

2019

DRIVING SUSTAINABILITY ACROSS THE BUSINESS SUSTAINABILITY REPORT



شركة راس لفان للأوليفينس المحدودة
Ras Laffan Olefins Company Limited



شركة قطر للكيمياويات المحدودة
QATAR CHEMICAL COMPANY LTD.



ABOUT THIS REPORT

WE ARE PROUD TO BE PUBLISHING OUR 6TH ANNUAL SUSTAINABILITY REPORT FOR THE YEAR OF 2019. THROUGH THESE SUSTAINABILITY REPORTS, WE EXHIBIT OUR DEDICATION TO TRANSPARENCY AND CONSTRUCTIVE ENGAGEMENT WITH OUR INTERNAL AND EXTERNAL STAKEHOLDERS, PROVIDING THEM WITH INFORMATIVE SUMMARIES ABOUT THE IMPACT OF OUR BUSINESS ON ECONOMIC, SOCIAL, AND ENVIRONMENTAL ASPECTS.

We disclose our operational performance for the three Q-Chem operated facilities:

- Qatar Chemical Company Ltd. (Q-Chem)
- Qatar Chemical Company II Ltd. (Q-Chem II)
- Ras Laffan Olefins Company Ltd. (RLOC)

REPORTING PERIOD

The report covers the 2019 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 Q-Chem intends to conduct its activities.

Forward statements could be identified by the use of forward-looking terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that certain actions, events or results "may", "could", "should", "might", "will", or "would" be taken or be achieved.

We have made every effort to ensure the report is as accurate and truthful as possible. However, by their nature, forward-looking statements are qualified due to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond Q-Chem's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.





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A MESSAGE FROM OUR CHAIRMAN

It is with great pleasure to present Q-Chem's 2019 Sustainability Report. This is the 6th consecutive Sustainability Performance Review for Q-Chem. The Company's annual sustainability report highlights its operational performance and commitments to environmental, economic, social and health issues. In the process of driving towards sustainability, Q-Chem promotes transparent communication channels with its key stakeholders. In addition, the Company aims to engage and positively influence the communities in which it operates.

As a "Green Company", Q-Chem is committed to responsible, sustainable operations, where the Company ensures its employees come to work and go home safe and sound, with minimal environmental footprint.

Since its inception in 2004, Q-Chem has made significant leaps in regard to truly integrating sustainability into its operations, mission and vision. As a result, Q-Chem's sustainability solutions have made it a role model for other petrochemical companies.

Q-Chem's Operational Excellence Policy is its signature safety platform, setting best-in-class standards for health & safety, business excellence, and product quality. The Company's policies are aligned with Qatar National Vision 2030 (QNV 2030), which draws the path for Qatar's advancement to become a more sustainable society that places a high value on the environmental, economic, and human development matters.

Finally, I would like to thank each and every one in the Q-Chem family, from shareholders, to employees to customers, for engaging with Q-Chem in this journey. Q-Chem looks forward to a continuation of shared success and prosperity in the coming years and commits to continuing its support for continuous and sustainable improvement.



Abdulrahman Al-Suwaidi
Chairman of the Board of Directors

A MESSAGE FROM OUR CEO

Q-Chem implements world-class standards to achieve our commitment and dedication to our vision of a sustainable future. We recognize the integral role that our stakeholders and the board of directors play to develop and implement a safe working environment that exceeds international standards. Thus, we always care to engage with our stakeholders, better understand their need and use their feedback to drive continuous improvement.

We believe that reliable operations and continuous improvement are the foundation to achieving outstanding performance. As such, we continuously strive to enhance our systems in a manner that protect our people, assets, and the environment. This is how we cultivated our reputation for high safety and quality standards. The recently introduced 'Journey to Zero' program is a manifestation of those efforts that intend to reinforce personal safety and eliminate potential operational risks.

In parallel, our Operations Performance Enhancement (OPE) program initiated in 2019 helps Q-Chem accomplish its vision and protect its core values by assuring Business Excellence without compromising Quality, Efficiency, and Sustainability.

While taking this opportunity to reflect upon and celebrate the successes of 2019, let's be mindful that our journey will continue together, challenging ourselves by raising the bar and identifying more opportunities for improvement.

The biggest turnaround in Q-Chem history is coming in February 2020. We are so enthusiastic towards completing it safely, on time, and on budget; as a culmination of our successes in 2018 and 2019!



Nasser Jeham Al-Kuwari
Vice Chairman & Chief Executive Officer

OUR BUSINESS

QATAR CHEMICAL COMPANY LTD. (Q-CHEM) WAS ESTABLISHED IN 1997 AND BEGAN OPERATIONS IN 2004. WITH ITS ASSOCIATED COMPANIES, QATAR CHEMICAL COMPANY II LTD. (Q-CHEM II) AND RAS LAFFAN OLEFINS COMPANY LTD. (RLOC), THE Q-CHEM COMPANIES PRODUCE HIGH-VALUE PETROCHEMICALS AND DERIVATIVES FROM PRODUCTION FACILITIES LOCATED IN MESAIEED INDUSTRIAL CITY AND RAS LAFFAN INDUSTRIAL CITY.

BUSINESS STRUCTURE



QATAR CHEMICAL COMPANY LTD. (Q-CHEM)

Products:

Ethylene, High and Medium Density Polyethylene (HDPE and MDPE), 1-Hexene and other by-products.

Production capacity: 500,000 metric tons per annum MTPA of Ethylene, 453,000 MTPA of Polyethylene and 47,000 MTPA of 1-Hexene.

Complex facilities: Gas treatment, Ethylene cracking, Polyethylene and 1-Hexene processing, associated utilities, maintenance, warehousing, and shipping dock.



