



إحدى شركات مؤسسة البترول الكويتية
A Subsidiary of Kuwait Petroleum Corporation

SUSTAINABILITY REPORT

Committed to a Sustainable Tomorrow

2012–2013



Printed on Recycled Paper

Vision

We aspire to be a recognized global Petrochemical player leveraging Kuwait national resources in value added partnerships to drive growth and being admired by our stakeholders.

Mission

PIC, as a subsidiary of Kuwait Petroleum Corporation, shall achieve a marked position with downstream extension into high value petrochemical business while ensuring integration with KPC activities both domestically and internationally through:

- Maximizing value addition of Kuwait hydrocarbons resources.
- Excelling our organizational performance through people's empowerment and infusing industry best practices.
- Creating a challenging and fulfilling environment that will support skills and capabilities development.
- Collaborating closely with our partners towards a sustained and diversified global growth.
- Fostering National economy.

Values

Integrity: We will act with openness, trust, respect, fairness, transparency, honesty, reliability, high ethical standards, professionalism, and accountability

Excellence: High performance, operational excellence, continuous improvement, high quality products and services, and customer focus

Flexibility: Willingness to change, Innovation and Responsiveness

Motivation: Collaborative work place, teamwork, loyal environment driven by appropriate performance culture

Partnership: Long-term, value adding relationships that support growth and enhance operational excellence

Commitment to HSSE and Society: Environmental protection, Safety, Security, and Healthy Workplace, Corporate Social responsibility in Kuwait and in host communities

Corporate Thinking: Care for KPC's interest and issues and ensure alignment to achieve KPC's goals as a total rather than Segment

Contents

Introduction.....	6
Sustainability Strategy.....	14
About This Report	18
Sustainability Governance	22
Our Economy	28
Our Environment.....	32
Our People	42

CEO Statement on PIC Sustainability Report 2012-2013



We are pleased to present this report that sets an important milestone for our internal and external stakeholders. By choosing to disclose our sustainability performance on an annual basis, we are setting a positive precedent for other companies in Kuwait and in the region. This report aims to send a message to our stakeholders that we are committed to developing a sustainable operating model, incorporating Economic, Social, and Environmental factors into our decision making processes.

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Sustainable development is a relatively new topic in the Middle East, and more specifically in the Gulf Cooperation Council (GCC) states. Recently however, global pressures and mega trends have had significant effects on local markets, even in energy exporting regions such as the GCC. The recent economic crisis highlights the fact that our world is more connected than ever, and the well-being of our economies are equally interdependent. These truths compel us to consider these global issues and address them in our long term strategy. Sustainable development has many definitions, but the most often-quoted one I believe is:

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

We believe that to develop our business sustainably we must incorporate economic, environmental, and social goals into our business strategy. Our strategy seeks to find local, Kuwait-based solutions, to address the following global issues:

Population Growth & Resource Scarcity:

The global population has grown from 3.5 billion in 1970, to 7 billion in 2012. This, along with increased purchasing capacity of people in emerging economies is placing a significant strain on our planet's limited resources. Oil, natural gas, water, metals, etc. are experiencing record levels of demand. Kuwait and other GCC economies rely significantly on oil and natural gas. Although these industries have provided unprecedented growth and prosperity in the region, we recognize that these are non-renewable natural resources; even the water consumed in the region comes mostly from desalinated sea water, which is one of the most energy-intensive forms of water sourcing. For all these reasons, it makes business sense to use these natural resources as efficiently as possible, guaranteeing both short and long-term prosperity.

Climate Change: Sound scientific evidence links climate change to increasing levels of CO₂ and other Green House Gases (GHGs) in the atmosphere. Climate change is a global problem that requires a global solution. At PIC, we recognize that we exist within a global ecosystem and share the responsibility to do our utmost to cause minimal harm to our planet, and set an example of responsible environmental stewardship.

Social Responsibility: Organizations have a significant role to play to address social and economic issues in the country of operation. Using financial and organizational strength, organizations have played a significant role in addressing social issues that have a long term impact. PIC's sustainability strategy aims to address these economic and social issues in a transparent and systematic way, and is in alignment with KPC's 2030 Vision.

We believe that these global challenges can be solved with local solutions. By pursuing a long-term sustainable business strategy, we will positively contribute to the economy of Kuwait, empower our local population while preserving and protecting our environment. To focus our energy in this aspect, we have identified tangible sustainability goals to be achieved by the year 2017, which are detailed in this report. By sharing these goals with our stakeholders in a transparent and objective manner, we can demonstrate our commitment to a sustainable tomorrow.

Sustainable development is a comprehensive subject, one whose success hinges on the participation and contribution of all PIC stakeholders, especially the key stakeholders of employees, suppliers and customers. Therefore, at the beginning of our sustainability development project, a group of 43 PIC employees took part in a certified GRI training course, and all of them received a GRI practitioner certificate from GRI offices in Amsterdam.

In this report you will read details of this strategic initiative and the progress made over the past two years by our management team. As I take the lead at PIC, I look forward to continuing the journey and sharing our future successes.

At PIC, we are aware that sustainability is a constant path toward improvement, and we are fully committed to this vital initiative. We hope you find our disclosures informative and look forward to improving our sustainability performance year over year.



Asaad Ahmad Al-Saad
Chief Executive Officer

Introduction

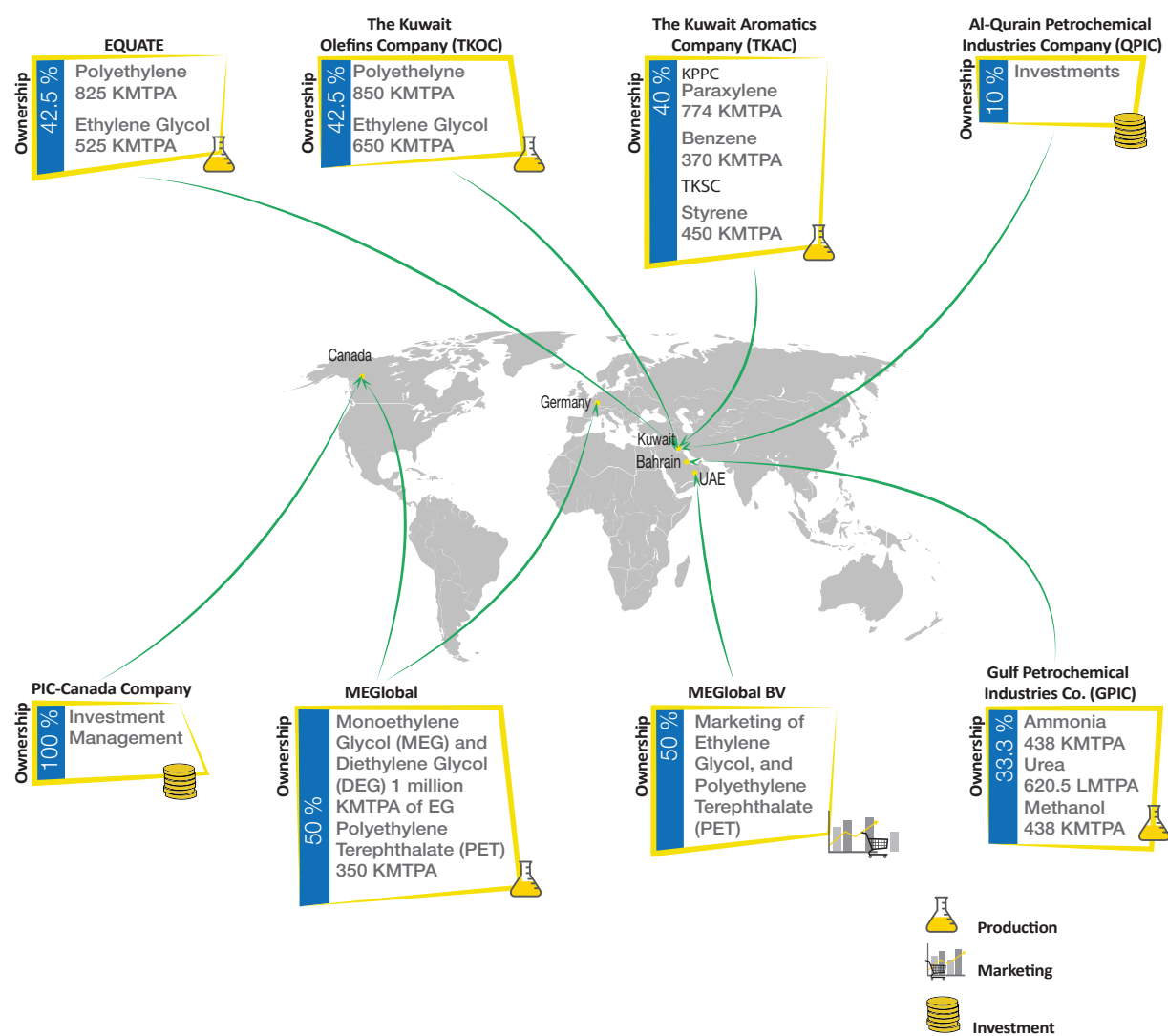
Petrochemical Industries Company (PIC) was founded in 1963 as the first chemical fertilizer complex of its kind in Kuwait and the region. Today, PIC is a subsidiary of the Kuwait Petroleum Corporation (KPC) and is a petrochemical industry leader in Kuwait and the Middle East. Using innovation and technology, PIC, under the guidance of KPC, continues to deliver petrochemical products to meet the world's growing demand. Our employees, operations integrity, technical expertise, financial strength, local resources and sustainability goals provide us with a competitive advantage within the markets we operate.

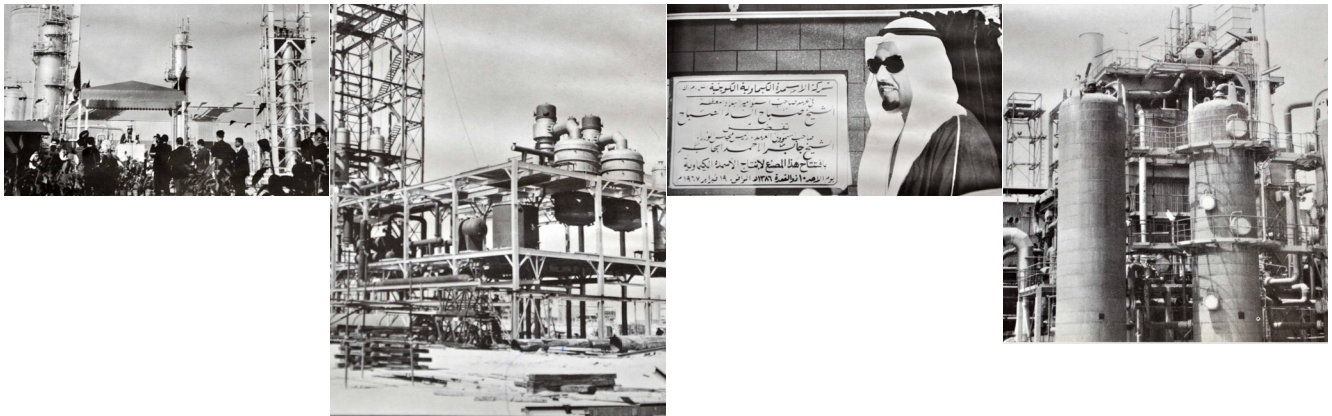


About PIC

Name	PIC
Corporate Name	Petrochemical Industries Company. (K.S.C)
World Headquarters	South Sabahiya, State of Kuwait
Primary Products	Ammonia, Urea, and Polypropylene
Joint Venture Products	Polyethylene, Ethylene Glycol, Paraxylene, Benzene, Styrene, Methanol, Monoethylene Glycol (MEG), Diethylene Glycol (DEG) and Polyethylene terephthalate (PET)
Number of Operations	1. Fertilizer Plant for production of Ammonia and Urea 2. Polypropylene Plant
Production Capacity	Ammonia: 599 KMTPA Polypropylene: 148 KMTPA
Number of employees	582

Our market presence: PIC's joint ventures are local, regional and global





1963

Petrochemical Industries Company K.S.C (PIC) was incorporated by an Amiri decree

1964

Kuwait Chemical Fertilizer Company (KCFC) was established by PIC as a joint venture. The other partners in KCFC were B.P. and Gulf, each with a 20% holding

1966

First chemical complex in Kuwait and the region completed, comprised of ammonia, urea, ammonium sulphate, and sulphuric acid production compound at Shuaiba Industrial area

1970

Two plants for the production of liquid ammonia and two for urea production completed



1979

Gulf Petrochemical Industries Company established in 1979 as joint venture between GCC member states

1980

Kuwait Petroleum Corporation (KPC) was formed by an Amiri decree as the holding company for the Kuwaiti oil sector and all shares in PIC were transferred to it.

1984

New ammonia plant installed

1989

The production capacity of PIC's ammonia and urea complex became the biggest in the Middle East

1993

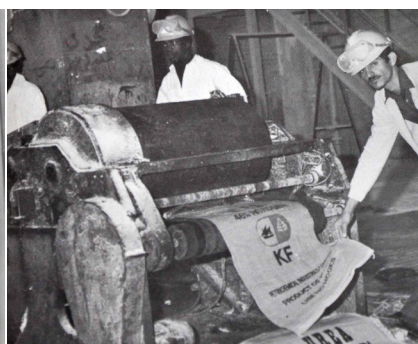
PIC signs a memorandum of understanding with Union Carbide Corporation for the construction of the petrochemicals complex. Union Carbide was acquired by The Dow Chemical Company in 1999

**1973**

PIC buys the equity of British Petroleum (BP) and Kuwait Chemical Fertilizer Company (KCFC)

**1975**

KCFC merges with PIC

**1976**

A ministerial resolution transfers the ownership of all the private sector's equity in PIC to the State of Kuwait

**1995**

PIC signs memorandum of association of EQUATE Petrochemicals Company with Union Carbide. Each company holds 45% of the capital and Bubyar Petrochemicals Co. holds 10% of the capital.

