MTBE, cost optimization and dedication of QAFAC workforce during this year.

KPI	Actual 2020	Actual 2021	Variance YOY	Target 2022
	(USD '000)			
Direct Economic Value generated:				
Revenues	361,633	658,428	296,795	431,492
Economic Value Distributed:				
Operating Costs	345,969	407,462	61,493	358,812
Employee wages and benefits	64,069	61,769	(2,300)	62,761
Payments to Governments	15,000	53,000	38,000	3,500
Community Investment	146	3	(143)	30

Climate Change (Energy and Emissions)

QAFAC acknowledges and comprehends the deeply interrelated nature of energy reduction translating into emissions reduction. Considering the nature and intrinsic energy potential of hydrocarbons which QAFAC handles, it remains cognizant of the energy considerations and the damaging potential of its raw materials, as well as its finished products. QAFAC constantly strives to manage its responsibility associated with harnessing efficient and effective process controls with direct and(or) indirect impacts on QAFAC's energy consumption to subsequently result in managing its environmental footprint. QAFAC's long-term goal is to invest in technologies and performance management processes that make its production processes as green and efficient as possible.

A foundational step QAFAC has taken towards better energy symbiosis, is to design and implement an organization-wise ISO 50001: Energy Management system (EnMS). The project is in midway of completion and has made considerable progress in terms of development and modification of relevant policies and procedures, such as the Energy Management (EnMS) Guidebook, Energy Planning and Review, Energy Management Improvement, etc., the execution phase is expected to be completed in Q2-Q3 of 2023.

In addition, as part of QAFAC's corporate policy refresh, its is currently developing a Climate Change policy, in alignment with QatarEnergy's climate change policy commitments. It is aligned to QAFAC's Sustainability and Environment Policies.

In 2021, QAFAC has achieved a remarkable addition to QAFAC's energy mix. By virtue of the process optimization projects undertaken by QAFAC, it was able to add two new sources of energy, viz., MTBE Net Gas and MTBE PSA Tail gas, into its energy mix, already comprising of natural gas, MTBE off-gases, MTBE Butamer scrubber off gas, purge gas and diesel. The MTBE Net Gas and MTBE PSA Tail gas are a result of the Regenerate Gas Scrubber (RGS) project. Successfully, QAFAC has commissioned the Regenerant Gas Scrubber (RGS) unit, which has led to the recycling of the MTBE regenerant gas, thus, generating the MTBE Net gas fuel as a result and contributing to a reduction in flaring. For the last two months of the 2021 reporting year, QAFAC has been able to add to the fuel sources. It aims to explore the true potential of the project and its favorable outcomes in 2022.

There has been a minor increase of 2% in the QAFAC's energy consumption from 2020 to 2021. Considering the metric of energy intensity provides QAFAC with a more representative comparison of QAFAC's energy consumption, through its normalization against the annual production, QAFAC finds the metric to be stable between 14.61 GJ per ton of production to 14.57 GJ per ton of production, with no effective or absolute change between 2020 and 2021 reporting years.

KPI	Actual 2020	Actual 2021	Variance YOY
Non-renewable energy consumption (amount of energy usage in GJ):			
Natural gas as fuel, GJ	11,308,914	10,637,666	671,248
MTBE Depropaniser off gases as fuel, GJ	876,825	810,699	66,126
MTBE Butamer scrubber off gas, GJ	134,294	119,172	15,122
Purge gas as fuel, GJ	9,801,295	10,663,444	(862,149)
MTBE net gas as fuel, GJ (RGS outlet)	-	210,570	(210,570)
MTBE PSA Tail gas as fuel, GJ	-	25,917	(25,917)
Total	22,121,328	22,467,468	(346,140)
Renewable energy consumption (amount of energy usage in GJ):	-	-	
Total consumption (in GJ):			
Electricity	855,968	866,477	(10,509)
Renewable energy %age	-	-	
Energy Intensity (GJ/Tonne)	14.61	14.57	0.04

QAFAC is cautiously driven by several regional and national forces to obtain a gradual decline in its Greenhouse Gas (GHG) emissions. To ensure better monitoring, tracking and verification of its data, QAFAC has established a set of Key Performance Indicators (KPIs) consolidated into a dashboard, which allows for real-time data monitoring and improves reporting practices on the performance of GHG and air emissions. In addition, from an emissions reduction perspective, QAFAC has a Carbon Dioxide Recovery (CDR) unit, commissioned in 2014. This unit effectively reduces the GHG emissions by capturing ~175,000 metric tons of carbon dioxide. In the reporting year 2021, there was no significant difference in QAFAC's direct and indirect emissions compared to 2020. This is also reflected by the stable GHG intensity figure at 0.67 MTCO₂e per ton of production. The trend outlines the gradual stability QAFAC is re-attaining, in light of the negative consequences of COVID-19.

In addition to GHG inventory development and emissions reduction motive, QAFAC tackles the release of harmful and toxic air emissions with a high level of importance. The commissioning of the selective non- catalytic reduction (SNCR) system in 2019, to meet the MoECC’s directive to maintain NO_x limits has led to a stable operating system for air emissions at QAFAC. Since 2019 a vast reduction of approximately 58% in emissions has been recorded in a three-year period, owing to the NO_x emissions plummeting from approximately 260-280 mg/Nm³ to around 110-125 mg/Nm³.

In addition to the projects and systems presented above, QAFAC has taken steps to curb the release of fugitive Volatile Organic Compounds (VOCs) and Hazardous Air Pollutants (HAPs). In 2021, QAFAC started Methane emissions monitoring through LDAR program wherein the Toxic Vapor analysers (TVA) and Optical Gas imaging camera (OGI) will be used for carrying out LDAR activities. Activities related to site monitoring of are scheduled for 2022. QAFAC is also participating in combined studies conducted by MIC, that includes, Brine study, Air capacity modeling etc.

KPI	Actual 2020	Actual 2021	Variance YOY
Total GHG emissions (Metric Tonne of CO₂e)	1,064,425	1,074,062	(9,637)
Direct emission (scope 1):	951,033	958,600	(7,567)
CO ₂	949,757	957,319	(7,562)
Methane (CH ₄)	651	658	(7)
N ₂ O	625	623	2
Indirect emission (scope 2):	113,392	115,462	(2,070)
CO ₂	113,273	115,342	(2,069)
Methane (CH ₄)	48	48	0
N ₂ O	71	72	(1)
GHG Intensity ratio (MT CO₂e/production)	0.68	0.67	0.01
Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions:			-
NO _x	850	950	(100)
SO _x	84	59	25

Water Management.