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

Products:

Polyethylene, Normal Alpha Olefins (NAO).

Production capacity: 350,000 MTPA of HDPE and 345,000 MTPA of NAO.

Complex facilities: Normal Alpha Olefins (full range of alpha olefins (NAO) including Butene, Hexene, Octene, Decene and Higher-Molecular-Weight Olefins up to C30+) and Polyethylene (PE) production, associated utilities, warehousing, and shipping dock.



RAS LAFFAN OLEFINS COMPANY LTD. (RLOC)

Products:

Cracked Ethylene, C3/C4 and Pygas.

Production capacity: 1.3 million MTPA Ethylene.

Complex facilities: Ethylene cracking and associated utilities. Ethylene produced by RLOC is transferred via a 135 km pipeline from Ras Laffan to derivatives units in Mesaieed.

CERTIFICATIONS:

- Certified on ISO 45001:2018, Occupational Safety and Health Management System (first-time)
- Re-certified on RC 14001:2015, Responsible Care Management System
- Re-certified on ISO 9001:2015, Quality Management System
- Re-certified on ISO 14001:2015, Environmental Management System
- Re-certified on ISO 17025:2017 for Testing and for testing and Calibration Laboratories.

MEMBERSHIPS AND ASSOCIATION:

- Mesaieed Industrial City (MIC) Environmental, Safety, Emergency Response & Community Outreach Working Subcommittee
- Gulf Petrochemicals and Chemicals Association (GPCA)
- Responsible Care, Supply Chain, International Trade, Research and Innovation, Procurement and Gulf SQAS (Safety & Quality Assessment for Sustainability)
- Ras Laffan Community Outreach Program (COP) and Laffan Environmental Society (LES)
- European Petrochemical Association (EPCA)
- GPCA Industrial Waste Subcommittee

OUR APPROACH TO SUSTAINABILITY

AS A RESPONSIBLE CORPORATE CITIZEN, WE OWE IT TO OUR STAKEHOLDERS AND OUR NATION TO CONDUCT OUR OPERATIONS IN A SAFE, SUSTAINABLE, AND RESPONSIBLE MANNER. SUSTAINABILITY IS FULLY INTEGRATED IN Q-CHEM'S VISION, MISSION, AND VALUES AS WELL AS OUR OPERATIONS AND BUSINESS DECISIONS. FURTHER, OUR SUSTAINABILITY STRATEGY IS DESIGNED TO BE ALIGNED WITH QATAR NATIONAL VISION 2030 AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN-SDGS).

At Q-Chem, "Sustainability" takes a broader meaning to include customer satisfaction and employee engagement, promote community partnership, and create shared value for our business partners and stakeholders. The pursuit of excellence engrained in our Sustainability Philosophy, that is focused on operating at high standards of safety and security, preserving the environment, and promoting economic growth and community well-being.



OUR CONTRIBUTION TO THE SDGS

We recognize the importance of adopting sustainability strategies to meet the needs of our business and the expectations of our key stakeholders. We also recognize that our sustainability efforts contribute to the much larger movement toward

global sustainable development, including the United Nations' 2030 Agenda represented by the SDGs.

We have prioritized eight SDGs that are most relevant to our business and are areas in which we can make a meaningful impact.



2019 HIGHLIGHTS

 <p>Initiated a BCM system</p>	 <p>12.13% decrease in energy usage</p>	 <p>16% increase in employee training hours</p>	 <p>4% reduction in operational costs</p>
 <p>Conducted strategic risk assessment</p>	 <p>6% decrease in flaring intensity</p>	 <p>Turnover Rate decreased 7.69% over 2018.</p>	 <p>74% local procurement</p>
 <p>Completed the 4th ERM review cycle</p>	 <p>15.26% decrease in natural gas intensity</p>	 <p>90% of employees have been with us for >3 years and 50% for >10 years</p>	 <p>Blood donation campaign at Q-Chem's premises in Mesaieed.</p>
 <p>12th Consecutive Year Zero Heat Stress Related Injury</p>	 <p>12.12% decrease in water intensity</p>	 <p>1.3 million tons of derivatives produced and distributed</p>	 <p>Joined the 7th edition of the "Waste Free Environment" campaign</p>
 <p>Recorded 33K+ behaviour-based observatins</p>	 <p>8.12% Recycled waste out of total waste generated</p>	 <p>100% of our facilities are ISO 14001:2015 and RC 14001:2015® certified</p>	 <p>Organized National Sport Day for the 7th consecutive year</p>
 <p>Corrected 6,000+ at-risk behaviours</p>	 <p>Replacing forklifts with new type that produce less CO emissions.</p>	 <p>ISO 45001:2018 certified</p>	 <p>3 Beach clean up campaigns at Ras Laffan and Al-Wakrah</p>
 <p>Zero employee and contractor fatalities</p>	 <p>88% employee engagement rate.</p>	 <p>Re-certified on ISO 9001:2015</p>	 <p>10 schools visited for environmental awareness training</p>

OPERATIONAL EXCELLENCE

AS A MAJOR PLAYER IN THE NATIONAL PETROCHEMICAL INDUSTRY, Q-CHEM STRIVES TO SERVE AS AN EXAMPLE FOR OUR PEERS BY CONDUCTING OUR DAILY BUSINESS IN A SECURE, SAFE, INJURY-FREE, AND ENVIRONMENTALLY RESPONSIBLE MANNER.

This commitment to excellence and industry leadership is expressed in our Operational Excellence Policy and supported by our comprehensive Operational Excellence (OE) Management System. Q-Chem’s OE Management System guides us in embedding sustainability aspects throughout our operations.