**2010**

Kuwait witnesses the opening ceremonies of the country's largest petrochemical complex for producing olefins, aromatics, and styrene with the inauguration of the Olefins II, at Al-Shuaiba industrial zone by His Highness the Amir of Kuwait, Sheikh Sabah Al Ahmad Al Sabah

**2012**

PIC begins sustainability program

PIC Achievements

Health, Safety and Environment (HSE)



The following are key achievements of PIC in HSE:

- **KPC CEO HSE Award:** PIC won two awards: A project to reduce body mass index (reduce your weight) campaign won the award in the field of health and the PIC Responsible Care® (RC 14001) Program won the Social Responsibility Award.
- **Golden Achievement Award:** PIC won the Golden Achievement Award presented by **RoSPA** for the 3rd consecutive year for its excellent HSE performance.
- Efforts were taken for collecting, separating and recycling internal fluorescent lights in the office.
- Launch of a Green Wall project along Kuwait mainland borders.
- OHSAS 18001, ISO 14001 certifications were revalidated without any violations; ISO/IEC 17025, 2005 certification was obtained.
- **10 Million accident-free man hours:** PIC realized around 10 million accident free man-hours without lost time.
- KPC subcommittees carried out a comprehensive audit of fire, emergency, safe distribution, and public safety systems.
- The Spring Camp was set up using the eco-friendly solar energy in cooperation with the Kuwaiti Society of Engineers.

Continuous Improvement of PIC Activities

1



2



ENGHSE Department

- Objectives and performance indicators were set to accomplish the implementation of the Sustainability strategy, including the 5-year plan and long-term objectives in alignment with GRI requirements.
- 2017 Sustainability Goals were established to execute the PIC Sustainability strategy over the next five years.
- PIC participated in work papers abroad on Responsible Care and monitoring eco-friendly projects and buildings.
- PIC participated in updating guidance regulations of the Responsible Care of Gulf Petrochemicals and Chemicals Association (GPCA) Manufacturers Union.

Work Method Development Plan (Six Sigma)

PIC succeeded for six consecutive years in implementing the Six Sigma system and methodology. This system contributes to improving the quality of all PIC technical and administrative operations, optimizing the use of human resources and raw materials, reducing errors and results conflicting with specifications and preserving the time lost in such operations. It further contributes to improving plant and employee productivity by increasing profits and reducing the costs of operations. PIC realized the following during FY 2012/2013:

- Eight employees were trained as **Green Belts**, thus bringing the total number to 84 employees with Green Belt training.

- One employee started to obtain **Master Black Belt training**; he will complete training in 2013.
- **Eighty six Six Sigma Projects:** PIC executed 86 Six Sigma projects, an increase of two projects over the targeted number, thus bringing the total number to 382 projects during the previous six years.
- A financial surplus of US\$46.5 million was achieved during the year. The cumulative surplus over six previous years is \$126.9 million.
- Four training courses were held to implement the **Lean Six Sigma 5S Technique** for leaders in the company. More than five training and awareness courses were held for leaders and employees of fellow oil companies.

PIC Achievements

3

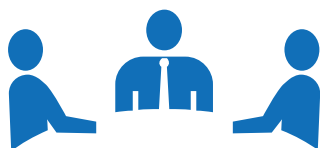


4



Enterprise Risk Management (ERM)

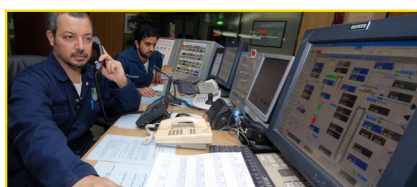
- The plans drawn for the 2030 strategy for ERM of KPC and subsidiaries were implemented, including the part related directly to PIC.
- Programs for measuring cash flow risks of PIC and its joint ventures have reached their final stages.
- PIC established a methodology for identifying and mitigating sustainability risks. Identified sustainability risks were added in the enterprise risk register.



Career Development

- Implementation of the 1st stage of Capability Development Project at the level of KPC and subsidiaries was accomplished under PIC supervision.
- The process of evaluating the level of HR employees at PIC was accomplished, the personal development plan for every employee and the proposed educational method were established.

Information Technology (IT)



- **The Gate System** was created to improve IT & Communications Department projects and identify priorities and options followed by implementation.



Training

- 2,700 people participated in training, distributed across 611 training courses.
- A number of awareness meetings totaling 102 programs were held on various activities of the company.
- Realized training hours averaged 45 hours per employee, an increase of 15 hours over the planned schedule.

- The audio-visual and readable communication **Microsoft Lync** system was applied.
- Active guide system was merged and Microsoft unified ID system was also applied.
- Cost system project was accomplished.



Manpower

- HR Assistance Center Service was launched to facilitate and expedite HR services.
- The Kuwaiti labor force ratio stood at 83.7% compared with 82.3% of the previous year. Kuwaitization ratio in entrepreneur contacts stood at 25%.

Communications and Services:

- The Communications & Service Group provided consistent communications to PIC employees and the PIC community through the company's magazine, Keymia.
- PIC launched its accounts on social media sites: Facebook, Twitter and Instagram to disseminate PIC objectives, achievements and activities to a larger social segment.
- Through its Social Responsibility efforts, PIC supports social, cultural, sporting and national activities. PIC is fostering the largest forestation project in Kuwait in partnership with the Environmental Voluntary Organization. The "Kuwait Green Belt" initiative aims at turning the Kuwait mainland borders green. The first tree was planted within the greenery operations along the Kuwaiti borders in July 2012. PIC also launched the "WE Want It Green" (Nabiha Khadra campaign which represents PIC's vision in support of environment, eco-friendly projects and sustainable development.
- As part of its commitment to Social Responsibility, the PIC Communications & Services Group paid visits to hospitals and health care houses. It also organized visits for school children to PIC headquarters and plants, supported projects presented by students of Kuwait University and various educational and governmental institutions, participated in celebrating different National Days and occasions, and took part in international conferences and exhibitions held inside and outside Kuwait. The Group will continue to honor its retired employees, the outstanding children of employees, long-serving colleagues and continuing to grant "Thank You" cards to distinguished employees.

Joint Venture Achievements

EQUATE



Environment:

As part of EQUATE's water reuse and recycle program to achieve this goal, two seawater cooling towers have been installed to cool and reuse the hot seawater from process plants. The two seawater cooling towers minimize water withdrawal from surface water sources and recycle and reuse wastewater produced from the petrochemical process in EQUATE's operations. So far, EQUATE, through these towers, is able to reduce the need to extract approximately 100,000 m³ an hour, or 870,000,000 m³ a year, of seawater from the Arabian Gulf waters. The towers use biological and tertiary treatment methods and are Kuwait's first seawater cooling towers. The initiative also has economic returns whereby additional costs for building a new seawater pumping plant were avoided.

People:

EQUATE pays attention to socially interacting with employees and their families in appreciation of their role in the company's success. In honor of the educational achievements of our employees' children, EQUATE regularly engages with employee families, hosting a number of recognition events with activities

including social gatherings and sporting activities. In the field of education, EQUATE has also forged a solid partnership with the Manpower and Government Restructuring Program (MGRP) to recruit qualified Kuwaitis interested in starting their own private sector career. EQUATE has an especially designed internship program for Kuwaiti nationals.

Environment:

As a manufacturer of a basic material used in plastic products, EQUATE began the "Plastic...Fantastic" awareness program about the benefits, proper use, recycling and production of plastics. The program involved seminars, presentations and multimedia tools.

People/Environment:

EQUATE was the first company in Kuwait to be certified by Responsible Care (RC), and is in compliance with all aspects under the given criteria. As a Responsible Care member company, EQUATE is audited under the stipulated requirements of RC.

Joint Venture Achievements

Gulf Petrochemical Industries Company



Community:

GPIC donated \$25,000 to the campaign, "One Million Qurans is Bahrain's Present to Africa." The contribution, initiated by the Information Affairs Authority, goes into printing, transporting and delivering Quran copies to schools in Africa.

Economy/Environment:

GPIC sponsored Bahrain's first Green Technology Show and Forum in 2012, which was held under the theme "Your Safety is our Business; Your Future is our Mission." The event was run in partnership with leading international companies involved in the development of environmentally friendly technologies. The event featured an international forum held under the patronage of the United Nations Industrial Development Organization and support of several ministries, organizations, companies and international organizations both in the Kingdom of Bahrain and outside it. The forum attracted the participation of several world-renowned experts in the fields of green tech, sustainable development, renewable energy, energy-use efficiency, treatment of industrial waste, water resource management and green economy transformation.

People:

GPIC supported the Bahraini Women's Union in an event touching upon the needs and adoption of issues concerning human rights and social development. Abdulrahman Jawahery, GPIC President, received Zainab Saleh, President of the Bahrain Women's Union, praising the role of the Union and the care provided to issues of Bahraini women at work.



MEGlobal



Environment:

FOCUS 2012 Goals

FOCUS 2012 is a five-year campaign and is designed to maintain an intense concentration on the two key areas where we can emphasize our commitment to the safe and responsible management of our facilities and products:

- **Target Zero Environment, Health & Safety Incidents**
- **Reduced Environmental Footprint**

Driven by the same energy and enthusiasm that holds firm MEGlobal's commitment to the principles of the Responsible Care®, the FOCUS goals are an ambitious framework to reduce the company's environmental footprint, demonstrating product stewardship and proving our ongoing commitment to improving environmental performance. Measurements around the goal targets have been published annually since 2009.

MEGlobal has launched a set of long-term (five year) stretch goals to show an increased emphasis on reducing the company's environmental footprint, demonstrating product stewardship as well as an ongoing commitment to improving environmental performance.

Target Zero

MEGlobal has set goals of zero in the following areas:

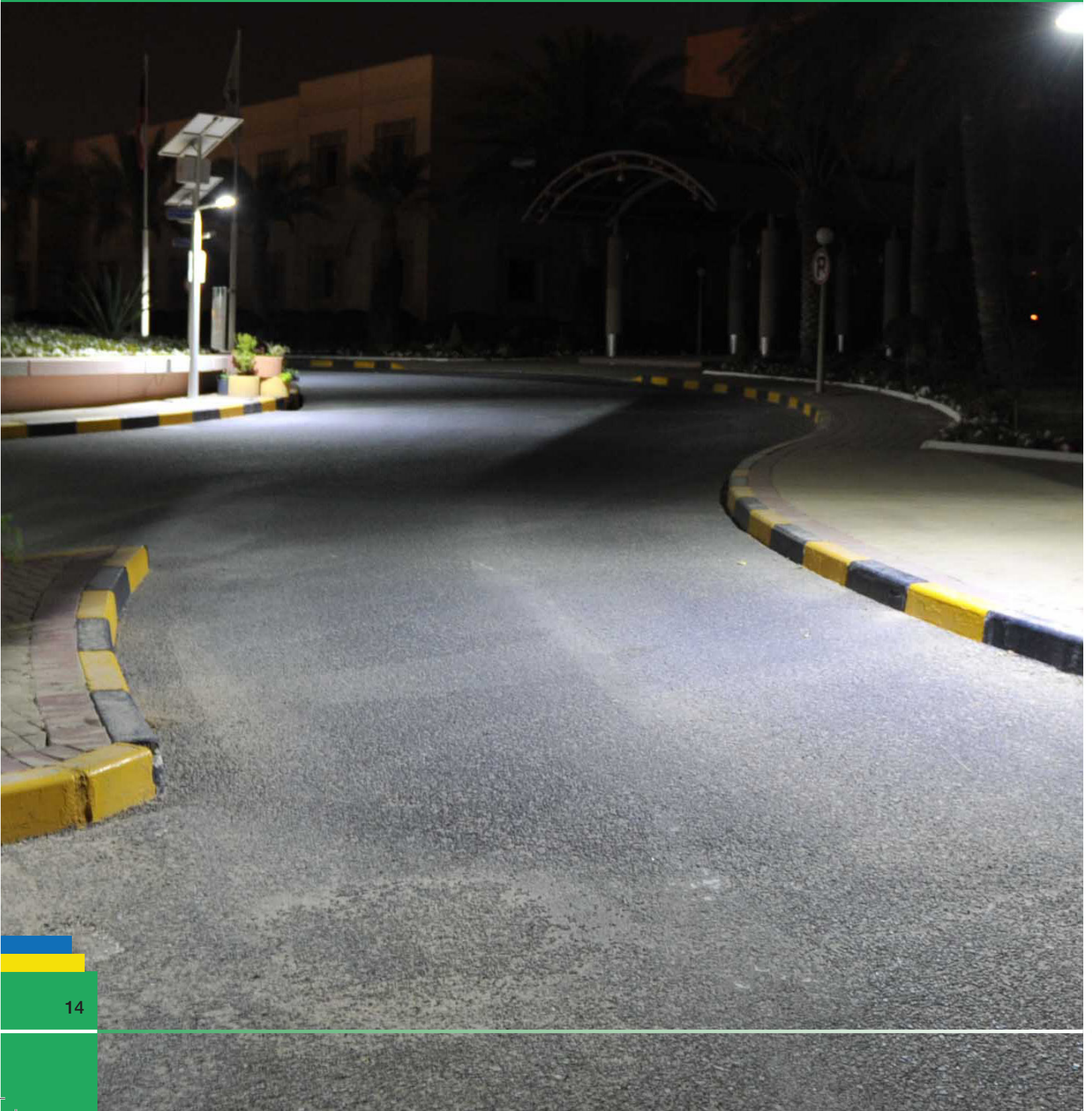
- Personal Injuries and Illness
- Loss of Primary Containments (LOPCs)
- Process Safety Incidents
- Government Agency Reportables
- Motor Vehicle Incidents

Reduced Environmental Footprint

Using 2005 as a baseline, by 2012 MEGlobal aims to achieve:

- 70% reduction in priority chemical emissions
- 80% reduction in chemical emissions
- 40% reduction in CO₂ emissions intensity
- 15% reduction in fresh water usage

Sustainability Strategy



Strategy and Analysis

Key Impacts, Risks and Opportunities

PIC has a global footprint, with several joint venture (JV) partnerships operating and impacting several communities and markets in countries other than Kuwait. PIC entities consider the risks related to resource scarcity, climate change, and social and political unrest in all countries they operate in. The PIC Sustainability Initiative provides a helpful foundation for understanding these risks to help us operate more responsibly and be ready to take advantage of future opportunities. In order to design a suitable sustainability strategy we performed a maturity analysis to determine our organization's gaps compared to market-leading sustainability practices in the world. Our analysis was comprehensive and revealed the need to develop certain elements of our organization in order to successfully implement our sustainability initiatives. We gave the highest priority for Sustainability Governance, Risk Management and Competence Development. First, we developed and adopted a sustainability governance structure to manage our sustainability program. Then we performed a comprehensive review of sustainability risks and developed a mitigation plan, and finally we developed a competence model applicable to all levels of employees in PIC.