QAFAC’s water consumption needs are met by KAHRAMAA (third-party). Its CDR unit recovers steam from hot flue gas in its process which provides the additional water for its operations . There is no site storage of water. The numbers disclosed here are calculated based on information recorded through process flow meters.

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

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

In terms of its processes to ensure safe wastewater or effluent discharge, QAFAC ensures a large proportion of its wastewater is recycled. For the past five years, QAFAC recycle and reuse on average 51% of the wastewater generated from its processes. This recycled water is used for irrigation purposes in its designated Greenbelt area.

CASE STUDY: Near Zero Liquid Discharge (N-ZLD) Plant

Every chemical plant has effluents that has to be treated for responsible disposal back to nature. QatarEnergy committed the energy sector to develop processes to reuse and recycle as much of the effluent as possible using scalable technologies. QAFAC has chosen the NZLD as the best option for delivering value to the environment and to its stakeholders

About the project: The NZLD plant is equipped with systems to treat the process wastewater streams (i.e., oily wastewater, process wastewater and demineralized wastewater) and upgrade them to potable water standards. The plant is equipped with advanced automation and is being implemented in three phases. The N-ZLD plant is expected to be fully operational by the end of 2023. Due to the pandemic, several operational delays were witnessed during the past 2 years, pushing the estimated timelines to 2023.

Outcomes: The N-ZLD plant, when commissioned, will recover approximately 85% of QAFAC’s wastewater for utilization as makeup water in our demineralization plant. The remaining 15%, which is mainly brine water, will be treated and returned back to the ocean

KPI	Actual 2020	Actual 2021	Variance YOY
Water withdrawal by source:			
Produced water:			
Freshwater (≤1,000 mg/L Total Dissolved Solids)	644,066	558,890	85,176
Third-party water withdrawal (produced water):	1,021,352	742,860	278,492
Total Water Withdrawal (Produced plus third party)	1,665,418	1,301,750	6363,668
Water discharge by destination			
Seawater	257,761	283,554	25,793
Water recycled/reused in m3	378,696	332,453	46,243
% age of water recycled to total water consumed	23%	26%	13%

Waste Management

QAFAC recognizes the importance and the necessity to ensure responsible waste management to align with QNV 2030 and other national strategic objectives. While waste generation continues to remain a material issue for 2021, QAFAC’s waste disposal processes have seen some improvements the past few year. By virtue of QAFAC’s operations, it generates hazardous and non-hazardous wastes, which may cause detrimental environmental impacts if not handled properly. QAFAC’s waste composition is represented below:

Hazardous waste	Non-hazardous waste
Spent catalysts, spent resin, spent salt, oily sludge, activated carbon and spent oil filters	Domestic waste and electronic waste (100% recycled)

To ensure safe disposal of QAFAC’s waste streams, QAFAC engages efficient waste management contractors; third parties who would ensure further responsibility for the handling, transportation, and disposal of different types of waste, which include hazardous waste, general waste, electronic waste, incinerable waste and medical waste.

QAFAC recognizes that the engagement of contractors is insufficient in ensuring responsible waste management practices. Hence, strengthened the targets of its existing KPIs and introduced new KPI(s) and targets at departmental and executive levels to ensure continuous improvement and compliance to the operational requirements established by the MoECC. Examples of waste disposal- related KPIs are:

Enabler: Strive for excellence in environmental protection			
Category	KPI	2021 Target	2022 Target
Waste disposal/ spills	Collection of waste materials for recycling (%)	250	100
	Retention of hazardous waste in QAFAC storage to be under 90 days (%)*		100
	Significant spills (#)	0	0

The recyclable waste is collected and stored in respective storage bins placed outside the buildings. An approved contractor collects the waste on call basis, which is then handed over to the recycling facilities for recycling of plastic, aluminum, and paper.

KPI	Actual 2020	Actual 2021	Variance (YoY)
Waste Generated (MT)			
Hazardous waste (Incineration, land fill, recycling)	388	1012	(624)
Non-hazardous waste (Domestic, recycling)	356	332	24
Total (Hazardous + Non-hazardous)	744	1344	(600)
Waste directed to disposal (MT)			
total industrial waste, incinerable waste and domestic waste	717	1328	(611)
Waste diverted from disposal by recovery operation (MT)			
Hazardous waste (Offsite):			
Recycling (Oil, E-waste)	19	13	6
Non-hazardous waste (Offsite):			
Recycling (Paper, plastic, aluminum)	0.17	0.77	(0.60)
Waste directed to disposal-by-disposal operation (MT)			
Hazardous waste (Offsite):			
Incineration (without energy recovery) (CDR, Spent Caustic, Others)	32	301	(269)
Landfilling	337	700	(363)
Non-hazardous waste (Offsite):			
Landfilling	348	327	21

Biodiversity Management

Most of Qatar’s area is flat, low-lying desert, which rises from the east to a central limestone plateau and vegetation was introduced by humans. QAFAC has added greenbelt to its property that shows its commitment. QAFAC added provisions for biodiversity management in its upcoming Environment policy, committing to the protection, mitigation, and investment to minimize impact on biodiversity. With the material significance of biodiversity established at QAFAC through its 2021 materiality refresh exercise, QAFAC aims to explore the issue with greater seriousness in the upcoming years to meet its stakeholders’ expectations and achieve

an alignment with the anticipated national biodiversity targets.

Currently, QAFAC’s responsibility towards biodiversity is well-reflected in its chemical handling and transportation safety. QAFAC has a history of zero reportable spills, unfalteringly driven by its constant endeavor for safety excellence. Further, in the suite of current initiatives and projects convened by QAFAC, QAFAC’s N-ZLD project’s anticipated outcomes include environmental benefits, primarily, the reduction in disposal of effluents into the marine waterbodies.