MANAGING ENTERPRISE RISKS

Effective risk management is a fundamental element to achieving its strategic objectives and to ensure organizational sustainability.

In 2019, we completed the 4th annual Enterprise Risk Management review cycle and the ERM maturity assessment. As a result, key risks and mitigations plans were communicated by Q-Chem’s senior leadership to the respective boards of Q-Chem and RLOC.

We also integrated ERM into the strategic planning process and initiated a business continuity improvement project.

CYBER SECURITY

A strong cyber security system has become a necessity to maintain business continuity and prevent cyber-attacks in this digital world. In 2019, we continued to strengthen our cyber security by adopting a new security system that provides enhanced, resilient, and dynamic protection controls of our enterprise apps and data. Q-Chem’s cyber security systems ensure compliance with all applicable local and international standards regarding data safety.

INTEGRATED MANAGEMENT SYSTEM

In November 2019, we engaged a world leading consultant firm to enhance our operational performance and align our operations with industry best practices. This engagement built on the efforts invested in the Operational Performance Enhancement (OPE) Program that guides continuous improvement at Q-Chem.

As a result, Q-Chem successfully achieved accredited RC and ISO certifications following an integrated management system (IMS) approach.

LOOKING FORWARD

In 2022, our IT team will be focusing on improving automation and enhancing digital transformation by deploying new innovative systems and upgrading existing ones. For example, we are excited to launch our new end-to-end product-based solution that uses cutting edge Business Intelligence/ Data Warehouse (BI/DW) technologies to generate an intelligent reporting system across all departments. This will greatly enhance our productivity and improve the overall reliability of our business and operations.

“Reliable operation and continuous improvement is the foundation to achieve outstanding performance. We continuously strive to enhance our systems, protect our people, assets, and the environment.

Nasser Jeham Al-Kuwari,
Q-Chem CEO

2019 PERFORMANCE

ADVANCED MANAGEMENT APPS:

- ▶ Enterprise Risk Management System
- ▶ The Laboratory Reporting System
- ▶ The Q-Chem Project Management System



Completed

the 4th ERM review cycle



Process Safety Management



(PSM) Audit and the OE Audits were conducted

Accredited certifications:



- ▶ Certified ISO 9001
- ▶ Re-certified ISO 14001
- ▶ Re-certified ISO 45001
- ▶ Re-certified ISO 17025
- ▶ Re-certified RC 14001

HEALTH AND SAFETY

AT Q-CHEM, SAFETY MEANS PROVIDING A SAFE AND HEALTHY WORKPLACE AS WELL AS PROTECTING OUR PEOPLE, OUR ASSETS, AND THE ENVIRONMENT.

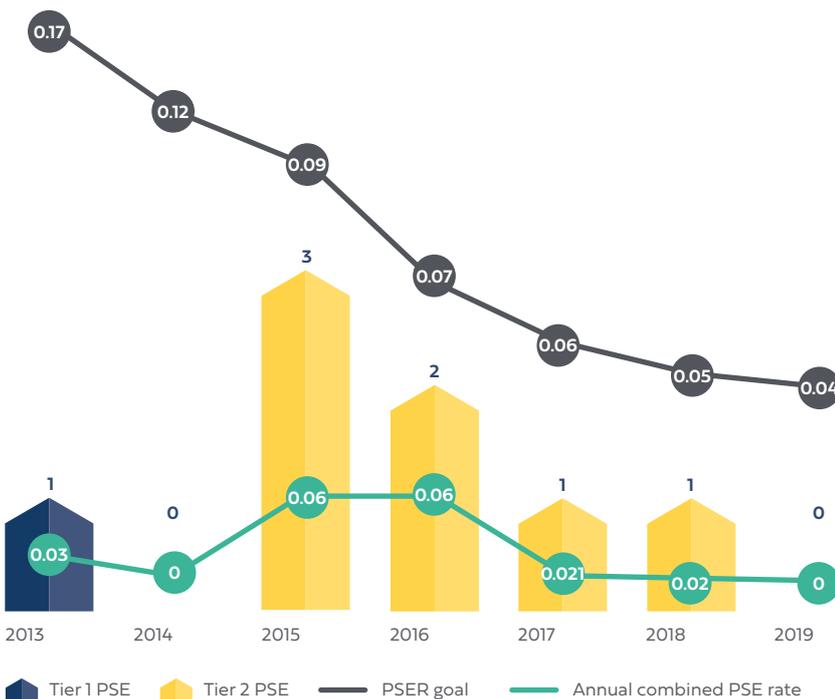
We distinguish ourselves in the industry through our high safety standards and our relentless efforts towards excellence.

As part of our Integrated Management System (IMS) approach, this year we have obtained the certification of ISO 45001:2018 for Occupational Safety and Health Management System.

Safety is one of Q-Chem's core values and we always strive to demonstrate our commitment to safety at work through our engagement between our Senior Management team and employees in the field.

In addition, leadership teams conduct weekly leadership walkthroughs and quarterly engagement visits throughout the year for all three manufacturing facilities, Q-Chem, Q-Chem II, and RLOC to engage with employees and contractors; and identify potential risks and improvement opportunities.

SAFETY PERFORMANCE



2019 PERFORMANCE

12th

Consecutive Year Zero Heat Stress Related Injury



30,000

behavior-based recorded observations and corrected +6,000 at-risk behaviors



Zero

Process Safety Event Rate (PSER)



Certified

on ISO 45001:2018 for Occupational Safety and Health Management System

Zero

fatalities (both employees and contractors)



“ COME SAFE; WORK SAFE; GO SAFE; WE CARE FOR YOU...”

HSE AWARENESS

At Q-Chem, we place a high focus on leveraging our employees' awareness of safety topics and heighten that awareness with continuous training and education programs. To accomplish this, we set annual training goals for our employees and ensure that they achieve their annual required HSE training hours.