Over the 12-month period beginning in March of 2012, the Corporate Engineering & Health, Safety and Environment (ENGHSE) department developed a strategy with management to lay the foundation for our Sustainability Goals and initiatives. The strategy states:

"PIC will enable Business success through world class HSE capabilities and leadership in Sustainability by establishing strong HSE governance, long-term goals, and work processes that enable the long-term growth and success of PIC businesses."

Building on this strong foundation, we developed the 2017 PIC Sustainability Goals, the Company's first 5-year Sustainability initiative.



There are nine Goals in all: six Operational Excellence Goals and three Responsible Corporate Citizenship Goals.

Operational Excellence Goals:



Minimize Recordable Injury Rate for Employees and Contractors: PIC strives to have no more than 0.13 recordable injuries per 200,000 man-hours of work.



Reduce Greenhouse Gas Emissions: In the 2013 - 2014 fiscal years, PIC will measure and set a baseline for greenhouse gas emissions. From the baseline, PIC will reduce its greenhouse gas intensity by 2017.



Minimize Process Safety Incidents: PIC strives to have no more than 0.1 process safety incidents per 200,000 man-hours of work.



Reduce Energy Intensity: PIC will reduce its energy intensity by 2017 based on an energy audit to be completed in 2013.



Minimize Spills: No more than one spill to the environment each year.



Reduce Water Intensity: PIC will reduce its water intensity by 2017 based on an audit of water consumption to be completed in 2013.

Responsible Corporate Citizenship Goals:

Each corporate citizenship Goal is built on a theme with a strong external focus.



Protect the Environment: *Champion the conservation of natural resources and work to protect our environment* | Goal: Working with Non-Governmental Organization (NGO) partners, PIC will help address environmental challenges in Kuwait and improve life for future generations by supporting resource conservation.



Healthy Living: *Champion healthy lifestyles and make life better* | Goal: Working with NGO partners, PIC will focus each year on one healthy living challenge to help people lead long and healthy lives.



Develop Future Leaders: *Sponsor Talent with a Passion to Build a Better Tomorrow* | Goal: Working with NGO partners, PIC will advance sustainability culture by fostering the development of young minds to fully consider the future impact of today's activities.

We are “Committed to a Sustainable Tomorrow.” This phrase has been chosen to summarize our new journey. Each of us at PIC will demonstrate our commitment through our actions. Our Company intends to deliver stronger economic results and environmental performance, while strengthening our reputation as a good corporate citizen. The result will be a stronger company, healthier and happier communities and a better future for our country as well. We look forward to doing our best as we work together with others who share our convictions that we must operate today with the future fully in mind.

“Committed to a Sustainable Tomorrow”

The 2017 Sustainability Goals provide a roadmap forward on the Sustainability journey. By achieving these Goals, PIC will make a significant contribution to the safety of its employees, contractors and communities and to the strength of the Company.

These are ambitious Goals, ones that PIC recognizes it cannot achieve alone. PIC looks forward to collaborating with leaders in the fields of Health, Safety, the Environment and Sustainability.



Introduction

Sustainability
Strategy

About
This Report

Sustainability
Governance

Our
Economy

Our
Environment

Our
People

About This Report



Report Parameters

Report Profile

We are proud to announce that this is our first Sustainability report. We have been implementing several elements of sustainability in all our operations, but this will be our first report issued to stakeholders disclosing our economic, social, and environmental performance and achievements. The reporting period is the same as our fiscal cycle, starting from April 2012 and ending in March 2013. Sustainability is a journey towards continuous improvement, and our first report will serve as a baseline for improvement targets in the coming years, as we intend to report our sustainability performance on an annual basis.

For further information and feedback regarding our sustainability program and initiatives, kindly contact our sustainability team through our dedicated email address (sustainability@pic.com.kw).

Process for Determining Report Content

Stakeholders are the persons or organizations who affect and/or could be affected by an organization's activities, products or services and associated performance. Organizations have many stakeholders, each with distinct types and levels of involvement in company activities. They often have diverse and/or conflicting interests and concerns.

Engaging stakeholders is an important part of sustainability performance because their interests, expectations, and needs not only inform where we should focus our economic, environmental, and social efforts, but also help define what sustainability success means to our organization. Identifying important stakeholder groups and understanding how we impact each other is vital for a successful sustainability strategy.

The first step of Stakeholder Engagement involves identifying PIC's stakeholders and their sustainability issues and concerns. First, a sample of internal stakeholders were short listed based on their level or responsibility and dependency on PIC. Then other key stakeholders were identified and included in the stakeholder analysis through workshops, interviews and brainstorming sessions. (Details about Stakeholder Engagement is included in the section for Stakeholder Engagement).



Determining Materiality

The Global Reporting Initiative (GRI) defines 'materiality' as:

'the information in a report should cover topics and indicators that reflect the organisation's significant economic, environmental and social impacts, or that would substantively influence the assessments and decisions of stakeholders'

In other words, 'Material' means identifying the key economic, environmental, and social issues in the context of performance against peers, societal norms, and stakeholder concerns. These issues are of strategic relevance to PIC and are therefore at the core of our sustainability strategy, approach and communications.

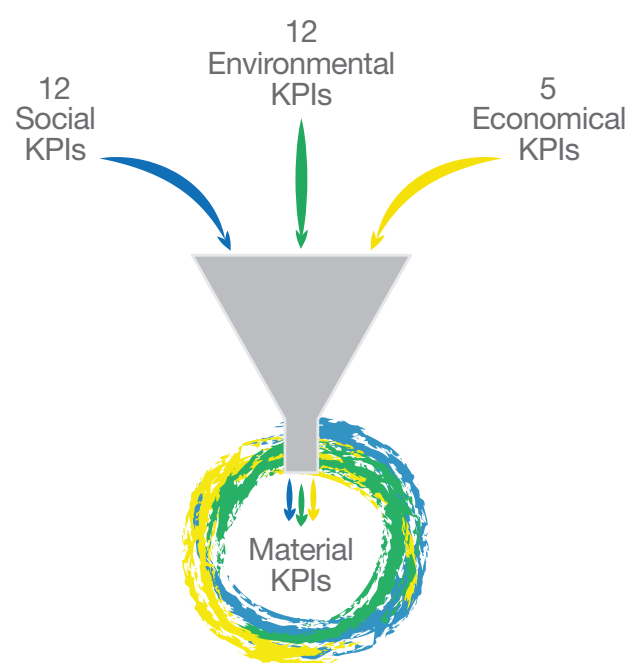
The materiality analysis was conducted to determine which sustainability issues are considered the most relevant to our stakeholders. Following the GRI guidelines, we split our stakeholders into two major groups, internal and external.

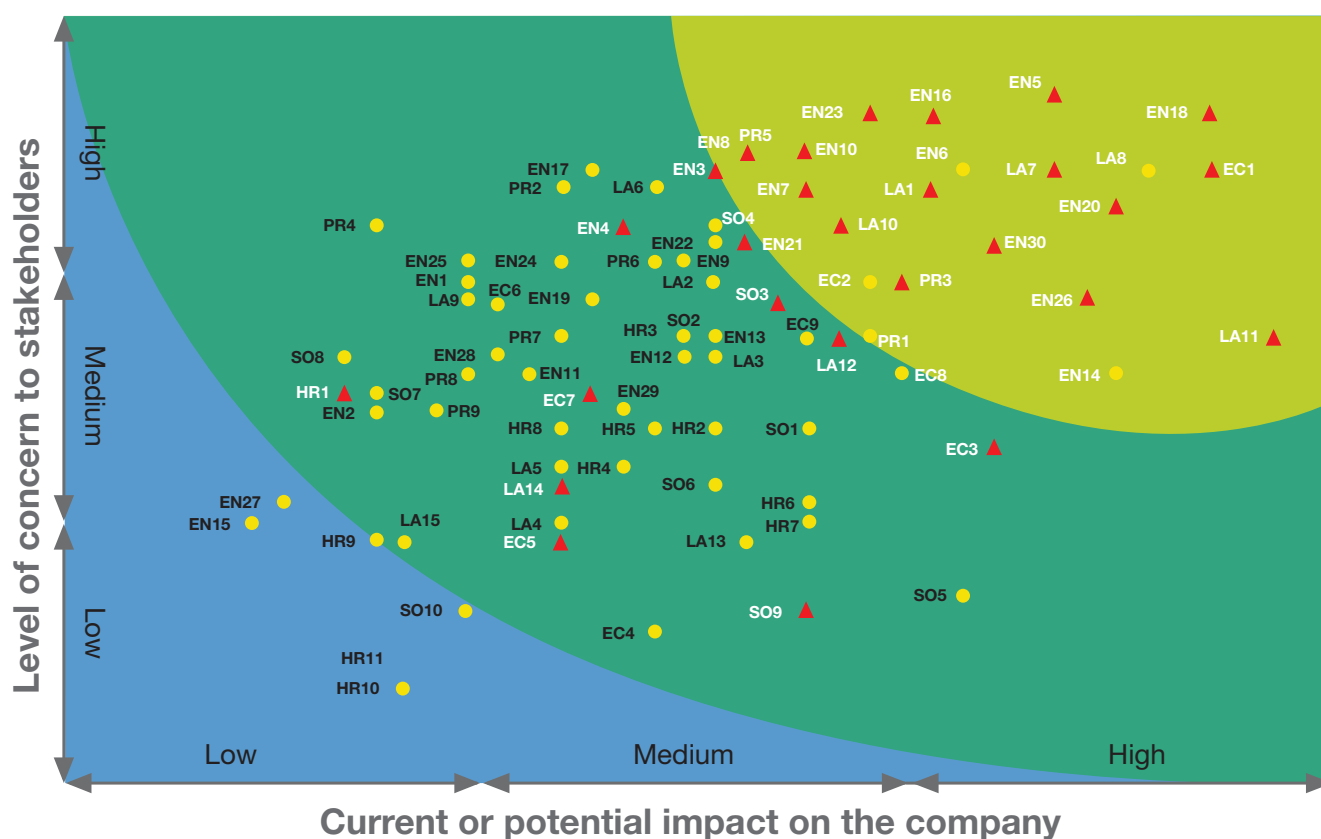
When conducting the Internal Materiality Analysis, a list of twenty one (21) key internal stakeholders were identified and a comprehensive evaluation/survey of their concerns was performed. The survey consisted of a ranking of eighty-four (84) GRI-Key Performance Indicators (KPIs) as Low, Medium, or High, as well as interviews with key personnel and departments. These KPIs cover Social, Environmental and Economical aspects of sustainability.

External materiality, meanwhile, was measured by reviewing and analyzing sustainability issues and KPIs and reviewing a broad array of media sources regarding sustainability practices.

Interviews with key stakeholders were conducted to identify their main activities, concerns and expectations on PIC performance. These concerns and expectations were used to complete external materiality analysis.

The 84 KPIs and their ratings were plotted on a matrix with impact on PIC on the X-axis (internal materiality) and concern to stakeholders (external materiality) on Y-axis. According to GRI Guidelines, indicators considered as most material are the ones in the top right quadrant. None of the issues are unimportant; however, the position of each in the matrix simply represents our understanding of its relative importance to us and our stakeholders.





After conducting a comprehensive internal and external materiality analysis, and based on existing data availability in PIC, we decided to include 29 indicators and develop a “B” level report for the year 2012-2013.