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

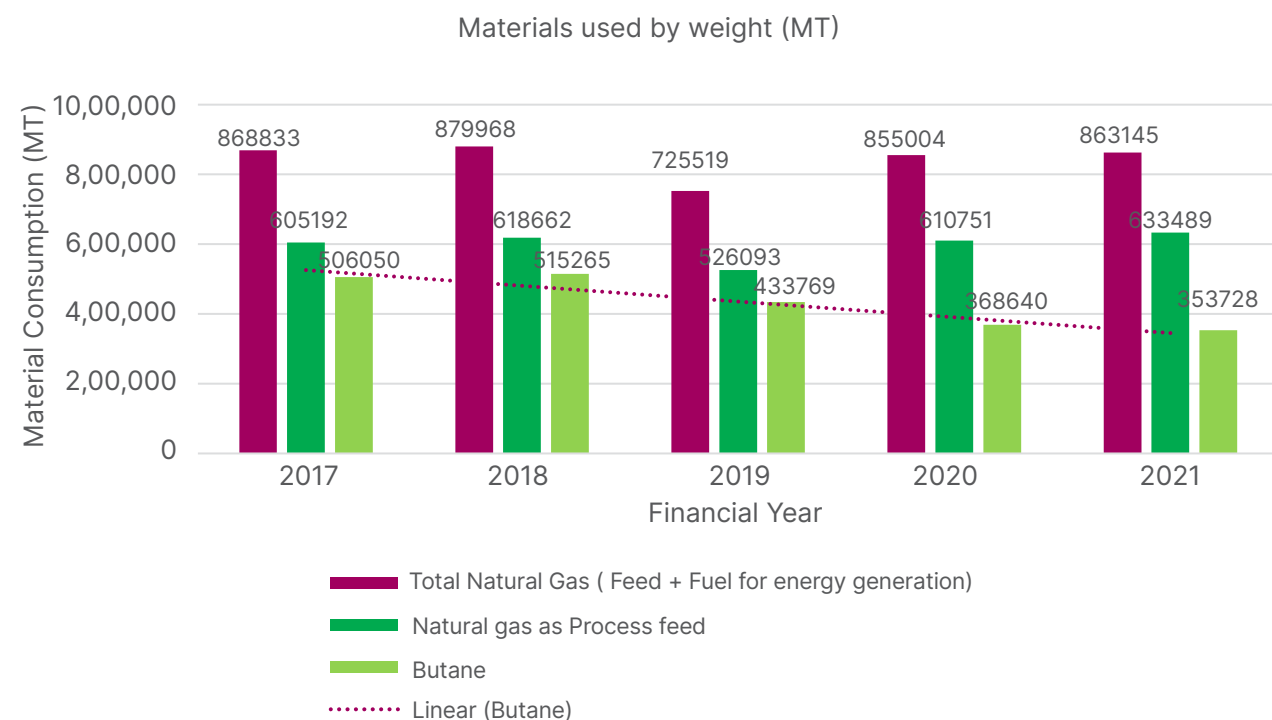
Moreover, with existing initiatives like the tree plantation drive, QAFAC relocated a few trees in 2021. QAFAC aims to expand the scope of such projects in the future.

Resource Efficiency

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

Energy is needed to chemically convert methane to methanol and methanol in combination with isobutylene to MTBE. QAFAC’s future goals will be aligned with QatarEnergy as they incorporate more “green” sources of power such as solar into the grid. Being an asset that is 20 years old, QAFAC management seeks to continuously upgrade its infrastructure using the latest technology during their periodic turnaround schedule.

As QAFAC has reported last year, QatarEnergy, in collaboration with its partners located in the manufacturing hub of the Mesaieed Industrial City (MIC) has launched the Integrated Gas Supply to Mesaieed Industrial City (MIC) Consumers (IGSMC) project, with an objective to ensure uninterruptable natural gas supply to all QatarEnergy customers in MIC, including QAFAC. In addition to ensuring an uninterrupted supply, this project would eliminate the systemic inefficiencies of logistics, transportation, consumption measurement, losses of material, etc. By placing emphasis on the need for integrated, efficient, and optimized instrumentation systems, QatarEnergy and the participating companies can collectively establish concrete monitoring systems for key resource management and associated redundancies. One such highlight of the IGSMC project is its advanced ultrasonic flow metering installation, which ensures safe and accurate measurements of the gas flow, while eliminating the need for frequent cleaning since it has no moving parts. It also allows for frequent calibration or proving as well. This project is an improvement of existing method of resource and cost estimation using pressure differential flowmeters, which are prone to inefficacies. IGSMC supports QAFAC’s efforts to ensure continued operations and meet production targets, which eventually contribute towards meeting its customers’ needs, enhancing its reputation, and retaining its market capitalization.



Employment

QAFAC ensure that all its employees and contractors are treated fairly, and all their rights are preserved. Any violations and non-compliance to human rights within the contractors' premises are immediately brought to QAFAC's notice and appropriate actions are taken.

A standalone human rights policy is undergoing development as part of the 19 policies, Code of Conduct policies discussed further below. The organizational culture at QAFAC has an underlying and unwritten norm of respecting human rights. Several occurrences in the past are proof that QAFAC is a compassionate organization, built on a strong ethos of respecting lives and futures. QAFAC ensures that every individual present on its premises remain satisfied and in good mental health. Owing to the hazardous nature of its operations, it is highly important for every employee and worker to stay mindful and alert at all times.

In addition, QAFAC took it upon itself to protect and promote human rights by complying with a number of national and international frameworks, inspired by the Universal Declaration of Human Rights and guided by the constitution of Qatar which promote decent work for all women and men. And to support Qatar's National Vision 2030

With respect to human rights and labor management, QAFAC is proud to mention that there have been no incidents or grievances in relation to human rights issues, discrimination against employees as well as forced or compulsory labor during the reporting year and ever since the establishment of the organization. These principles of ethical treatment are unquestionably extended to include its contractors. While QAFAC includes compliance of all local laws within the contracts or maintain a binding criterion addressing human rights risks, QAFAC maintains a credible oversight. Also, with respect to contractual provisions, QAFAC explicitly focuses and includes HSSE obligations required from the contractor. Violation of these terms can lead to potential termination of the contract or suspension of the contractor, under general rights of termination provisions. These rights of termination, not limited to HSSE obligations, could also be enforced, and extended to cases where forced or compulsory labour are observed within the contractor organization.