In 2019, we recorded a 20% increase of total training hours for HSE topics compared to 2018. Furthermore, we launched several Safety Awareness campaigns during 2019, such as the Summer of Safety (SOS) Campaign with its theme, "DON'T WAIT... HYDRATE!" intended to make people aware of the transition into the summer period and the accompanying heat stress hazards.

In 2019, Q-Chem completed 12 years without a heat related injury/illness. This accomplishment is a result of the increased awareness on heat stress of all employees and contractors.

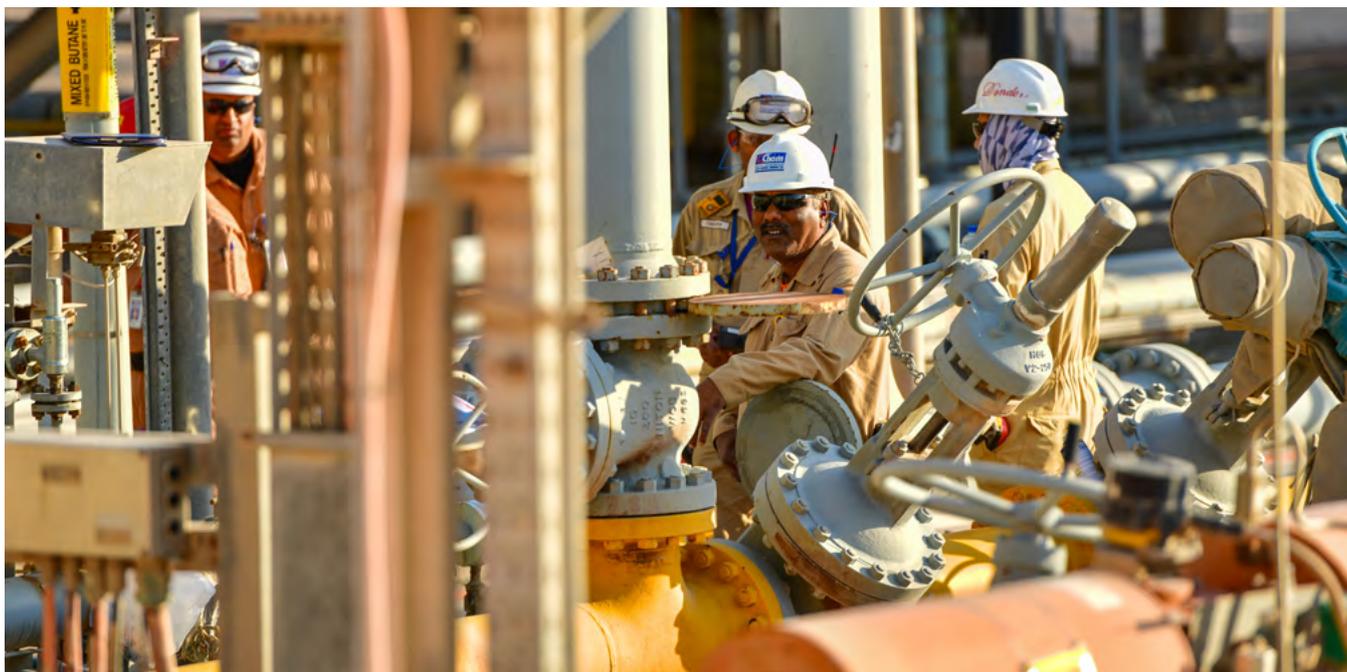
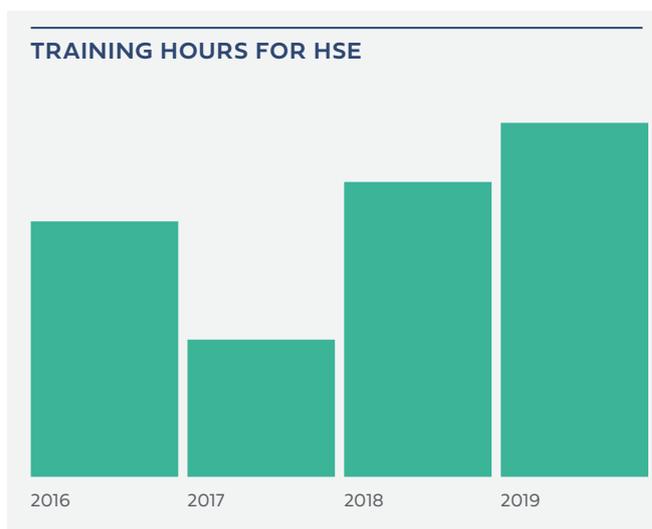
PROCESS SAFETY

2019 was recorded as the most successful year in Q-Chem's Process Safety Performance. Q-Chem ended the year with "Zero" Process Safety Event Rate (PSER) against a 0.04 limit.

Through our Q-Safe program, a behavior-based safety program, more than 6,000 at-risk behaviors were identified and corrected through over 33,000 Q-Safe observations.

PRODUCT SAFETY

We are committed members of the GPCA Responsible Care® and Gulf SQAS initiatives. Our Product Risk Management Team (PRMT) leads and proactively manages the adverse impacts of our products, covering the whole life cycle from the procurement of raw materials and manufacturing to delivery, handling and disposal. Our product Safety Data Sheets (SDS) and Product Stewardship Summaries (PSS) are available for download on our website. All our facilities have been accredited for ISO 14001 Management and RC 14001® Responsible Care standards.