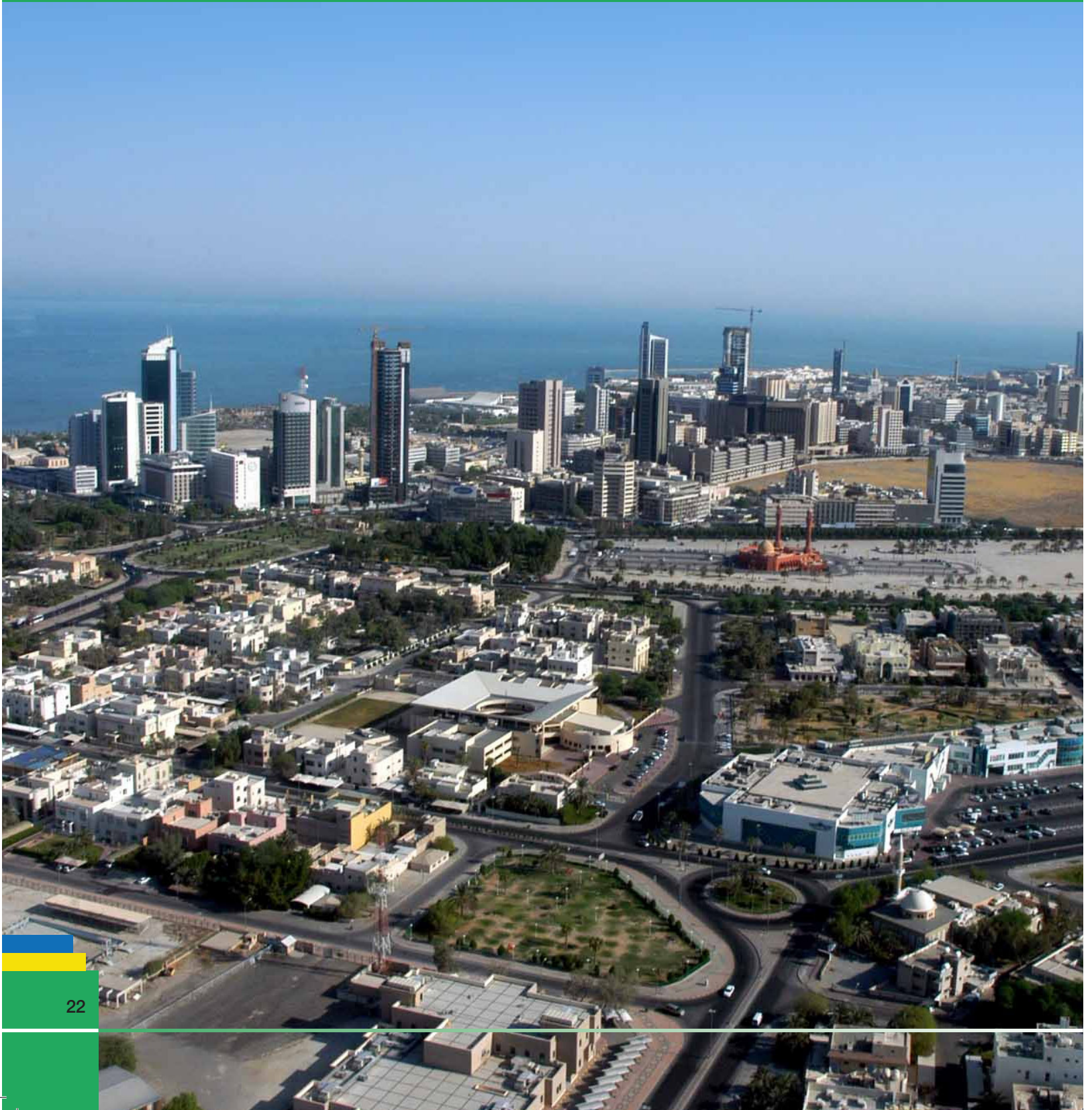
Report Scope and Boundary

As mentioned in the Introduction section, PIC is a holding company with several JVs and subsidiaries. In order to determine the boundary of our sustainability report, we used the GRI “Decision Tree” guidelines given in 3.1.

As per the decision tree, the reporting boundary depends on level of operational control and influence of PIC on JVs and entities. **PIC currently has operational control over the Fertilizer operations;** therefore we will include the performance data for our fertilizer operations. As for the rest of our JVs and operations, we will only disclose the management approach taken by each entity, as per GRI guidelines.

PIC utilized existing management systems to monitor and measure certain GRI indicators, and new data collection templates were specifically designed to capture performance indicators that were previously not measured in PIC. Our goal is to embed a data collection process into our existing operations as much as possible while utilizing our IT infrastructure to ensure timely and accurate data. Transitioning to a fully automated GRI data collection process will take time. In the meantime, we have designed a control system, consisting of a data provider, verifier and owner to ensure accuracy and completeness of the data, ensuring independent verification.

Sustainability Governance



Governance, Commitments & Engagement

Governance is the organizational framework that will ensure that the Sustainability Goals and Strategy planned by PIC are accomplished. It is the entity within the organization that defines expectations, delegates responsibility and reviews performance. It defines the roles and responsibilities and establishes sustainability related procedures that the organization should adopt to ensure Sustainability excellence is achieved in all activities and decisions of the organization.

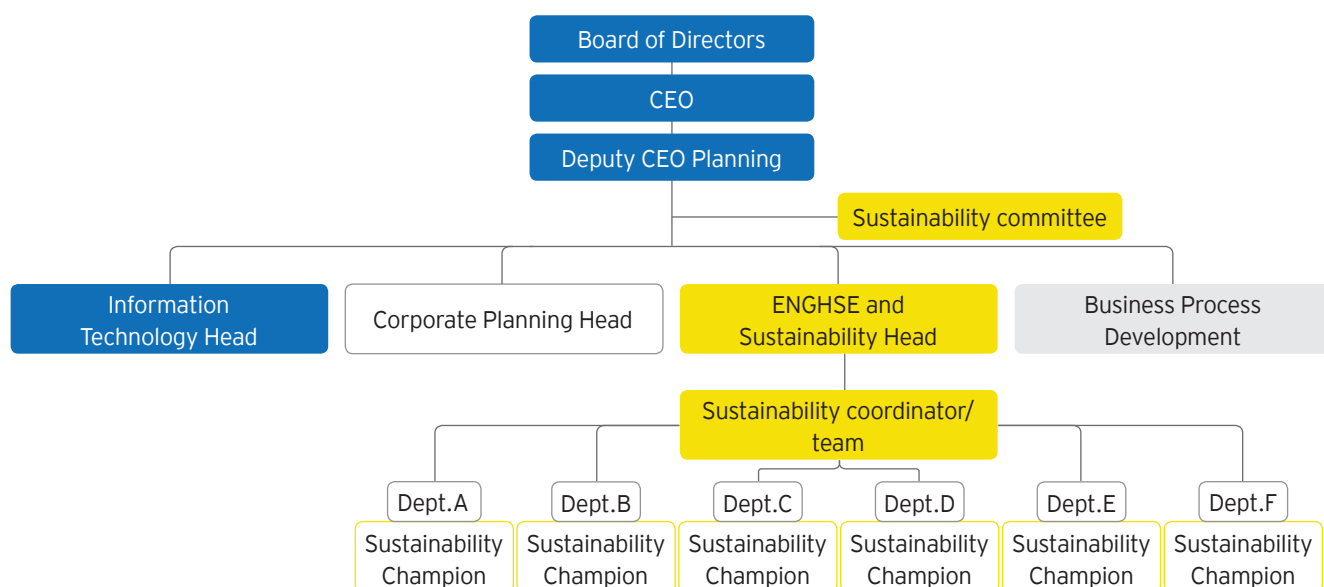
Our first sustainability initiative was to create an organizational governance structure to formalize the sustainability decision making authority and accountability within PIC. After comprehensive market research and leading practice benchmarking, we selected a governance structure that best suits our unique organizational structure.

A Sustainability committee is responsible for guiding and overseeing the advancement of the sustainability agenda across the organization. It is headed by the Deputy CEO of Planning and has select executives as members. The main role of the sustainability committee is to set policies and performance standards for all functions in PIC. The committee meets on a monthly basis to track progress of Sustainability initiatives and GRI indicators.

The functional head role is undertaken by the Corporate ENGHSE department and Sustainability Head, who holds joint responsibilities of the Corporate ENGHSE department and Sustainability function in PIC.

A supporting Sustainability Coordinator is responsible for managing the day to day operations of the Sustainability function. This includes working with the Sustainability committee and the Sustainability champions in areas such as policy and strategy development, performance tracking and reporting, managing sustainability initiatives and stakeholder engagement. Sustainability champions are departmental representatives who support the sustainability cause within the department and share good practices throughout the organization.

The importance of establishing a Sustainability governance structure cannot be understated; formalization of sustainability decision making authority, accountability structure and related governance processes are all necessary to ensure that sustainability performance is effectively managed, closely monitored and appropriately reported.



Chair of Sustainability Committee

The chair of the Sustainability committee is Mr. Anwar Ben Salamah, Deputy CEO of Planning. Mr. Anwar chairs a monthly meeting to oversee the progress of sustainability initiatives and GRI data performance.

Members of Highest Governance Body

PIC has a Unitary Board structure, meaning it is the sole body responsible for the organization. The Sustainability Committee reports directly to the Board of Directors. The Board of Directors is headed by the Chief Executive Officer Mr. Asaad Ahmad Al-Saad, and consists of six independent members, two of whom are women.

Compensation Link to Sustainability

PIC has a Scorecard employee compensation system. For each manager several targets and goals are set for the year, and compensation is based on performance against the identified targets. When Sustainability initiatives were identified, the responsibilities were allocated to Managers across different departments, and the goals were added to each Manager's Scorecard to ensure implementation. PIC Top Management decided to incorporate Sustainability goals into the compensation scheme to ensure effective motivation and participation.

Internally Developed Statements

PIC adheres to a code of conduct and policies set by the parent company, KPC, that mandate respect for colleagues regardless of their nationality, race, or religion. We at PIC went one step further this year and updated our Health, Safety, Security, Environmental and Quality policy to include Sustainability.

Procedures of Highest Governance Body for Overseeing Identification of Environmental, Economic, and Social Performance

PIC's Enterprise Risk Management department conducted a review of the complete risk register during the year. The review included establishing new methodology for identifying Sustainability risks. Once the risks were identified, they were added to the risk register, and then ownership was assigned to the relevant departments. Each department is responsible for implementing mitigation measures to minimize or prevent the identified Sustainability risk.

Externally Developed Economic, Social or Environmental Initiatives to which PIC Subscribes

Responsible Care (RC 14001:2008) is the chemical industry's unique global initiative that drives continuous improvement in health, safety and environment (HSE) performance, together with open and transparent communication with stakeholders. Similar to other sustainability initiatives, RC is a voluntary initiative that strives to contribute to sustainable development while allowing us to meet the world's growing demands for chemicals and the products those chemicals make possible.

Essential to our commitment to Responsible Care, PIC looks to continuously improve our HSE performance by reducing or eliminating accidents and injuries. Beginning with this sustainability report, we will disclose our HSE data to the public, and strive to improve our performance year over year.

PIC obtained RC 14001:2008 accreditation 2011, and conducts annual audits are conducted to ensure continuous compliance.



الرعاية المسؤولة
إلتزامنا نحو الإستدامة
RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

ISO 9001:2008: Published by the International Organization for Standardization (ISO), ISO 9001 is part of the ISO 9000 family of standards related to quality management systems, designed to help organizations meet the needs of customers and other stakeholders. ISO 9000 deals with the fundamentals of quality management systems, including the eight management principles on which the family of standards is based. ISO 9001 deals with the requirements that organizations wishing to meet the standard have to fulfill.

PIC obtained ISO 9001 certification for the fertilizer plant in 2001, and for the polypropylene plant in 2002. Both certificates are audited every nine months to ensure continuous compliance.

ISO 14001:2004: The ISO 14000 family addresses various aspects of environmental management. It provides practical tools for companies and organizations looking to identify and control their environmental impact and constantly improve their environmental performance. ISO 14001:2004 sets out the criteria for an environmental management system and can be certified. It does not state requirements for environmental performance, but maps out a framework that a company or organization can follow to set up an effective environmental management system.

Other External Commitments

PIC obtained ISO 14001 for the fertilizer plant in 2004, and performs audits every 9 months to ensure compliance.

ISO/IEC 27001:2005: An information security management system (ISMS) standard published in October 2005 by the ISO. ISO/IEC 27001 formally specifies a management system that brings information security under explicit management control.

PIC adopted ISO/IEC 27001 in 2007 and performs an audit every 9 months to ensure compliance.

ISO/IEC 17020:1998: Specifies requirements for the competence of bodies performing inspection and for the impartiality and consistency of their inspection activities. PIC adopted ISO 17020 accreditation in 2010 and performs annual audits to ensure compliance.

ISO/IEC 17025:2005: General requirements for the competence of testing and calibration laboratories. PIC obtained ISO/IEC 17025 accreditation in 2013, and will perform yearly audits to ensure implementation.

FOOD SAFETY ISO 22000: is a standard developed by the International Organization for Standardization dealing with food safety. It is a general derivative of ISO 9000. PIC obtained ISO 22000 accreditation in 2012 and is subjected to Annual audits to ensure compliance.

OHSAS 18001:2007: is an Occupation Health and Safety Assessment Series for health and safety management systems. It is intended to help organizations to control occupational health and safety risks. PIC adopted OHSAS 18001 in 2010 and performs an audit every nine months to ensure implementation.



001

Memberships in associations

PIC is one of eight original founding members of the Gulf Petrochemicals and Chemicals Association (GPCA), a dedicated non-profit association serving its members with industry data and information resources. The eight members represent the largest petrochemical and chemical industry companies in the region and include our JV partners EQUATE and GPIC.

- **Networking Platform:** Being a GPCA member enables PIC to establish contacts with industry executives, potential customers and influential decision makers in various parts of the Arabian Gulf region and throughout the world.
- **Best Practice Sharing:** Membership gives PIC access to a wide range of GPCA organized workshops and seminars that address key issues in the petrochemicals and chemicals industry.
- **Global Access:** As a member of GPCA and its committees, PIC has the opportunity to participate in events and programs sponsored by international organizations.
- **Profiling:** Member companies are able to reach a global industry audience through listings on the GPCA website, the quarterly Insight newsletter and through the GPCA Annual Directory.
- **Resource Center:** As a GPCA member, PIC has access to the GPCA database, studies and publications. These include white papers, detailed case studies and in-depth trend reports.
- **Operational Excellence through Responsible Care:** GPCA helps member companies improve and sustain regulatory compliance in the area of Health, Safety, Security and Environment while still accomplishing important business objectives.