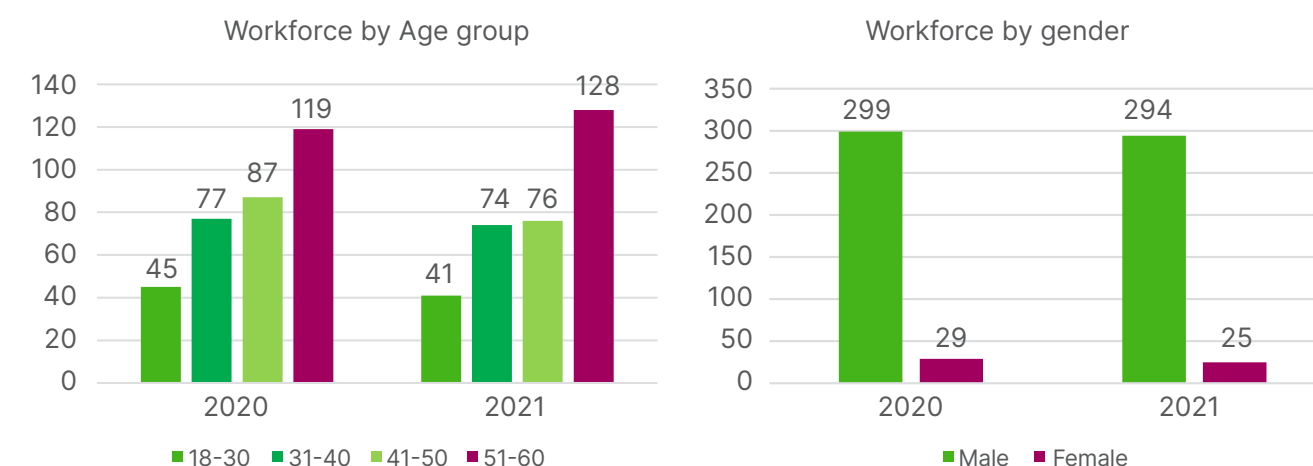
Diversity and Equal Opportunity

QAFAC aims to have a diverse workforce with people of different cultural backgrounds, employable age groups, gender, religion, race, and nationalities working together towards the common goals of the company. QAFAC looks for individuals who are not just the best fit but who also bring a unique value proposition, skills, and technical knowhow into the organization.

QAFAC believes in promoting a progressive and inclusive work culture that encourages everyone to grow. QAFAC is guided by the ambition to build a high performing organization by offering competitive benefits, developing policies that protect employees, while maintaining a diverse workplace and ensuring the satisfaction of our employees.

QAFAC's Diversity Policy has guided it to identify programs that recognize and nurture a diverse and inclusive workforce. Female employees account for 7.8% of its total staff and middle management workforce.

No. of Employees	Head Office	Plant
Male	28	266
Female	14	11



Occupational health, safety and security

QAFAC prioritizes the health and safety of its employees and contractors. Its occupational health and safety management system, as well as 'Bill of Safety Rights and Duties,' ensure effective actions and preventive measures are implemented. QAFAC has successfully transitioned from OHSAS 18001 to the ISO 45001 occupational health and safety standard in 2020 and upgraded its systems and procedures.

QAFAC has upgraded its HSSE observation program and included HSSE criteria for the selection of contractors. QAFAC has also undertaken joint HSSE inspection with maintenance, HSSE and production. QAFAC also conducted regular audits on its occupational health and safety management through annual internal and external audits as part of its integrated management system for the purpose of affirming the sound implementation of its protocols.

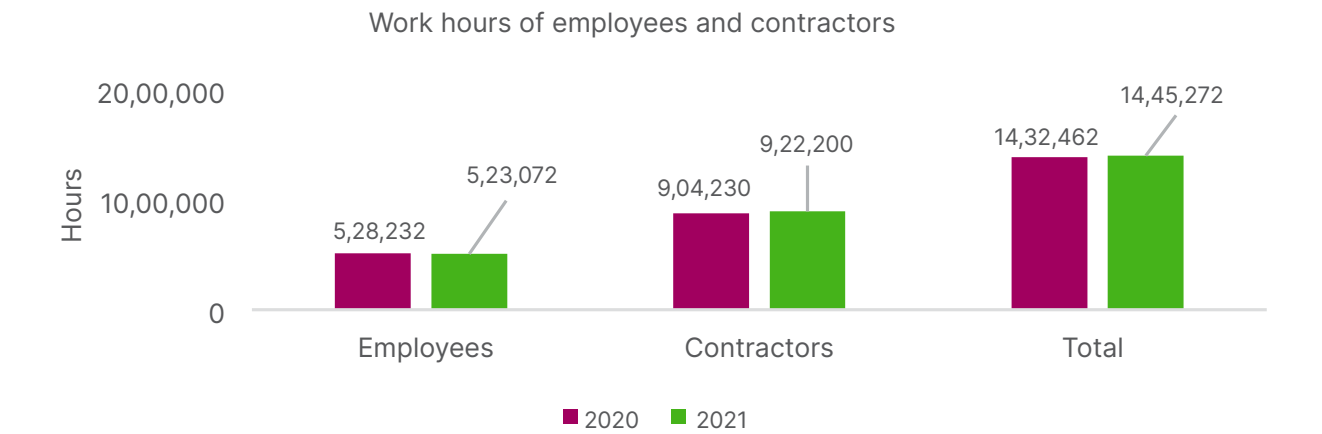
QAFAC has implemented a comprehensive Hazard Identification and Risk Analysis (HIRA) process, along with a well-established risk database, to identify and manage any associated risks. Risk analyses are reviewed periodically by its risk owners, and a dynamic risk assessment is carried out consistently, where elimination, substitution, and engineering control measures are emphasized. QAFAC records HSSE observations by employees and contractors.

Additionally, it also conducts periodic meetings with contractor safety officers and discuss HSSE concerns, safety focus areas, planned work and any other safety-related issues that require attention.

QAFAC has achieved an impressive 18 million safe working hours without a Lost Time Injury (LTI). This profound achievement took 11 and a half years to achieve. Other remarkable milestones include no employee/contractor fatalities, Loss Time Injuries and Employee Occupational Illness were occurred during the reporting year. QAFAC has always strived to bring changes in safety culture through introducing various HSSE programs, and consistently upgrading them. There is no non-compliance incident related to health, safety, security & environment. MIC is a protected area and under MOI.