ENVIRONMENTAL STEWARDSHIP

ONE OF Q-CHEM'S CORE VALUES IS TO BE A "GREEN COMPANY," AND AS SUCH, WE HOLD OURSELVES ACCOUNTABLE FOR PROTECTING NATURAL RESOURCES AND MINIMIZING OUR IMPACT ON THE ENVIRONMENT (AIR, WATER, ENERGY, AND WASTE).

We encourage and reward the creative ideas from our employees and contractors towards saving resources, minimizing emissions and discharges, and maximizing the reuse and recycling.

Q-Chem invests in various tools and programs that guide our employees and contractors towards our objectives to operate safely and lessen our ecological footprint.

CLIMATE CHANGE AND ENERGY

In 2019, we have reduced our natural gas intensity (m³/ton of production) by 15.26% compared to 2018 while increasing production. Our GHG emissions were relatively consistent in comparison to previous year.

We continuously strive to minimize the SO₂, NO_x and CO₂ emissions that result from flaring. Through continuously

monitoring emissions and implementing new technologies we have significantly decreased our flaring intensity (m³/ton of production) by 6.26% over last year.

Our Operational Performance Enhancement (OPE) program is designed to achieve business excellence in a manner that enhances performance optimizes cost savings. Aligned with that strategy, we have achieved remarkable energy savings in 2019, while reducing total energy usage 12.13% compared to 2018. This was accomplished by our OPE team through initiatives such as adjusting the recirculation flow on condensate pump discharge to lower the power consumption and minimizing low pressure steam venting during summer months to increase ambient temperature.



2019 PERFORMANCE

12.13%

reduction in energy usage over 2018

⚡

6.26%

reduction in flaring intensity over 2018

🔥

15.26%

reduction in natural gas fuel Intensity over 2018

☁️

12.12%

reduction in water usage intensity over 2018

💧

8x

increase in waste recycling over 2018

♻️

3.86%

increase in water recycled over 2018

💧

53%

reduction in water bottles usage over 2018

🍷

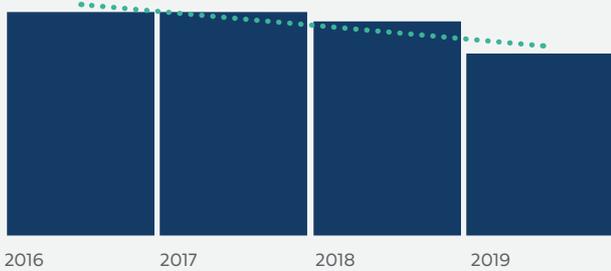
Replacing forklifts

with new type that produce less CO emissions

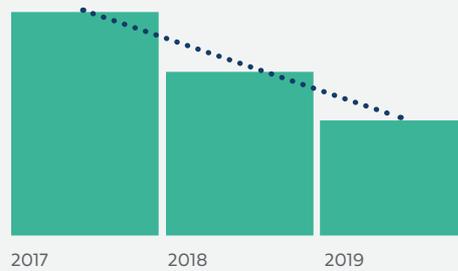
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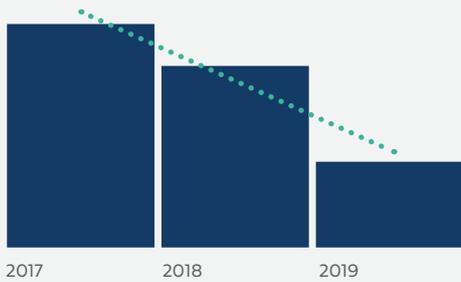
**NATURAL GAS INTENSITY
(M³/TON OF PRODUCTION)**



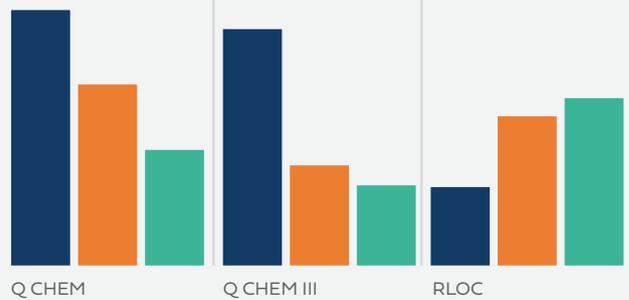
**FLARING INTENSITY
(M³/TON OF PRODUCTION)**



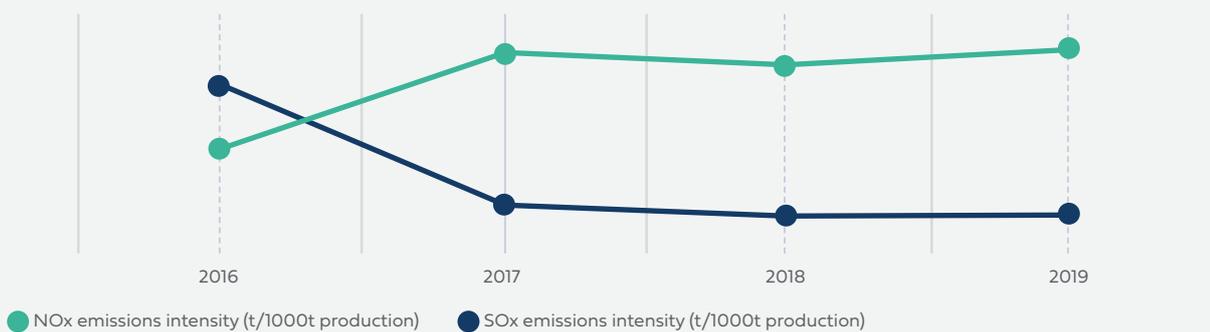
**ENERGY USE INTENSITY
(GJ/TON OF PRODUCTION)**