The GPCA Board of Directors meets at least three times a year. PIC has representatives in all GPCA committees that meet four times a year.

For more information on GPCA, kindly refer to their website: <http://www.gPCA.org.ae/>.



الاتحاد الخليجي لمصنعي البتروكيماويات والكيماويات
GULF PETROCHEMICALS AND CHEMICALS ASSOCIATION

Stakeholder Engagement

To short-list the main stakeholder groups, attributes of stakeholders were considered based on the following:

- **Dependency:** Persons or organizations who are directly or indirectly dependent on PIC's activities, operations, products or services and associated performance, or on whom PIC is dependent in order to operate. **Kuwait Petroleum Corporation (KPC), employees, Top Management**
- **Responsibility:** Persons or organizations to whom PIC has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities. **PIC-Sustainability Committee, Local/National Government, Kuwait Environment Public Authority (KEPA) , Customers, Contractors, Suppliers**
- **Level of attention:** Persons or organizations that need immediate attention from PIC with regards to financial, wider economic, social or environmental issues. **Labor Union, Media, Universities, Local Communities, NGOs**

- **Influence:** Persons or organizations that can have impact on PIC's or a stakeholder's strategic or operational decision-making. **Joint Venture Partners, Competitors**

Stakeholder analysis was performed to identify key stakeholders. The criteria used in the analysis were to determine which entities have a direct impact on PIC's operations, and conversely which individual or group is impacted by PIC's operations and action. The process of interacting with these groups to understand their interests, needs, and expectations, and the subsequent development of appropriate business responses and activities, is collectively known as stakeholder engagement.

Over the course of the year we interacted with all of our key stakeholders, and incorporated their inputs and suggestions into our practices where applicable. The frequency and method of engagement is unique to each stakeholder, depending on level of impact. The table below shows our key stakeholders, along with channels of engagement and topics to be covered during the meetings:

Name of Stakeholder	Channels of Engagement	Sustainability Interest/Concerns
Kuwaiti/Local Government	<ul style="list-style-type: none"> • Meetings, conferences and collaborations 	<ul style="list-style-type: none"> • PIC contribution to sustainability of Kuwaiti economy • Regulatory compliance
Local Communities/Universities	<ul style="list-style-type: none"> • Involvement in organized events • Employee volunteering • Sponsorships • Leaflets, presentations • Open-door events • Corporate blog • Press releases 	<ul style="list-style-type: none"> • Support for community • Sponsorships and job creation • Impact on environment and remediation
Employees	<ul style="list-style-type: none"> • Suggestion and complaint mailbox • Conversation • Office automation system • Corporate intranet, online trainings, etc. • On-boarding manual • Departmental sessions 	<ul style="list-style-type: none"> • Professional development planning • Employee's welfare • Complaint processing
Kuwait Environment Public Authority (KEPA)	<ul style="list-style-type: none"> • Biannual face to face meetings • Involvement in organized events • Sponsorships 	<ul style="list-style-type: none"> • Support for community • Sponsorships and job creation • Environmental laws and compliance
Joint Ventures (JVs)	<ul style="list-style-type: none"> • Contract negotiations • Conferences • Top management meetings • Data, documents and correspondence • Routine business communications • Product database 	<ul style="list-style-type: none"> • Profit distribution • Information resources sharing • Good faith and mutual benefit
Labor Union	<ul style="list-style-type: none"> • Collective bargaining • Routine communications • Employee representatives' meetings 	<ul style="list-style-type: none"> • Employees' rights and interests • Democratic management • Transparency of business operations



Introduction

Sustainability
Strategy

About
This Report



Sustainability
Governance

Our
Economy



Our
Environment

Our
People

Our Economy



Economic Development

Petrochemical Industries Company is a fully owned subsidiary of the Kuwait Petroleum Corporation (KPC). KPC is the state-owned entity responsible for Kuwait's hydrocarbon interests throughout Kuwait and the world. Kuwait's economy was built, and still relies heavily on, the oil sector, as oil exports account for approximately 85% to 95% of Kuwait's national income. This fact is comforting in the short run and is an emerging challenge in the long run. Comforting because Kuwait still sits on a healthy amount of proven reserves, and will remain a major exporter of oil in the coming years. On the other hand it is risky for any entity, and indeed any country, to be overly reliant on one product for their Gross Domestic Product (GDP). The government of Kuwait and KPC are aware of this situation, and are taking measures to decrease Kuwait's dependence on oil by diversifying the Kuwait economy.

Another emerging risk facing the Kuwait economy is the rising rate of internal consumption. Kuwait is the third highest energy intensive population in the world in terms of energy used per capita (International Energy Agency (IEA), 2011). As export quotas remain fixed, the rising level of internal consumption is reducing the current budget surplus. In the year 2000, Kuwait consumed the equivalent of 250,000 barrels of oil per day. In 2011 that figure rose to 413,000 barrels per day* (Source: Energy Information Agency EIA). Energy is heavily subsidized in Kuwait, therefore every barrel of oil consumed in Kuwait, represents a significant potential loss of national revenue.

These perceived risks can be converted into opportunities when viewed through a sustainability lens. Sustainable development represents solutions to these problems, but they are not quick-fix solutions. KPC and the Government of Kuwait understand this challenge, and have established key long-term development targets that are comprehensive and involve all aspects of sustainable development: economic, social, and environmental. KPC expects PIC to play a leading role in the diversification of Kuwait's economy, developing and educating local populations, and protecting the environment.

EC5, EC7, LA14:

Local Employment

The government of Kuwait has set "Kuwaitization" targets for all industries. This means that companies operating in Kuwait are required by law to have a minimum percentage of local employees making up the work force. We at PIC are comfortably above the minimum threshold specified by KPC, as Kuwaiti employees represent 83.5% of the total workforce of 582 employees.

While local hiring helps us meet our Kuwaitization requirements, it also advances the economic and social development of Kuwait. We believe we have a responsibility to contribute to the economic development of Kuwait by recruiting, training and retaining local talents. In order to ensure we recruit the best and brightest minds, we offer favorable benefits to our employees including: annual leave entitlement, social security benefits, medical insurance coverage, family increments, inflation adjustments, moving expenses, as well as other "special" privileges based on merit and service to the company. You can find more details on benefits offered to the employees in our "Our People" section.

In addition to the benefits mentioned above, we offer attractive wages that range from 2.7 times the government minimum wage at entry level, all the way to 4.8 times at the manager level when compared to similar positions in the government sector.

Introduction 6

Sustainability
Strategy 14

About
This Report 18

Sustainability
Governance 22

Our
Economy 28

Our
Environment 32

Our
People 42



LA14:

Gender Equality

We are very proud to announce that we offer the same opportunities to both men and women, and are continuously looking to increase the ratio of women in the workplace. We demonstrate this commitment by offering equal salaries to men and women who are at the same grade. The ratio of women to men in the workplace is increasing worldwide, and Kuwait is no different. We recognize and welcome this cultural shift, and will continue to foster and nurture it in our workplace.

For more information on gender equality, you can find a breakdown of our total workforce by gender in the "Our People" section.

The study showed that in 2010 the petrochemical sector accounted for 4.5% of non-Oil GDP in Kuwait (see figure below), represented by two major categories:

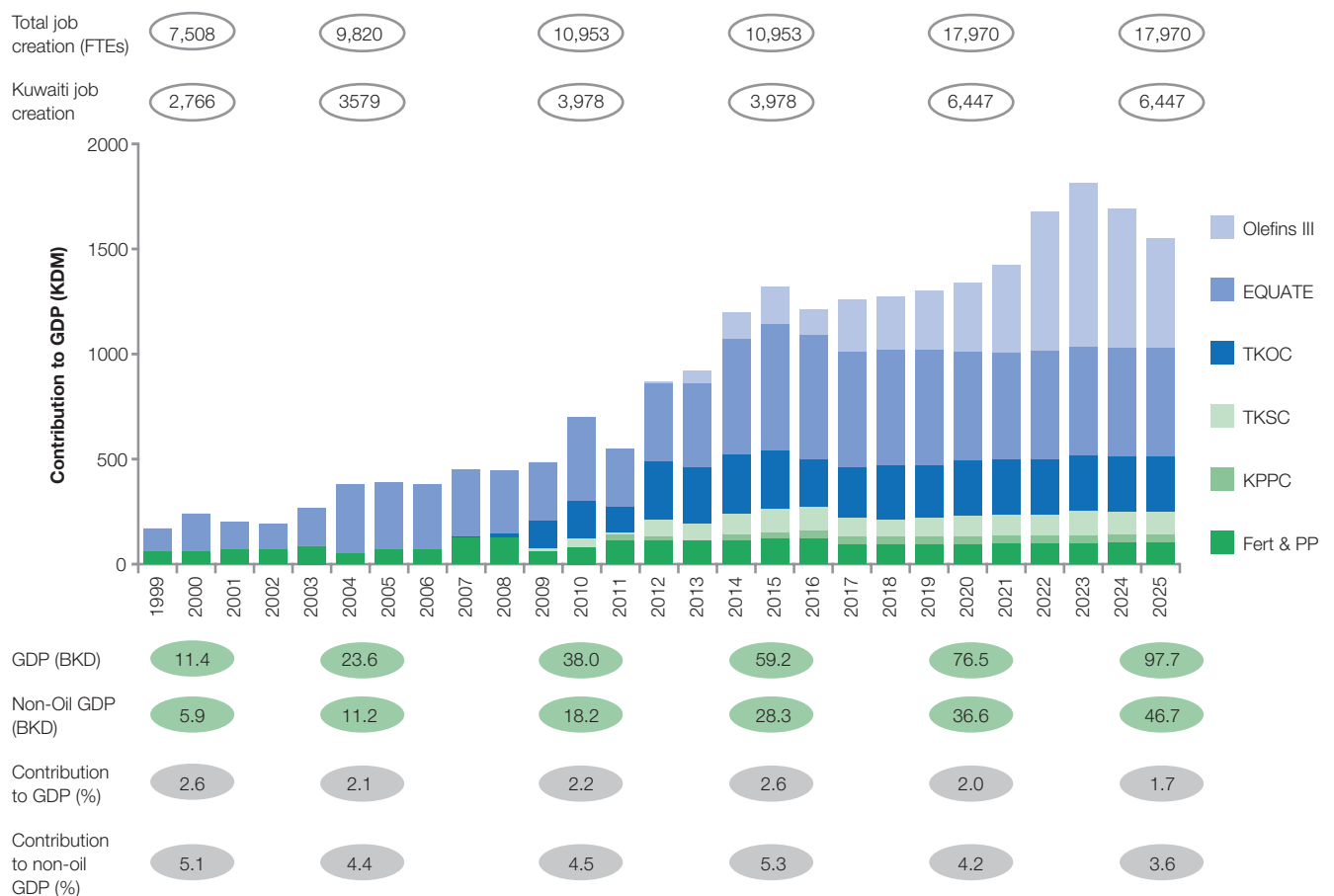
- Direct Economic Impact: 2.4% of non-oil GDP
- Indirect Economic Impact: 2.1% of non-oil GDP
- For every one dollar of GDP created by petrochemicals, a further 0.87 dollars of indirect GDP value is created in the wider economy.

The value of this analysis lies in understanding our impact. What you cannot measure, you cannot change; what you cannot change, you cannot improve.

EC9:

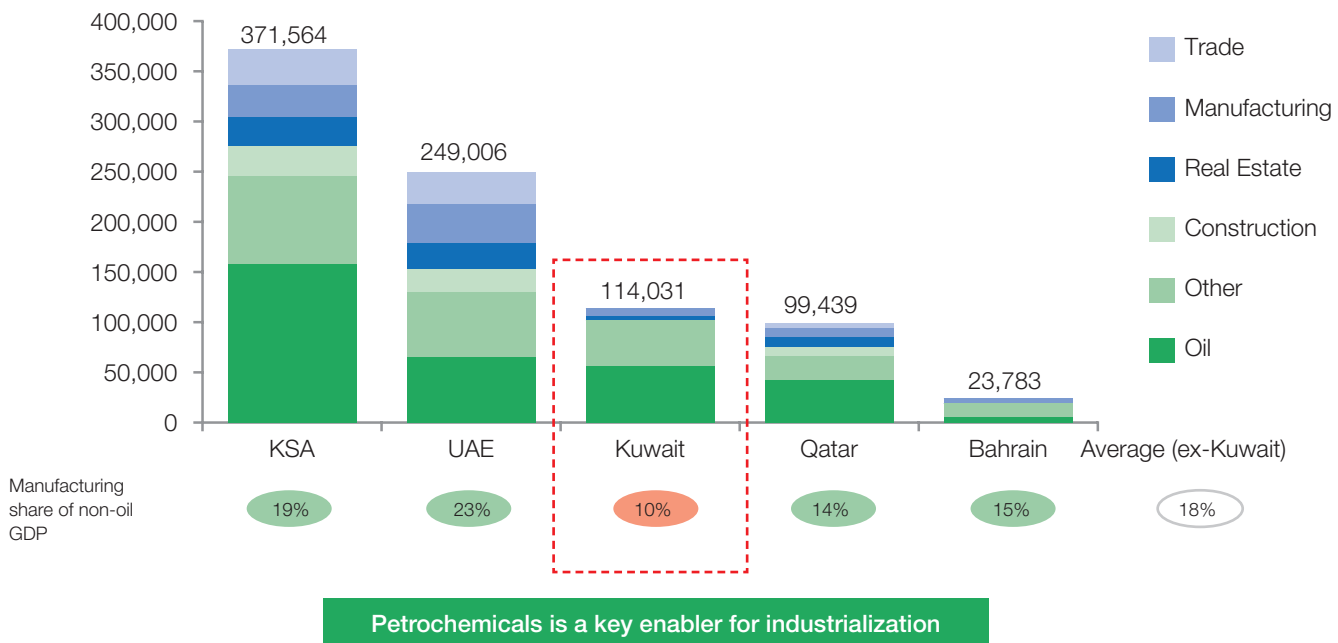
Measuring Economic Impact

In order to understand PIC's contribution to Kuwait's economy, our Corporate Planning department undertook a study to estimate the direct and indirect economic impact of the petrochemical sector on the economy of Kuwait. The analysis was based on 2009 and 2010 data, and the results were released during the first quarter of 2012.