Safety Performance Statistics		
Indicator	2020	2021
Number of employee fatalities	0	0
Number of contractor fatalities	0	0
Employee lost time injuries	0	0
Contractor lost time injuries	0	0
Employee total recordable injuries	0	0
Contractor total recordable injuries	1	0
Employee occupational illnesses	0	0

During the reporting period, a total of approximately 1.4 million working hours were completed by its employees and contractors



Process Safety

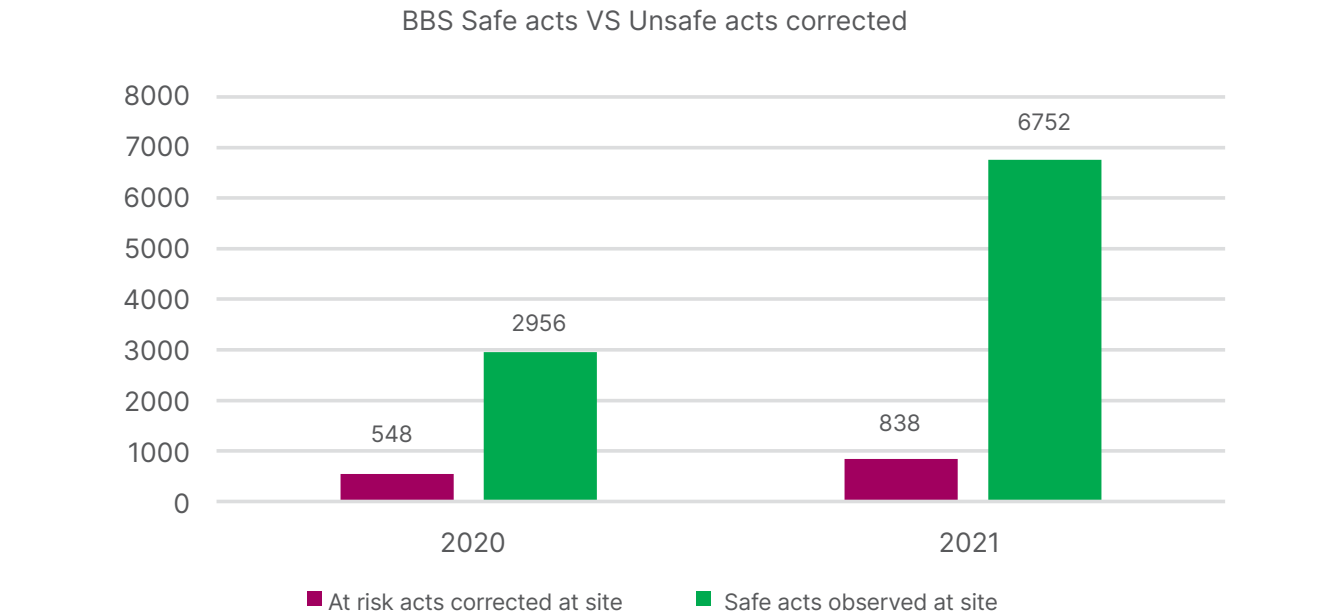
QAFAC has been consistently upgrading and improving its safety culture. It's HSSE central committee, chaired by Chief Executive Officer, with its senior management in operations and other internal stakeholders, oversees process-safety matters, establishes process safety guidelines, and recommends process safety trainings for personnel on-site. The committee also audits the performance in all the essential elements of PSM, to ensure continual improvement in its safety systems and performance. Its integrated HSSE and PSM procedures and process safety information management procedure helps provide a directive to manage PSM

implementation. Moreover, its Process Hazard Analysis (PHA) standard and sub-procedures provide comprehensive requirements for implementing its process hazard analysis program.

QAFAC employs a PSM system audit procedure and a suite of protocols that ensure the tracking and monitoring process safety requirements. Simultaneously, it also maintains several programs that support it in upholding excellence in reliability and process safety.

As part of its PSM, QAFAC also conducts detailed investigation of incidents (RCA) related to equipment and processes. In 2021, there were no cases of Tier-1 and Tier-2 process safety incidents.

Behavioral-Based Safety (BBS) program, also an integral part of QAFAC's entire safety culture motivates employees to work safely, rectify unsafe acts and behaviors, and encourage employees on safer way to perform a job.



Training and Education

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

Training initiatives and employee skill sets are identified by the training need assessment, and this marks the starting point for its training development process. Training need assessments help in bridging the gap between the current and desired employee performance, aided by the development of various training programs.

QAFAC's e-learning platform called 'Percipio' which was launched in 2020 is a one-stop solution for all learning related requirements within QAFAC. This virtual learning platform has helped in accelerating learning during the COVID-19 pandemic.

Supply Chain

To depict QAFAC's commitment to environmental and social responsibility through its value chain, QAFAC developed a Procurement Policy that guides it through achieving a sustainable supply chain.

To implement its Procurement Policy, QAFAC developed a Supplier Performance Evaluation

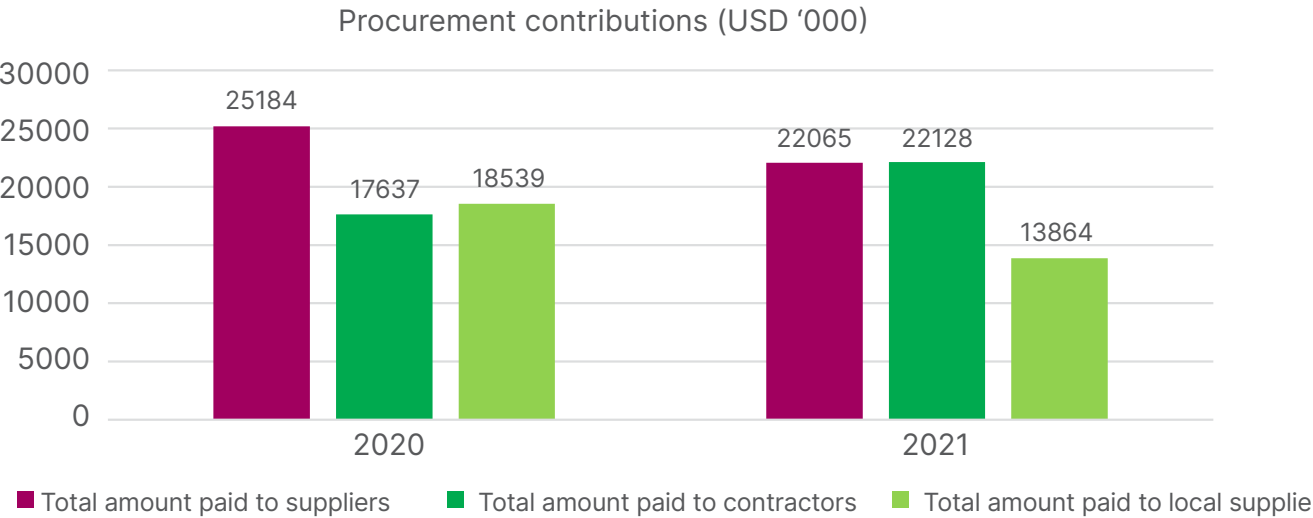
Procedure where it follows a systematic approach to assess its suppliers and contractors, considering their technical and commercial capabilities, ISO certifications such as ISO 9001, ISO 14001 and ISO 45001, and their relationships with Qatari companies in the oil and gas industry.