**ETHYLENE GAS FLARING
(% FLARING OF TOTAL GAS PROCESSED)**



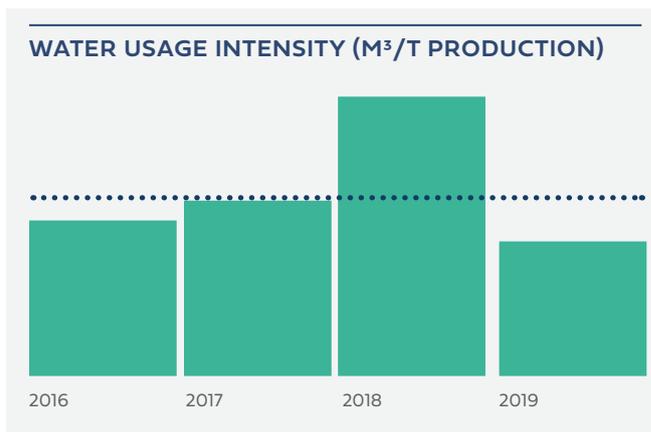
SO₂ & NO_x EMISSIONS INTENSITY (TON EMITTED/1000 TONS OF PRODUCTION)



WATER

Q-Chem companies had successfully increased the internal reuses of the treated wastewater and have plans underway to maximize the reuses in the coming years aiming to reach near zero liquid discharge.

In 2019, we reduced our water usage intensity by 12.12% and increased the intensity of recycled water by 6.19% compared to 2018. This was accomplished despite the increase in water usage due to the steam needed at RLOC facility.



WASTE

Managing waste in a sustainable manner is one of Q-Chem top sustainability priorities. Our environmental team has initiated a waste minimization program designed to optimize waste reduction, reuse and recycling. In addition, we have launched an awareness campaign to instill the message of "Act now, Preserve the future", where individual waste management awareness cards were distributed to employees to remind them that waste minimization is EVERYDAY's duty and EVERYONE's responsibility. These actions translated into inspiring results. In 2019, we have increased recycling rates as a percentage of total waste generated by 8-fold. Specifically, 1,700 wooden pallets were reused, 940 tons of Metal scrap were recycled, and 20 metric tons of used tires were recycled, in addition to many other individual accomplishments.



RECYCLING ACHIEVEMENTS IN 2019:

 In process recycling of 0.96 MT of catalyst	 9 MT of e-waste recycled	 34 MT of paper and cardboard waste recycled
 3,000 drums reused as hazardous waste containment	 9.44 MT Lead acid batteries recycled	 20 MT of used tires recycled
 95 MT Off-site recycling of lubricant oil	 1,700 wooden pallets reused	 118 MT of garden waste composted
 985 MT recovered hydrocarbon waste	 154 MT of plastic waste recycled	 940 MT of metal scrap recycled

HUMAN CAPITAL

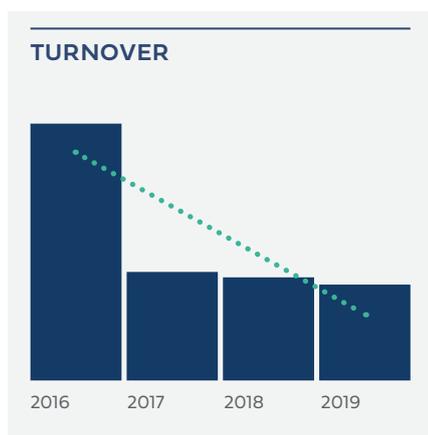
AT Q-CHEM, "CARE & RESPECT FOR ALL PEOPLE" IS ONE OF THE CORE VALUES, AND AS SUCH, WE STRIVE TO MAINTAIN A POSITIVE, SAFE, HEALTHY AND BALANCED WORK ENVIRONMENT FOR OUR EMPLOYEES. WE BELIEVE THAT OUR PEOPLE ARE OUR GREATEST ASSET AND INVESTING IN THEIR DEVELOPMENT AND WELLBEING TRANSLATES TO BUSINESS SUCCESS, PRODUCTIVITY AND SHARED VALUE FOR ALL.

CARING FOR OUR TALENTS

One of our top priorities is to attract and retain the most talented individuals in the industry and those who reflect our corporate culture and adopt our vision of sustainability. We achieve this by retaining low attrition rates through talent development programs, competitive incentives schemes, and high employee engagement.

As a testament to our high retention rates, turnover has been decreasing dramatically over the last 4 years and our engagement survey conducted in 2018 resulted in an impressive engagement rate of 88%.

The results of this survey were the cornerstone of the actions taken in 2019 to address the improvement opportunities and improve employees' satisfaction.



2019 PERFORMANCE

Engaged Performance Award



presented by Korn Ferry for achieving a best-in-class level of employee engagement and enablement.

88%

engagement rate on Q-Chem's first Engagement Survey



16.69%

increase in Employees' Training Hours over 2018



7.69%

decrease in Turnover Rate over 2018



Long Service Award

90%

of our employees have been with us for more than 3 years



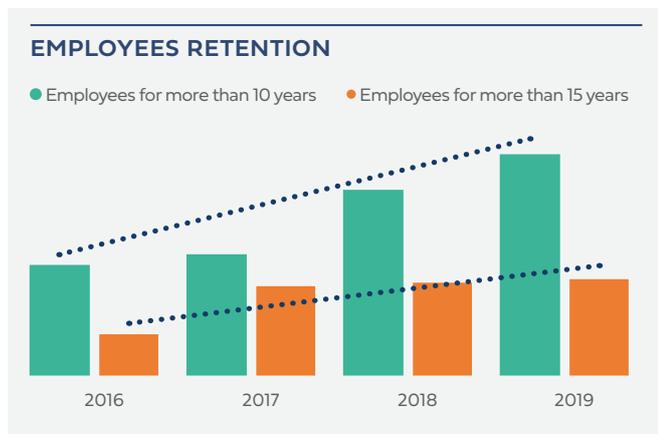
50%

of our employees have been with us for more than 10 years.