Petrochemicals have a vital part to play going forward in diversifying the economy of Kuwait. At present, Kuwait lags behind other Gulf Cooperation Council (GCC) countries in industrialization. Manufacturing accounts for only 10% of non-oil GDP compared to 18% average in the GCC. To fill this gap, Kuwait has defined a clear industrialization strategy, and the petrochemical sector is expected to play a crucial role in attracting investment and developing the private sector.

GDP Composition of GCC Countries, 2009



Transparency

A core principle of sustainability reporting is transparency. One of the main reasons we decided to disclose our sustainability performance is to present a more comprehensive picture of our operations to our stakeholders.

EC1:

Direct Economic Value

Our economic performance is a matter of public record and is annually released to the public via our Annual Report. Economic performance is one of three pillars of Sustainability, along with social and environmental performance. It is of material concern to us to show data on the creation and distribution of economic value to show how much wealth we have generated for our stakeholders.

EN30:

Total Environmental Expenditure

Total environmental expenditure for the year amounted to KD 178,060.

All amounts are in Kuwait Dinars (KD)

Direct Economic Value Generated 2012-2013	
Revenues	372,436,726
Economic Value Distributed	
Operating Costs	38,657,411
Employee Wages & Benefits	47,226,008
Community Investment	251,000
Economic Value Retained	
	286,302,307

Our Environment



Our Environment



Prior to the Industrial Revolution, the population of the world was estimated to be around 1 billion people, the majority of whom were farmers. Fast forward 200 years and the population of the world has swelled to 7 billion! During these 200 short years, unprecedented economic growth and prosperity were achieved. Technology developed in leaps and bounds and our ability to shape and re-shape the world to suit our needs became normal practice. We believed that every obstacle could be overcome with technology and progress, and at first that assumption seemed safe. However, we now face a new set of global challenges that cannot be solved with quick fix solutions.

Population growth and increased purchasing capacity in emerging economies are placing a significant strain on this planet's resources. Water, oil, natural gas, and metals are experiencing unprecedented demand, and forecasts estimate this trend to continue in the coming years. Demand for resources is increasing at a much faster rate than supply, and is evident from the increased prices of commodities over the past decade. As an energy exporting country, Kuwait and other GCC countries are benefiting from this trend; however, these resources are non-renewable. With that fact in mind, it is prudent for energy exporting countries like Kuwait to utilize this resource efficiently. To that end we have dedicated two of our six operational goals to address this issue:



Reduce energy intensity of our operations



Reduce water intensity of our operations

Another environmental challenge the world faces is climate change. There is mounting scientific evidence that climate change is caused by increasing levels of CO₂ and other greenhouse gases (GHGs) in our atmosphere. The GHGs emitted by our industrial operations are creating a layer

that is trapping the solar radiation in our atmosphere, and causing warmer temperatures. The warmer temperatures in turn are causing the polar ice caps to melt, which in turn affects the global weather patterns, causing the phenomenon known as climate change. This is leading to rising sea levels, desertification, droughts and disruption of weather patterns. Climate change is a global issue that requires a global solution. We as Kuwaitis and PIC must assume responsibility and work to be part of the solution. To that end we publicly declare our goal to reduce the GHG emissions from our operations.



Reduce greenhouse gas emissions

The threat of climate change is crucial enough that the United Nations included it in the "Millennium Development Goals". The Millennium Development Goals are eight international development goals that address the world's most pressing issues including poverty, education, gender equality, health, and environmental sustainability. All 193 UN member states signed the declaration and agreed to achieve these goals by 2015.

Kuwait has pledged its commitment to the achievement of the Millennium Development Goals (MDGs) to the world community. As of now, Kuwait is progressing well on all its MDGs except environmental sustainability. There are three indicators that are challenging: electricity use, energy use, and carbon dioxide emissions. Kuwait ranks third, fourth, and third in the world on per capita basis in those respective categories. Given the structure of Kuwait, and our reliance on the oil production industry, improving these indicators is a real challenge. KPC has recognized this challenge and included targets to improve these indicators in its 2030 vision.

We at PIC understand the environmental responsibility we must assume as part of Kuwait's oil industry and pursue an environmentally responsible development plan. In this section we will disclose our environmental data to the public, and we pledge to do our utmost to improve these indicators and lead environmental stewardship in Kuwait by example.

Environmental Performance Indicators

The State of Kuwait ratified the United Nations Framework Convention on Climate Change (UNFCCC) on March 28, 1995, and ratified the Kyoto Protocol on March 11, 2005. Although Kuwait is not legally bound to reduce its GHG emissions, PIC is committed to explore low carbon solutions to help mitigate the global impact of climate change. Going forward we will continue to identify projects that will reduce our energy intensity, and reduce our GHG emissions.

EN3:

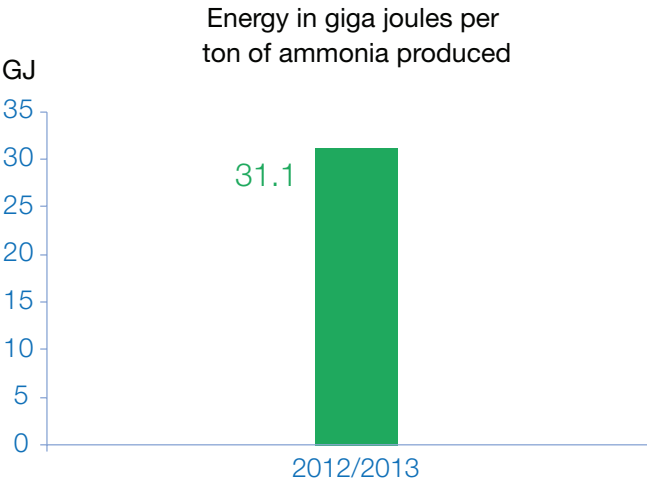
Direct Energy Consumption

Through our stakeholder engagement meetings with parent company KPC, one of the main topics of concern was the direct energy consumption by our operations. KPC recommends we explore more energy efficient technologies in our operations and work to minimize the amount of fuel and natural gas procured from KPC.

The petrochemical industry is energy intensive. As a leader in the field, PIC will help set the standard for effective and efficient petrochemical production by reducing the amount of energy used in the production of PIC products. PIC will reduce the energy intensity (the amount of energy used to produce a ton of product) of its operations and by doing so contribute to a healthier planet and a healthier Company.

We will use the 2012-2013 fiscal years as our baseline measurement, and our target will be to reduce energy consumption per ton of Ammonia output.

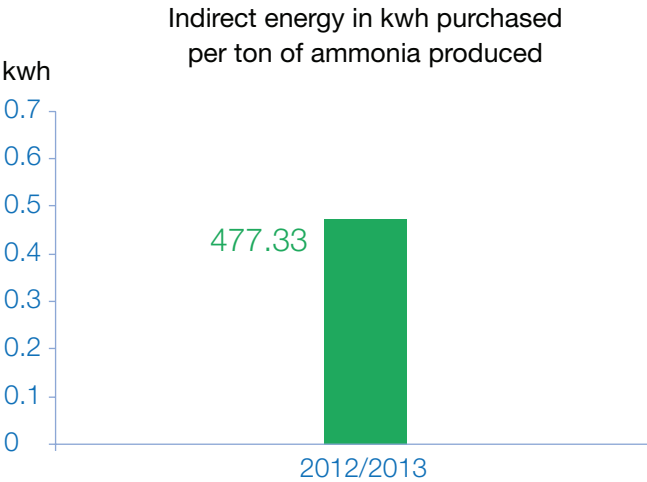
	Total 2012/2013
EN3: Total Direct Energy Consumption (GJ)	18,626,019
EN4: Total Indirect Energy Consumption (MWh)	282,351
EN4: Total Indirect Energy Consumption at Head Office (kwh)	29,253
Ammonia Total Output (Tons)	599,045



EN4:

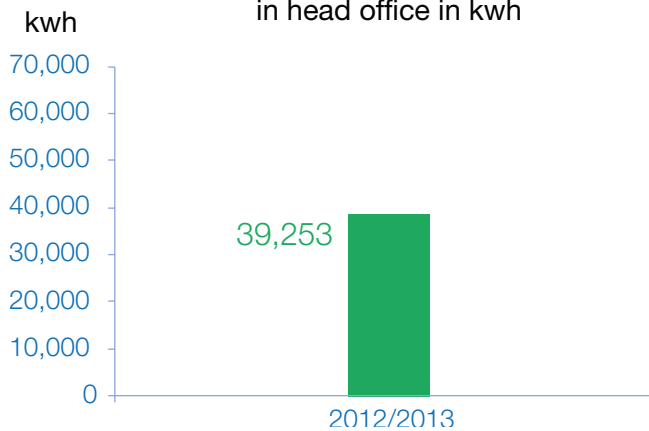
Indirect Energy Consumption

Our indirect energy consumption is a sum of two data points:



Environmental Performance Indicators

Total electricity consumption in head office in kwh



Our General Services department has been implementing Six Sigma projects since 2008 to reduce energy consumption in the head office. Since 2008, we have achieved a 26% overall reduction in electricity consumed in our head office. Between 2012-2013 fiscal year, we observed a slight 1% increase in electricity consumption in our head office. This is due to several factors including above-average summer temperatures which necessitated extra use of air conditioning units during the summer and an increased number of employees in the head office. We recognize this issue, and have initiated measures to improve this measure in the coming fiscal year.

Water Consumption

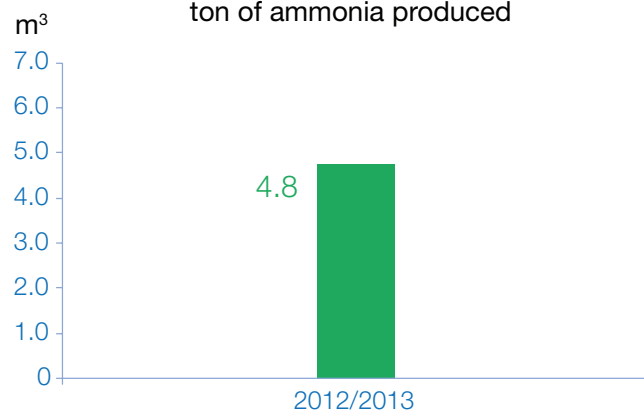
Reducing the water intensity of our operations is another important target in our 2017 PIC Sustainability Goals. This region and Kuwait especially is considered a water scarce region. As a citizen of the desert, PIC is keenly aware of how precious fresh water is and its impact on daily life, industry and agriculture. The value of this resource will only grow as populations increase in the region and around the world. Conserving this precious resource is a key component of the 2017 PIC Sustainability Goals and is closely tied to more efficient operations.

We will use the 2012-2013 fiscal years as our baseline measurement, and our target will be to reduce energy consumption per ton of ammonia output.

EN8:

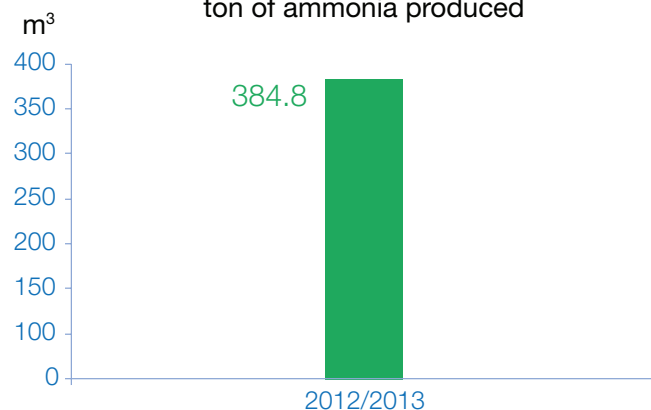
Water Intensity

Water withdrawn in m³ per ton of ammonia produced



EN21:

Water discharge in m³ per ton of ammonia produced



Environmental Performance Indicators

EN16:

Total Greenhouse Gases

Greenhouse gases (GHGs) are trace gases that control energy flows in the Earth's atmosphere by absorbing infra-red radiation. Scientific evidence indicates that increased levels of these gases in the atmosphere are responsible for climate change and global warming. Some GHGs occur naturally in the atmosphere, while others result from human activities. There are six GHGs covered under the Kyoto Protocol - carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆). CO₂ is the most important GHG released by human activities.

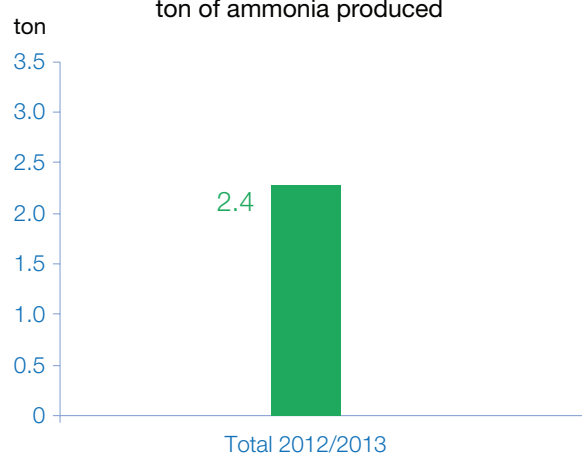
Greenhouse gas emissions are a concern around the world. Like many other energy intensive industries, the petrochemical industry has an opportunity to make a significant impact on one of the most urgent environmental issues facing the planet. PIC is assuming a leadership role in addressing this important issue and will implement initiatives to reduce greenhouse gas emissions produced in the course of our work.