To ensure its alignment with the Economic Development Pillar of QNV 2030, QAFAC Procurement Department focuses on dealing with local suppliers, thus contributing to the economic development of its local communities. This is depicted in its Procurement Policy as well, where it emphasizes on dealing with Qatari companies, Qatari nationals or companies controlled by the latter as a preference.

QAFAC’s Procurement Department also manages, records, monitors and tracks all supply chain related data including payments for suppliers, contractors and local suppliers. To reduce its costs in procurement, QAFAC follows an official tendering process where tenders are floated either by QAFAC or combined with QatarEnergy as part of the Tawteen initiative. Examples include, security service agreements, Personal Protective Equipment (PPE), etc.

In 2021, QAFAC paid a total of USD 44.19 million to its suppliers and contractors for their goods, products and services which is 3.2% more than what was paid in 2020.

On local suppliers, QAFAC spent USD 13.86 million, contributing to 63% of total supplier contribution which is less than that of 2020 contribution.

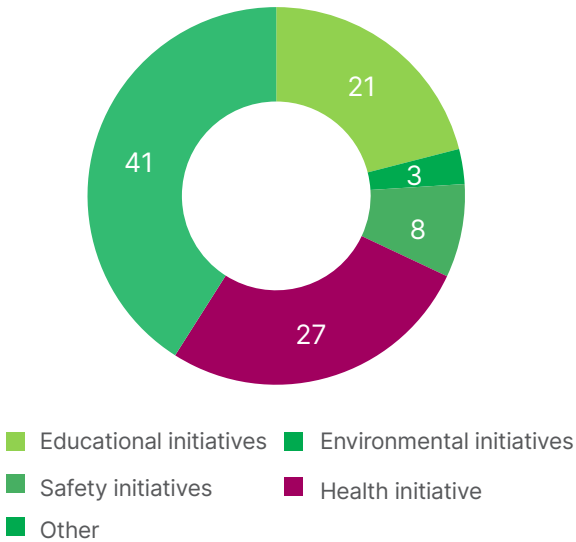


Local Communities

QAFAC understands that its responsibility further extends towards contributing positively to Qatari society and address the needs of the local communities that it operates in. CSR initiatives under its four core objectives to support its local community, i.e., Health, Education, Environmental awareness, and Sports.

QAFAC is dedicated towards helping the local community even after experiencing two challenging years consecutively due to COVID-19 pandemic.

Community Investment by Focus Area (%)



Jointly with QatarEnergy & other operators, QAFAC also organizes educational presentations and trainings at community level to spread information on waste management and guidance on how local communities can practice environmentally sustainable living. Each year, QAFAC celebrates Qatar’s National Sports Day on the second Tuesday of February, as a day dedicated towards health and overall well-being of Qatar citizens.

Product responsibility

To ensure highest standards of safety QAFAC developed its Material Safety Data Sheets (MSDS) in line with the United Nations Globally Harmonized System of Classification and Labelling of Chemicals (GHS) for its products. They are publicly available on its website to be used by its customers and people who handle, transport and use its products.

QAFAC conduct Health, Safety and Environmental (HSE) impact assessments for its products to mitigate HSE impacts and protect people and customers who handle, transport and use its products. These assessments allow QAFAC to identify any potential hazards and the required measures to be taken in case of exposure in addition to first aid measures.

In 2021, QAFAC upgraded its IA/UA compressors in methanol production process to obtain addition 20% of air capacity. QAFAC also replaced the annular plate and CP system of the tanks TK-3102-C and TK-3101-B. Additionally, QAFAC reviewed and revised the methanol utility and Standard Operating Procedures.

In 2021, QAFAC did not face any incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of its products. From a product responsibility aspect, QAFAC is eager to invest in MMA specifically due to its positive environmental impact and high recyclability.

QAFAC ensures to be compliant with international regulations on its products such as the REACH regulation in EUROPE. For instance we are in compliance with REACH requirements for Europe and Korea and also conform to Regulation (EC) No. 1907/2006 (REACH), Annex II, as amended by Commission Regulation (EU) 2015/830 - Netherlands.

Qatarization

Qatarization is a government initiative devised to increase the number of Qatari citizens employed in public and private sectors. While the expatriate population has rapidly grown since the late 20th century, the Qatari population has increased only at a marginal rate. Therefore, as a means to decrease dependence on foreign labor, the Qatari government has heavily prioritized Qatarization in recent years. In line with its commitment to the Qatar National Vision (QNV) 2030, QAFAC provides job opportunities for Qatari nationals, which backs our growth, and helps in the preservation of its cultural identity as a Qatari organization.

QAFAC has commitment towards sustaining a growing base of Qatari employees by maintaining an annual average Qatarization rate of approximately 28% for the past several years. To promote and track its Qatarization efforts, QAFAC has an internal Qatarization Committee headed by its CEO and consisting of senior management representatives. QAFAC's Qatarization plans include conducting annual career fairs to attract Qatari high school and university students to join QAFAC. To improve the effectiveness of its Qatarization efforts, various training programs are designed that aid in increasing Qataris in the workforce and enhance local employment in line with UN SDG 8 – Decent Work and Economic Growth. QAFAC's Training and Nationalization division monitors and manages the training programs for increasing the participation of Qataris in the workforce. In 2021, QAFAC provided 39 trainees an opportunity to join QAFAC and learn from its experienced team of professionals. In 2021, QAFAC provided support to 7 young Qatari students pursuing higher education at national and foreign educational institutions. After completion, QAFAC provided 2 developpees with a fulltime employment prospect at QAFAC. Also, in 2021 through its Field Development Program, QAFAC supported 32 developpees. In 2021, there was a 0.1 percent increase in the Qatarization rate, moving from 30% to 30.1% in 2021.

Due to its Qatarization initiatives in 2021, out of total workforce of 319 employees, Qatari nationals constituted 96 employees of QAFAC's workforce. A total of 73% of QAFAC's senior management positions are held by national talent.

Governance structure

Corporate Governance at QAFAC: The Board of Directors (BoD) is the ultimate governing body overseeing and supporting QAFAC's executive management in monitoring legal and statutory compliance, establishing internal controls, and managing risks. The Board also approves the strategic direction, plans and priorities for the Company and monitors the performance against strategic business plans. This is achieved through a monthly reporting system, monthly report review meetings with BoD representatives, BoD and the Audit Risk Committee (ARC).