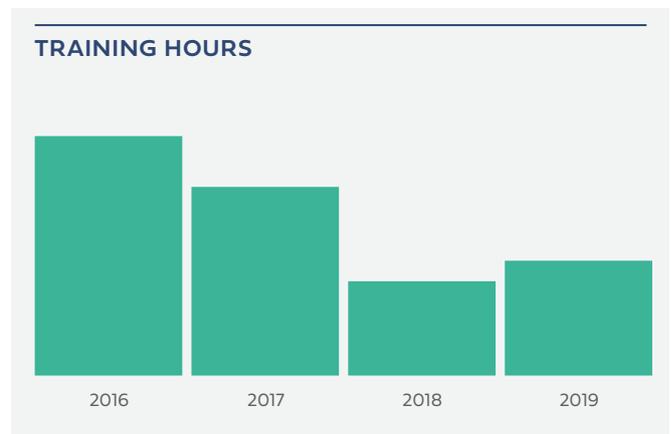
TAQDEER PROGRAM:

In addition, we have recognized 139 employees with “Long Service Awards” for completing 5, 10 and 15 years of service at Q-Chem. We are proud that this number is continuing to grow each year. Also, through the Taqdeer initiative we recognize employees whose achievements have contributed to the company’s overall objectives.



TRAINING AND DEVELOPMENT:

We invest significantly in developing our workforce capacity, both academically and professionally through sponsorships and development programs. We aim to ensure our employees are well prepared to take on the challenges of the future.



ECONOMIC PERFORMANCE AND PRODUCT RESPONSIBILITY

WE CONTINUE TO PURSUE NEW OPPORTUNITIES TO INCREASE OUR OPERATIONAL EFFICIENCY AND OPTIMIZE COSTS AND PERFORMANCE THROUGH THREE MAIN AREAS: PRODUCTION AND SALE, FISCAL RESPONSIBILITY, AND DIRECT AND INDIRECT IMPACTS.

ECONOMIC PERFORMANCE

Q-Chem's primary responsibility is to generate and distribute economic value to our stakeholders. Q-Chem and its associated companies have very strong track record of economic performance demonstrated by our sustained production capacity and sales levels, in addition to maintaining operational excellence throughout our history.

We continue to pursue new opportunities to increase our operational efficiency and optimize costs and performance through 3 main areas:

PRODUCTION AND SALES

Although the global trend in oil prices declined from the previous year, 2019 marked the second best year for production in Q-Chem's history with more than 1.3 million tons of derivatives produced and distributed. Over the last 7 years, Q-Chem consistently produced more than 1.2 million tons of annual derivatives, which is evidence of Q-Chem's sustainable economic performance.

FISCAL RESPONSIBILITY

Maximizing our shareholders' profitability is a key objective at Q-Chem. In 2019, Q-Chem achieved savings of 4% on expenses compared with the budget through various initiatives to improve operational efficiency.

DIRECT AND INDIRECT ECONOMIC IMPACT

As part of our commitment to maximize our local economic impact, our procurement policies give purchasing priority to Qatar-

based suppliers. In 2019, our local procurement rate stood at 74%.

As part of our strategic goals for sustainable growth, Q-Chem, Q-Chem II and RLOC altogether aim to increase the production target from the current production capacity that is based on 8,000 operating hours per year up to a maximum capacity based on 24/7/365 operation at 100% feedstock processing.

Q-Chem is also planning to carry out a number of upgrades that will provide redundancy, reliability and support for the next major planned turnaround activities.

PRODUCT RESPONSIBILITY

Our Product Risk Management Team (PRMT) leads and proactively manages the adverse impacts on our products, covering the entire lifecycle of the product, from the procurement of raw materials, manufacturing, delivery, handling and finally the disposal of our products. In addition, all our facilities have been accredited for ISO 14001:2015 Environmental Management, ISO 9001:2015 Quality Management, RC(R) 14001:2015 Responsible Care, and ISO 45001:2018 for Occupational Safety and Health Management System.

We continuously work to limit all risks related to our products throughout their lifecycle and to mitigate operational risks.

2019 PERFORMANCE

1.3 million tons



of derivatives produced and distributed

4%

reduction in operational costs



74%

local procurement



90%

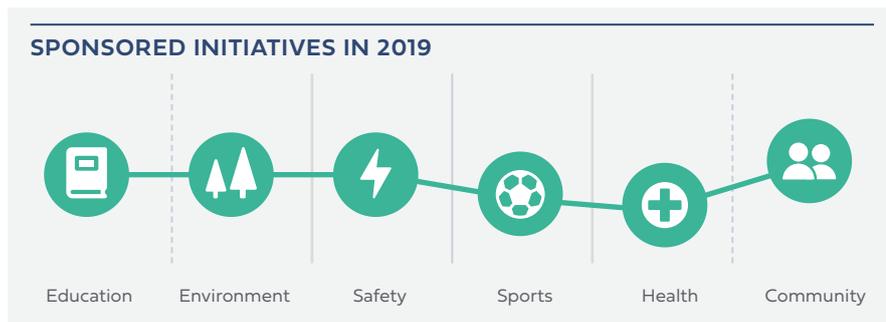
of our employees have been with us for more than 3 years



SOCIAL ENRICHMENT

ENRICHING SOCIETY AND UPLIFTING LOCAL COMMUNITIES IS A VITAL PART OF Q-CHEM'S SUSTAINABILITY AGENDA. WE INVEST IN OUR COMMUNITY THROUGH VARIOUS ACTIVITIES AND CAMPAIGNS THAT ADD VALUE TO OUR EMPLOYEES, ENVIRONMENT AND SOCIETY.