PIC and several other KPC subsidiary companies have started a project to accurately measure the GHG emissions from their operations. The high level vision of the project aims to keep KPC and subsidiaries ahead of the regulatory curve and reduce operating costs through efficiency improvements. Improving efficiencies through reduced flaring, fuel substitution and incorporating renewable energy sources will reduce the carbon emissions of our operations. Other benefits include leveraging international finance mechanisms such as the Clean Development Mechanism (CDM), and sharing best practices with global industry leaders.

One of our 2017 PIC Sustainability Goals is to reduce our GHG intensity, which means reduce the amount of CO₂ emissions per ton of product output (ammonia). There are two types of emissions that are included in our calculation of total GHG, Scope 1, and Scope 2:

- Scope 1 includes:
 - Total GHG emissions from fuel gas consumption (EN3)
 - Total emissions from CO₂ losses
- Scope 2 includes:
 - Total GHG emissions from electricity consumption (EN4)

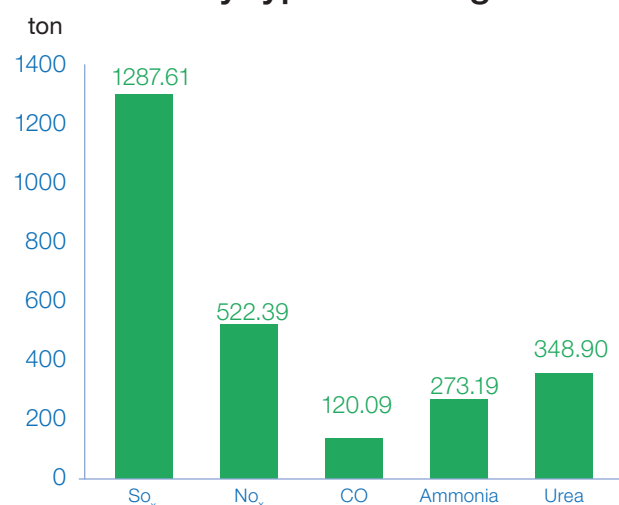
GHG intensity CO₂ equivalent per ton of ammonia produced



Our 2017 Sustainability Goals will use this data as a baseline and move towards achieving one of the six operational Sustainability Goals by 2017.

EN20:

NO_x, SO_x, and other significant air emissions by type and weight



Spills are one of the inherent risks of the petrochemical industry. PIC employees, neighbors and customers place a trust in the our ability to safely produce, transport and store products. PIC will work diligently to minimize spills, also known in the industry as Loss of Primary Containment Incidents, or LOPCs. Making progress in minimizing spills will go hand-in-hand with advancements in the area of process safety incidents. During the past year, we achieved our target of no more than one spill. During May of 2012, we experienced our only spill of the year which amounted to 600 liters.

Environmental Performance Indicators

Energy Efficiency and GHG Reduction Initiatives — EN5, 7, 18, 26

Over the past years, we have implemented several projects and initiatives to improve our environmental performance. For example, in 2009 we successfully completed our “Zero Ammonia Emissions” project, which was viewed very favorably by our stakeholders, including neighboring communities and KPC. This year we publicly commit to our 2017 PIC Sustainability Goals, which include reduction of GHG emissions, energy intensity, and water intensity.

Our intent is to be transparent with our stakeholders, and publicly disclose our environmental performance versus our targets. This report will serve as a baseline for our performance data, and we are determined to accomplish our Sustainability Goals, and achieve our reduction targets year over year.

During 2012-2013 we successfully implemented the following projects. All our projects utilize Six Sigma methodology.

Preventing Steam Loss:

- **Eliminate steam venting from Urea plant B:** Keeping a steam vent open more than 5% of the time is not an acceptable situation and is named as a defect according to Six Sigma

methodology. The team was able to reduce the vent opening from a daily average of 27.8% to a new standard of 1.5% using Six Sigma methodology. This improvement of over 90% saved US\$52,000. On an annual basis the project is estimated to save US\$460,000.

- **Reduce steam carbon ratio at Ammonia IV:** Considering any day where the average Steam/Carbon ratio is over 3.85 a defect, the team was able to reduce the Steam/Carbon ratio from a daily average of 4.21 to a new standard of 3.83. An improvement that saved around US\$60,000 so far and is estimated to save around US\$510,000 over the next 12 months.
- **Replacement of all steam traps** from the conventional type to venture type to prevent steam losses.

These projects contribute to two of our Sustainability Goals: reducing GHG emissions and reducing energy intensity.

GHG Reduction



Divert CO₂ from Ammonia II to Urea A: Average CO₂ losses in 4 Bar Absorber was high at 17.4%. Optimization efforts led to over a 10% increase in CO₂ losses down to a level below 7%. Total savings realized during implementation of the project amounted to US\$54,000 and we expect annual savings to add up to US\$720,000.

Water Intensity Reduction Projects



Irrigation system for fertilizer plants: We are utilizing our waste water condensate to irrigate plants in the Green Belt project as well as plants in and around the fertilizer plant.

We increased the cycle time of the mixed bed regeneration (water treatment for recycling). The increase in cycle time led to reduction of regeneration, which means using less chemicals and less water.

Reducing Indirect Energy Consumption



Optimize illumination level in Plant B: We created a new process to maintain the lights illumination levels in plant B offices and substations within KEPA standards (Kuwait Environment Public Authority). The initial illumination measurement of 112 offices and substations shows that 55% were out of the optimal range. The technical services team improved the level of illumination and reduced defects by 70% (16% off-spec). The technical services team has also created a continuous measurement and monitoring process to maintain levels at the desired range.



Sustainability Achievements:

The 2017 PIC Sustainability Goals build on PIC's continued efforts to achieve excellence in Health, Safety and the Environment (HSE) and Sustainability. As we strive to improve our performance, here is a look back on recent accomplishments.

10
million

PIC achieved more than ten million safe man-hours, testimony to the dedication of PIC's employees and contractors.

315,000

Trees The Kuwait Green Wall Project is the largest forestation project in the nation's history. This 8-year project entails planting 315,000 trees to form a green wall around the Kuwaiti border.

7,500

Square meters PIC partnered with the Kuwait Society of Engineers to build the first Green Camp in the region, a 7,500 square meter camp operated by solar energy that will become a prototype for schools, universities, ministries and other organizations.

Healthy Lifestyles

PIC has launched Green Gergiaan, an environmental initiative to increase awareness of healthy food among children during Gergiaan and cultivate healthy lifestyles at an early age.

0

Injuries, lost days, occupational diseases, absenteeism, or work related fatalities.

The Kuwait Green Wall Project

Along with Environment Voluntary Organization, PIC launched the largest forestation project ever attempted in Kuwait and the region. The “Green Wall” aims to cover over 400 kilometers along the Kuwaiti border with approximately 315,000 trees and effectively create a “Green Wall” surrounding Kuwait’s land border. The project is expected to take eight years to complete. The “Green Wall” will consist of three rows of trees and stretch all the way from Kuwait’s southern border in Nuwaisib to the northern border Abdali.

The trees chosen to be planted along the wall are native to the environment of Kuwait, and will withstand the harsh summer temperatures and water scarce conditions. The project also ensured that there are adequate spaces and pathways between the trees for the native animals to be able to move freely between them so as to not disturb the ecosystem.

The environmental indicators will be measured every year over the next 50 years to measure the impact the “Green Wall” is contributing to Kuwait’s climate.

The project is expected to

- Reduce severity of sand storms
- Lower the overall temperature of Kuwait
- Reduce net greenhouse gas output of Kuwait

PIC will launch a web portal to encourage members of society, communities, NGOs and other citizens to participate and support in this monumental project for Kuwait.





Environmental Awareness Campaigns

Green Camp

The summers in Kuwait are extremely hot as temperatures reach as high as 50 degrees Celsius. Therefore we wait until the winter months, when temperatures are cooler, to go out into the desert and enjoy the outdoors. All over the Kuwaiti desert, campsites are set up, and families and friends spend most of their time there. These campsites are considerably modern; the majority have an electricity generator and Internet connection. PIC saw an opportunity to both satisfy the needs of the campers and raise awareness of environmental responsibility. The result: “Green Camp.”

In partnership with the Kuwait Society of Engineers, PIC built the first Green Camp in the region. Spanning 7,500 square meters, the campsite’s entire electricity usage was generated from solar panels.



PIC participates in Kuwait's first Sustainability Awareness Workshop



PIC was part of a sustainability workshop hosted by the Kuwait Environment Public Authority (KEPA) and Ernst & Young to increase awareness about the topic in various sectors across Kuwait. The event attracted almost 100 participants from the public and private sectors, which included major organizations in Kuwait. PIC's ENHSE Manager and head of Sustainability Hashim Hasan Hashim illustrated how the concept of sustainability is a global issue impacting the economy, the environment and society. He also highlighted key sustainability challenges facing Kuwait. Hashim stated that top organizations need to lead by example, and that the development of any future business models must take into account sustainability if long-term growth is to be achieved. Hashim also explained PIC's sustainability strategy, initiatives undertaken as well as future plans of the Company.

Environmental Campaigns

We are very excited about the new direction we're heading towards. Our Sustainability journey's success will hinge on the commitment of our most important stakeholder, our employees. We are building a culture of Sustainability in PIC, and raising awareness using different mediums. One way to introduce sustainability concepts to our employees is through Environmental campaigns. Here are some of the campaign posters used in our head office over the past year.



Introduction

Sustainability
Strategy

About
This Report

Sustainability
Governance

Our
Economy

Our
Environment

Our
People

Our People



People and Community

Throughout its history, PIC has invested in programs based on a fundamental premise: quality engagement with all people around us ushers in a lifetime of opportunity, which helps build a strong and diverse community in which to work and live.

Workplace information

Implementing our strategy and growing our business depends on recruiting high-quality professionals and maintaining the full commitment of our staff. PIC has a dynamic workforce of 582 persons and we are committed to ensuring our people work in a safe, ethical, and motivating environment which promotes their professional development and empowers all equally.

LA1:

Diversity and inclusiveness. We are committed to creating a workplace that values differences. A diverse workforce can better respond to customers and stakeholder needs.

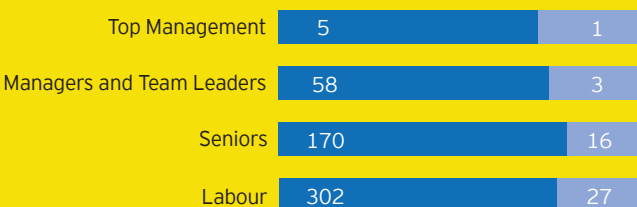
An inclusive workforce is more motivated and able to bring their talents to bear. As we continue to focus on diversity, challenges arise in understanding how to match our workforce practices, and our growth ambitions with the reality of the culture in which we operate.

Local hiring is an important driver for the economy of Kuwait. PIC is very close to achieving KPCs 2030 Kuwaitization target to have 85% of the employee base be Kuwaiti. PIC is currently at 83.5%.

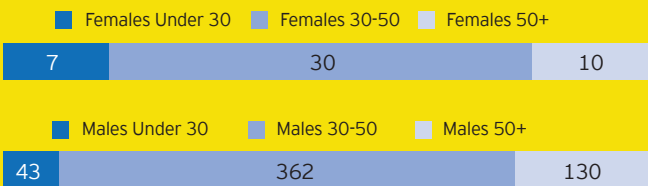
PIC has a younger demographic with 56.5% of employees under the age of 30, yet only 74% of them are from Kuwait. Focusing on increasing the percent of this group that is Kuwaiti is a priority for us, which is in line with the KPC 2030 Vision.

Of our top management and management team leaders, over 99% are from Kuwait. We also believe in empowering women in the workforce.

LA1: Employee breakdown by gender and level, distribution at PIC



Employee break down by age and gender at PIC



LA11, LA12, SO3:

Learning and Development. Our people are our most valuable investment, and our investment in employees builds our success, our products, and our performance. PIC believes in developing the talent of new employees with programs designed to give in-depth experience and build skills that are crucial to long-term success. 100% of our staff from all levels, starting from labor workers to senior managers, receive PIC's anti-corruption policy and procedure training. This is separated into three tiers, Under Development, Trainees, and Employees. The training is done in-house, with external courses also provided. A KPC auditor is assigned for on-the-job monitoring to ensure quality control and that all training requirements are met. In addition, as part of our commitment to talent development and ensuring global-standard leadership is in place to fulfill PIC's future strategies, we conduct career performance reviews. This aims to create an engaging and inclusive working environment where people

from all backgrounds have the same opportunity to make a contribution and advance on merit. This year 97% of our employees undertook career performance reviews. There were 15 employees excluded from these reviews, which was due to either a long absence or KPC secondments.

LA10:

Average training hours by gender and employment level

Average Training Hours		
Top management	47	47
Managers & Team Leaders	47	47
Seniors	47	47
Labour	47	47
	Males	Females

Benefits and severance package. PIC strives to provide competitive packages that meet or exceed government mandates relevant to the industry. Comprehensive health benefits, such as those offered by PIC, also help employees remain healthy and productive. Within Kuwait, most PIC employees are eligible for a defined benefit pension plan. PIC also offers comprehensive medical coverage and other important benefits such as company-paid insurance contributions of 11%. PIC is fully compliant with the unified oil sector policy and procedure in Kuwait that controls the employee benefits through special fund insurance public social security. For non-Kuwaitis, we comply with the national labor laws and provide the entitled leave balances. For Kuwaiti nationals, end of service benefits include the Kuwaiti termination benefit, service grant and entitled leave balance.