QAFAC's Board of Directors is comprised of the Chairman, Vice-Chairman, Chief Executive Officer (CEO) and five other directors with representation from all shareholders. Every year, the Board holds an annual meeting with shareholders referred to as an Ordinary General Assembly (OGA), which is a legal requirement for organizations, as per the Companies Law. Concerning the remuneration policies, the members of the BoD are entitled to obtain an annual remuneration, which is approved by a shareholders' resolution at the yearly OGA.

QAFAC's Corporate Governance Manual is undergoing revisions and updates primarily to incorporate the upcoming changes in the Article of Association and thereafter will be tabled for approval by QAFAC's management.

Risk Management

The repertoire of the projects at QAFAC are envisioned, planned, executed, implemented, and commissioned through a collaborative approach. The synergy amongst QAFAC's departments has been a cornerstone for the organization's success over the years. With the corporate strategy refresh, QAFAC refreshed its approach to inter-organizational collaboration, with, key departments working closely to shape the strategy implementation. In addition to the corporate strategy refresh of 2019, the organizational structure had undergone minor reshuffling of departments. One such structural change had been the apt integration of corporate planning, corporate risk management and corporate strategy departments. Risk management is a critical component of QAFAC's business performance, and this reshuffle ensures a streamlined approach to integration of the enterprise risks into corporate planning and vice-versa. This acts as an addition to its constant efforts directed towards eliminating uncertainty surrounding QAFAC's strategic objectives, business strategy plans and operational effectiveness.

QAFAC's guiding framework for risk management is the ISO 31000: 2009 Enterprise Risk Management (ERM) framework. Under the guidance of this management system, QAFAC has identified eight major risk categories to ensure their proper management and minimization of consequences. In 2022 QAFAC is engaging MARSH, a third party to look into its ERM. Environmental risk management is embedded in all risk evaluation categories.



The Internal Audit department maintains its independence by remaining independent of QAFAC's organizational management, with a direct reporting line to QAFAC's Chief Executive Officer (CEO) and subsequently to the Board of Directors (BoD). Periodic internal audits as mandated by the ISO standard requirements are met and complied to.

Remuneration policies

Board Charter contains approved Directors remuneration policy. It is a legal requirement for organizations, as per the Companies Law. Concerning the remuneration policies, the members of the Board of Directors are entitled to obtain an annual remuneration, which is approved by a shareholders' resolution at the yearly OGA.

Individual Director complete self-assessments on annual basis. The Board Secretary shall prepare executive summary of the results and an outline of the next steps or an agreement on an action plan.

Code of conduct, Ethics and Culture

In 2021, QAFAC has chartered new paths, scripted renewed possibilities, and is on a trajectory to internalize its organizational culture in print through a new Code of Conduct (CoC). QAFAC is currently guided by our Code of Ethical Conduct and Conflict of Interest policies and further, an employee handbook "Guide to the QAFAC Code of Ethical Conduct". In this reporting year, QAFAC's Legal department, with the support of QAFAC's Executive Leadership Team (ELT), has undertaken the colossal task of finalizing the new Code of Conduct (CoC) comprising a total of 19 policies. These policies are principally aligned with QatarEnergy and are being developed with their guidance. As per the accepted protocols at QAFAC, the policies are currently in the reviewing and designing process then followed by QAFAC Management sign-off and are expected to be formalized and implemented by the Q4 of 2022 or early 2023.

Projects and Future plans

QAFAC's focus on environmental protection and implementation of environmentally friendly initiatives is a significant driver of responsible and environmentally responsible production methods. QAFAC has maintained its commitment to conduct its business aligned to the goals of environmental preservation. Initiatives to influence its footprint on the environment in a positive manner include the Carbon Dioxide Recovery Unit, the Selective Non-Catalytic Reduction Unit in methanol reformer and the Near-Zero Liquid Discharge (N-ZLD) project, which is currently under construction (for more details on this project please refer to QAFAC sustainability report 2021 published on QAFAC's website).

QAFAC is also upgrading its Jetty product loading system which enhance safety and limit the emission of vapors thereby reducing the environmental pollution from ship loading activities.

It has successfully completed the construction and commissioning of the Regenerate Gas Scrubber (RGS) Unit in the last quarter of 2021. QAFAC is monitoring the RGS unit to evaluate the performance against desired targets. RGS project accomplishes reduction of emissions and curbs appetite for natural gas which is a win-win for the environment and QAFAC.

No	Project description	Project value (USD)
1	Near Zero Liquid Discharge (N-ZLD)	36,000,000
2	QAFAC Berth Jetty Upgrade & vapor recovery system	6,000,000
3	Revamp of Current Boilers to reduce NOx emissions	4,000,000

Appendix: Index of Key Performance Indicators

KPI #	ESG Key Performance Indicators	Measurement	QAFCO	QAPCO	Qatar Steel	QAFAC	Consolidated
ENVIRONMENT							
1	Environmental Policy	Does the Company publish and follow an environmental policy?	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 (MN GJ)	185.275	19.163	13.235	23.336	241.009
4	Energy Intensity	Amount of energy used (GJ/Ton)	29.13	10.6	13.11	14.57	22.36
5	GHG Emissions	Total amount of greenhouse gas emissions (Mn MT)	5.162	1.824	0.958	1.074	9.018
		Total GHG emissions intensity (tonnes of CO2eq/ tonnes produced)	0.828	1.01	0.95	0.67	0.85
6	Primary energy source	Specify the primary source of energy used by the company	Natural gas	Fuel Gas	Natural gas	Natural Gas	Natural Gas
7	Renewable energy intensity	Specify the percentage of energy used that is generated from renewable sources	Nil	Nil	Nil	Nil	Nil
8	Water Management	Total amount of water consumption (mn m3)	6.452	2.371	0.437	1.302	10.562
		The total volume of water recycled/ reused in Mn m3 by the organization per year	6.227	0	0.096	0.332	7.745
		%age of water recycled to total water consumption	97%	0	22%	26%	69%