In 2019 Q-Chem employees provided more than 1000 volunteering hours. In addition, our total social investment grew 76% compared to the previous year. These contributions have enhanced our CSR activities and positively impacted nearly 7840 people in Qatar.



PROMOTING HEALTH OF EMPLOYEES, COMMUNITY

In line with its continuous commitment in improving health of our employees and the community at large, in November 2019, Q-Chem held a blood donation campaign at its premises in Mesaieed. The campaign was organized in coordination with Hamad Medical Corporation (HMC) Blood Donation Unit to increase the vital stocks of blood in Qatar.

Our leadership team, employees and contractors from all departments in the locations attended to support the campaign, resulting in outstanding participation rates.

Inside Q-Chem community, Medical and PR teams worked together to conduct a flu vaccination drive intended to reduce flu cases during winter season and to raise awareness on the importance of vaccination for employees and their family members.



2019 PERFORMANCE

1,000

volunteering hours



76%

increase in social investment



Participated in **turtle beach clean up campaigns**



7,800+

beneficiaries



Total Quality Qatarization (TQQ) program



to prepare, attract and develop Qatari nationals

CHAMPIONING FOR ENVIRONMENT PROTECTION

In addition to efforts to reduce carbon footprints, a number of environmental initiatives were executed in 2019. In March, Q-Chem joined with its partners in the seventh edition of the 'Waste-Free Environment' campaign. The campaign aimed at strengthening the concepts of sustainability and conservation of resources. Also, Q-Chem companies participated actively in Turtle Beach Clean Up Campaigns in February and December 2019, besides visiting 10 schools for environmental awareness discussions. This is Q-Chem's commitment in protecting and eliminating the impact of our activities, operations, and products on the environment. The campaign engaged diverse stakeholders, including government entities; industrial sectors; educational institutions and their wider communities.

SUPPORTING CSR EDUCATION IN QATAR

Being a member of Abdullah Bin Hamad Al Attiya Foundation, a non-profit organization that provides practical knowledge and engagement in sustainable topics, Q-Chem supported the first edition of CSR Handbook. This reflects our commitment to conducting diverse social responsibility activities

and making substantial contribution to CSR understanding. Q-Chem plays a vital role in the implementation of Qatar National Vision 2030 and the UN Sustainable Development Goals.

SPORTS: PROMOTING ACTIVE HEALTH LIFESTYLE

In February 2019, we organized the National Sport Day for the 7th consecutive year at Al Reem Club, Mesaieed. Employees and members of their families had an opportunity to participate in a range of sporting activities for all ages and genders. Through this event, we highlight the importance of sports and fitness in achieving a sound and healthy lifestyle, which in turn contribute to the health and safety culture at Q-Chem.

Similarly, for the second consecutive year we conducted Ramadan Cup – an inter-department football tournament. The event aims at engaging employees especially football fans to practice their favourite sports and maintain a good health.

QATARIZATION:

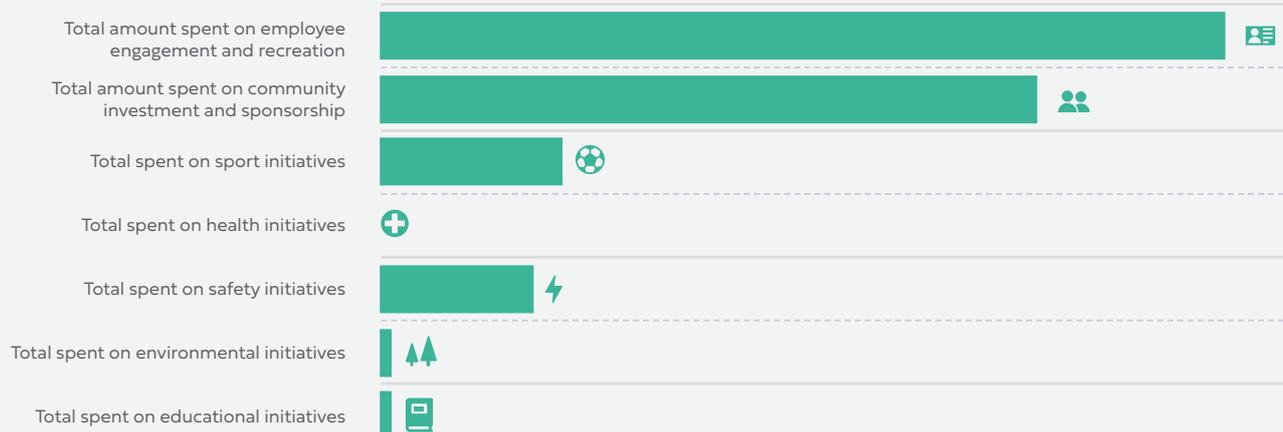
We strive to develop and uplift the local workforce and prioritize Qatar nationals for employment opportunities at Q-Chem.

Qatarization is one of Q-Chem's national commitments and strategic goals toward the sustainable development of the Qatar community in line with the Qatar National Vision 2030. To achieve this goal, we attract, develop, motivate and retain highly competent Qatari talent from various disciplines across the organization. In 2019, Q-Chem held a three-day recruitment event, targeting national engineers and trainees. This event will now occur annually to attract and recruit more Qatari talents, allowing them to pursue a fulfilling career in one of Qatar's top companies.

Q-Chem's Qatarization rate has increased over the years.



TOTAL INVESTMENT 2019



TOTAL AMOUNT SPENT ON COMMUNITY INVESTMENT AND SPONSORSHIP