KPI #	ESG Key Performance Indicators	Measurement	QAFCO	QAPCO	Qatar Steel	QAFAC	Consolidated
9	Waste management - Total waste produced/ generated, recycled, or reclaimed, by type and weight	Production (MT)	5211	1,488	252,844	1344	260,867
		Recycled (MT)	808	429	109,311	16	110,566
SOCIAL							
10	Full time employees	Total workforce	1114	1210	1,062	319	3705
11	Employee Benefits	Total amount of employee wages and benefits (in Mn QAR)	613	471	370	225	1679
12	Employee turnover	Percentage of employee turnover.	1.92%	2.5%	4.37%	4%	3%
13	Employee Training	Average hours of training per employee (Total hours of training for employees divided by the number of employees)	7.22	19.6	29.40	19.6	18.96
14	Health	Does the company publish and follow a policy for occupational and global health issues?	NA	Yes	Yes	Yes	Yes
15	Injury rate	Total number of injuries and fatal accidents (employees)	0	0	0	0	0
		Total Recordable Injuries	0	0.43	1	0	1.43
	Injury rate	Total number of injuries and fatal accidents (contractors)	0	0	0	0	0
		Total Recordable Injuries	1	0.29	0	0	1.29
	Injury rate	Total number of injuries and fatal accidents (employees and contractors)	0	0	0	0	0
		Total Recordable Injuries (employees and contractors)	1	0.31	1	0	2.31

KPI #	ESG Key Performance Indicators	Measurement	QAFCO	QAPCO	Qatar Steel	QAFAC	Consolidated
16	Human rights policy	Disclosure and adherence to a Human Rights Policy? Yes/No	Yes. Code of Conduct deals with the matter and relevant training in place.	Yes	Yes	Yes	-
17	Human rights Violations	Number of grievances about human rights issues filed, addressed and resolved	Nil	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	Yes
19	Women in the work force	Women in the workforce (% age and number)	4.12% (including staff under Training & Development)	5%	0.75%	7.8%	4%
		Total Women Employees	50	60	8	25	143
20	Qatarization	Nationalization rate (%) (percentage of Qatari nationals in the workforce) (also provide number of nationals in workforce)	23.52%	27%	14.31%	30.4%	21%
		No. of Qatari in workforce	262	276	152	96	786
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)	QR 400,400	Total Social Investment in Million 1.3	0	3160 USD	-
22	Local procurement	Spending on locally based suppliers (%age)	82%	71.5%	35%	63%	63%
GOVERNANCE							
23	Board Diversity	Percentage of Board seats taken by women	0	0	0	1	1
24	Board Independence	Percentage of Board seats taken by independent directors (No. and %age)	Nil	Nil	Nil	Nil	Nil

KPI #	ESG Key Performance Indicators	Measurement	QAFCO	QAPCO	Qatar Steel	QAFAC	Consolidated
25	Board - Separation of powers	Role separation of CEO and Chairman	Yes	Yes	Yes	Yes	Yes
26	Voting results	Disclosure of the voting results of the latest AGM (Yes/No)	NA	NA	NA	NA	Yes
27	CEO pay ratio	CEO pay ratio - Ratio of CEO salary and bonus against the median FTE salary and bonus	According to QatarEnergy	10.5:1	N/R	N/R	NA
28	Gender pay ratio	Ratio of Median male salary to median female salary.	According to QatarEnergy	1:1	1.09	N/R	NA
29	Incentivized pay	Specify the links between (executive) remuneration and performance targets (Yes/No)	NA	Yes	N/R	N/R	NA
30	Ethics code of conduct	Does the company publish and follow an Ethics Code of Conduct? (Yes/No)	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
32	Bribery/Anti-corruption code	Does the company publish and follow a Bribery/Anti-Corruption Code? (Yes/No)	Yes	Yes	Yes	Yes	Yes

NA - Not applicable

NR - Not reported

Abbreviations:

Abbreviation	Description
AOA	Articles of Association
BAC	Board Audit Committee
BOF	Basic Oxygen Furnace
BCP	Business Continuity Plans
BF	Blast Furnace
BOD	Board of Directors
BOD	Biochemical Oxygen Demand
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO2E	Carbondioxide equivalent
COD	Chemical Oxygen Demand
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CEMP	Construction Environmental Management Plan
CEMS	Continuous Emission Monitoring Systems
CSR	Corporate Social Responsibility
CTO	Consent to Operate
DeNOx	Denitrification
DRI	Direct Reduction
EAF	Electric Arc Furnace
EIA	Environmental Impact Assessment
ERM	Enterprise Risk Management
EU	European Union
EU MRR	European Monitoring & Reporting Regulation
GCC	Gulf Cooperation Council
GHG	Green House Gas
GJ	Giga Joules
GRC	Governance, Risk and Compliance
GT	Gas Turbines
GWP	Global Warming Potential
HAP	Hazardous Air Pollutants
HIRA	Hazard Identification and Risk Analysis
HMC	Hamad Medical Corporation
HRSG	Heat Recovery Steam Generation
HSSE	Health Safety Security and Environment
ILO	International Labour Organisation
JSA	Job Safety Analysis
KPIs	Key Performance Indicators
LLDPE	Linear Low-density Polyethylene
LOTO	Lock out Tag Out

Abbreviation	Description
LDPE	Low-density polyethylene
M³	Cubic Meter
MOC-P	Management of Change Personnel
MSDS	Material Safety Data Sheets
MeOH	Methanol
MTBE	Methyl-Tertiary-Butyl-Ether
MMBTu	Metric Million British Thermal Units
MOA	Manual of Authority
MOPH	Ministry of Primary Health
MT	Metric Tonne
NH3	Ammonia
NOx	Nitrogen Oxide
NZLD	Near Zero Liquid Discharge
OJT	On the Job Training
ONSAG	Onshore Stripped Associated Gas
OGI	Optical Gas imaging camera
OSHA	Occupational Safety and Health Administration
pH	Potential of Hydrogen
POA	Power of Attorney
PHA	Process Hazard Analysis
PSM	Process Safety Management
PSSR	Pre-start-up safety review
PTW	Permit to Work
QAR	Qatari Riyal
QNCCAP	Qatar National Climate Change Action Plan
R&D	Research and Development
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RGS	Regenerant Gas Scrubber
RoSPA	Royal Society for Prevention of Accidents
Sox	Sulphur oxides
STEM	Science, Technology, Engineering and Mathematics
STP	Sewage Treatment Plant
TA	Turnaround
TBT	Tool Box Talk
TDS	Total Dissolved Solid
TOFA	Table of Financial Authority
TVA	Toxic Vapor Analyzers
TRIR	Total Recordable Injury Rate
TSS	Total Suspended Solids
UFC	Urea Formaldehyde
VAT	Value Added Tax
VOC	Volatile Organic Compounds
WEF	World Economic Forum
ZLD	Zero Liquid Discharge



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