PIC Union

LA4: PIC Workers Union was established in 1971 by 22 PIC employees. The PIC Workers Union falls under the umbrella of Oil and Petrochemical Workers Union, which is considered the official workers union for Oil sector employees in Kuwait. At present 511 of PIC's 582 (88%) employees are members in the Union.

For over 40 years, the PIC Worker's Union has been working to improve working conditions for PIC employees, both individually and collectively. More recently in 2011, the Workers Union negotiated a salary increase for PIC employees.



Employee Health

Safety, people and performance are PIC's top priorities. Our commitment to safe and reliable operations starts with our leadership's commitment to regularly communicate health and safety procedures to all staff. We constantly seek to improve our personal workplace safety performance through the use of a number of campaigns in our offices and as part of our ongoing capability development. In 2012, we hosted a contractor safety seminar to share knowledge and experience. At PIC we subcontract significant amounts of our operations to third party contractors, and we ensure that every contract agreement complies with Kuwait's labor law as well as all Human Rights regulations adopted and acknowledged by the State of Kuwait.

We like to have a holistic view when it comes to health and safety. Our 'PIC Kitchen' produces and serves safe food products compliant with relevant Kuwaiti Statutory & Regulatory Requirements considering food safety requisites as directed by the ISO 22000:2005 standard. We will strive to provide

excellent and healthy kitchen catering services by supplying safe and clean food products, maintaining a prevention rather than detection mentality, fully complying with requirements and continually improving the effectiveness of our Food Safety Management System. We also provide our employees with the required information, training and tools necessary to perform their job in a hygienic and compliant manner.

In the domain of health, in 2011 the company initiated a very successful "Reduce Your Weight" campaign. Another successful campaign in 2012 focused on improving health by getting employees to stop smoking. The project resulted in the reduction of the number of PIC employees who smoke from 203 to 180.



Communicating Sustainability

As part of our efforts to communicate our Sustainability initiatives to our stakeholders, we started publishing a monthly newsletter, the "PIC Sustainability Newsletter" in 2012 in conjunction with our KEYMIA newsletter. The Sustainability newsletter consisted of the following sections:

- Latest sustainability news headlines in Kuwait and the region
- Update on Sustainability Goals and Initiatives completed during the month
- "Did you know?" Section: Sustainability facts and figures about Kuwait
- "Sustainability To Do" Section: Recommendations to employees related to environmental responsibility and healthy living



Ensuring the Best for Our Customers

At PIC, we implement key actions to ensure the safe use of our products after the product leaves our site. As per our Responsible Care® Program, we promote customer awareness about product handling through customer visits and distributing our product Material Safety Data Sheets (MSDS). We also encourage our customers to translate the MSDS for their local end users. The data sheets provide key data and numbers regarding our products, with emergency overviews and potential health effects. This way it can be used as a general reference or for an emergency situation. The data sheets also detail handling and storage measures including, but not limited to, the type of protection to be used to limit exposure. The data sheets also provide transport, regulatory and disposal information for customers to follow.

We constantly strive to improve the quality of our MSDS. In 2012 our Fertilizer HSE department completed a Six Sigma project using inputs from end users and created a control step to reduce defects.



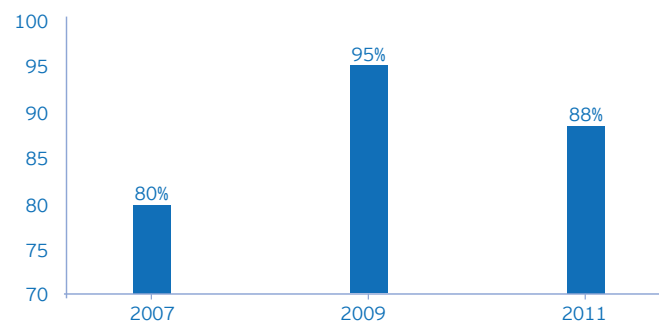
Customer surveys. Customer satisfaction with products, services and performance is a cornerstone of PIC's sustainability commitment, laying the foundation for long-term success. Knowing customers' needs and expectations, and learning more about them by maintaining an ongoing dialogue with customers, is a top priority for PIC. In this respect, alongside excellent products and expert advice, personal interaction with the customer is of critical importance. Particularly when it comes to the new sustainability measures, customer satisfaction is a key indicator of how well product and service developments are responding to stakeholder needs. Our Customer Satisfaction Survey is performed every two years and gives us comparative scores to see how we are doing as the years go by. The survey touches upon a broad range of topics, such as marketing staff,

supply reliability, documentation, handling complaints, payment methods, product quality, shipment execution and timely delivery. We acknowledge that some items of our last customer satisfaction survey results show a decrease, and we are taking the necessary steps through further engagement to address the issues associated with the decline.

Although our latest customer survey during 2011 showed an overall decrease from 95% to 88%, the result is still considered to be within the "High" level of satisfaction threshold. The lower satisfaction level resulted from an inability to accommodate some of our customers requests to increase the quantity of product available to them. PIC met all the contractual obligations; however, we could not meet extra demand due to production capacity constraints. Nevertheless we have taken measures to address this issue through extra engagement with our customers by asking them specific questions on how PIC can increase customer satisfaction-related indices.



PR5: Customer Satisfaction Survey Results



Customer Satisfaction Index

Community Engagement

Our presence can have a significant impact on communities in which we operate. We aim to make a positive difference in the places where we operate by using our skills and resources to do business in a way that benefits both local populations and PIC.

We implement the Responsible Care Guiding Principles in all of our operational facilities. These guidelines help us identify the preventive and mitigating measures of our products and operations on the communities where we operate. Once we identify the preventive and mitigating measures, we develop adequate processes to reduce or eliminate the potential impact. More information on our Responsible Care commitments can be found in the Sustainability Governance Section.

Building business skills and teamwork. We conduct a range of programmes to develop our internal workplace community as well as build the skills of businesses in Kuwait. This can range from financing to sharing global standards and practice in areas such as workplace culture, health and safety campaigns. 2012 marked our 15th consecutive year of our "Know your colleague" programme, where PIC Board of Directors, including PIC Top Management, engage with employees on all levels in order to strengthen ties and corporate culture. The meeting this year focused on creating a positive working environment and empowering employees in their day-to-day activities. PIC also has an incentive scheme for our employees where we award 'Model Employees' on a regular basis.

Focus on education. Education is a critical driver of progress and opportunity in Kuwait. Our investments in learning range from providing support for classrooms through activities such as school visits, and supporting education through activities such as sponsoring teacher enrichment days. PIC also has an incentive scheme for our employees' children, where we reward those with the highest academic achievements.



Sports and healthy living. PIC encourages sportsmanship and healthy lifestyles for communities across Kuwait. Throughout the year, we organize sports programs ranging from football tournaments to taekwondo at our own Boubyan Club. With high incidences of disease related to food-intake in the country, PIC promotes healthy eating programs and provides educational nutrition lectures with themes such as "Healthy eating in Ramadan" and "You are what you eat." With so much interaction undertaken using our mobile phones, PIC also took the initiative to release a public service announcement of the dangers of mobile radiation.

Supporting community needs. In many communities across Kuwait we deploy our skills, resources and influence to invest in ways that are relevant to local interests and needs. We work closely with the local community and organizers in delivering such programmes. We arrange visits to our local hospitals to visit the elderly and join volunteering exhibitions. At PIC, we also like to give back and celebrate Kuwait and promote a sense of kinship and cooperative spirit. We have many cultural happenings that take place throughout the year, such as "We are Kuwait" bazaars, ghabgha celebrations and Eid festivals.



Caring for our environment. We wish to minimize our impact on the environment. We know that one of the key environmental topics in our region is water scarcity, which is why we have established a wastewater treatment scheme which is used to water the plants on all our premises. On a local level, PIC has continuous environmental awareness programs in schools, where in 2012 we hosted a recycling exhibition. Getting the country and sector involved, PIC participated in the Environmental Conference for Oil and Gas and Petrochemicals. We also participate in global efforts, and in celebration of Earth Day 2012, PIC switched off all its lights on all sites for the designated "Earth Hour," joining the rest of the world in reducing energy use and tackling climate change. More information on our environmental initiatives, including this year's "The Kuwait Green Wall" in the "Environment Section."



Anwar Ben Salamah Deputy CEO Planning

Interview



Mr. Anwar Salamah is Deputy CEO of Planning and is passionately driving the Sustainability initiative in PIC. He is personally overseeing the progress of our Sustainability Goals and initiatives through monthly progress meetings. He also encourages PIC employees to examine their personal living habits and explore ways they can reduce their environmental footprint. We met with Mr. Salamah and asked him a few questions about PIC's Sustainability program:

1. During your career with PIC which positions have you occupied? Can you give us some examples of applicability of sustainability topics in various functions you have engaged during your career?

About 26 years of my career as a Chemical Engineer were in fertilizer manufacturing plants at PIC. Then I was responsible for Human Resources and the Finance function for three years. Since 2007 I am responsible for the Planning function that includes the Corporate Planning, Corporate Engineering & HSE, Information Technology and Business Development (Six Sigma) departments. During my work in manufacturing units we managed to revamp our fertilizer plants to improve reliability, reduce emissions, modernize control systems, and improve product quality. Projects worth 350 million US dollars were implemented. Also while implementing our Six Sigma Methodology for process improvement, we have taken up many projects to reduce process cycle time and pollution and increase customer

satisfaction.

2. Do you see any shift in business priorities over the years? Have priorities for business shifted because of the growing emphasis on sustainability?

During the nineties there was a clear shift in the company priority towards improving our HSE management system and we managed to achieve ISO 14001 certification. This was a step towards achieving our Responsible Care (RC 14001) Certification later, adding to our journey towards sustainability.

3. How critical are the sustainability initiatives for PIC to succeed, considering the long-term growth plans?

It is now 50 years since PIC was established as a manufacturing company. PIC has grown from a small fertilizer operating plant to what we are now, with a broadened business portfolio inside and outside Kuwait. We want to make sure that PIC faces future challenges in a sustainable manner through a positive contribution in all dimensions including economic, environmental and social, while working closely with all stakeholders towards sustainable and diversified global growth.



4. How did the sustainability initiatives change the way you make business decisions?

More so than in the past we believe that sustainable development needs to be the core of our business decision making with high consideration for health, safety, environment and communities.

5. Given your knowledge of the sustainability challenges facing Kuwait and its people, have you made any behavioral changes in your daily life outside of work?

Although Kuwait is blessed with high oil and gas resources and production, we are one of the highest energy consuming countries per capita partly due to the low local energy prices. I try to promote the use of low energy lighting at home and solar water heating at my beach house. Also I enjoy sailing as sport instead of the motor boats. My family and friends join me in these initiatives.

6. What is your message to other companies and individuals in Kuwait who are considering sustainability programs but are reluctant to do so due to lack of immediate return on investment?

We in PIC try to show an example for a well-planned approach towards Sustainability for other companies mainly in the oil sector. And we can notice that Sustainability is gaining momentum in the Gulf region as we see more and more organizations taking up a sustainability initiative. Organizations have realized the benefits and importance of sustainable business practices in view of the global economic and climate change situations. The desire to grow without damaging prospects for future generations is becoming more and more central to business philosophies and communities.



Statement GRI Application Level Check

GRI hereby states that **Petrochemical Industries Company (K.S.C)** has presented its report "Sustainability Report" (2013) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 30 May 2013

A handwritten signature in blue ink, appearing to be "N. Arbex", is written over a large, faint, light-blue circular watermark that serves as a background for the lower half of the page.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

GRI Index

G3.1 Content Index - GRI Application Level B				
Application Level B				
STANDARD DISCLOSURES : Profile Disclosures				
1. Strategy and Analysis				
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure	Reason for omission
1.1	Statement from the most senior decision-maker of the organization.	Fully	Page 4,5	
1.2	Description of key impacts, risks, and opportunities.	Fully	Page 15	
2. Organizational Profile				
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure	Reason for Omission
2.1	Name of the organization.	Fully	Page 7	
2.2	Primary brands, products, and/or services.	Fully	Page 7	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Page 7	
2.4	Location of organization's headquarters.	Fully	Page 7	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Page 7	
2.6	Nature of ownership and legal form.	Fully	Page 7	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Not		Proprietary information
2.8	Scale of the reporting organization.	Partially	Page 7	Proprietary information
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Not		Proprietary information
2.10	Awards received in the reporting period.	Fully	Page 10	
3. Report Parameters				
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure	Reason for Omission
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Page 19	
3.2	Date of most recent previous report (if any).	Fully	Page 19	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Page 19	
3.4	Contact point for questions regarding the report or its contents.	Fully	Page 19	
3.5	Process for defining report content.	Fully	Page 20	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Page 21	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Page 21	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Page 21	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Partially	Pages 34, 35, 36, 37	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Not		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not		
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	Pages 50, 51	
3.13	Policy and current practice with regard to seeking external assurance for the report.	Not		
4. Governance, Commitments, and Engagement				
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure	Reason for Omission
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Page 23	

GRI Index

4. Governance, Commitments, and Engagement				
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure	Reason for Omission
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Page 24	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Page 24	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Not		Does not exist
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Page 24	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Not		Proprietary information
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Not		Proprietary information
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Page 24	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Page 24	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Not		Does not exist
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Not		Proprietary information
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Pages 24, 25	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Page 25	
4.14	List of stakeholder groups engaged by the organization.	Fully	Page 26	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Page 26	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Page 26	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Partially	Pages 4, 5, 15, 20, 29, 33, 39, 50	

STANDARD DISCLOSURES : Performance Indicators				
Economic				
Indicator	Disclosure	Level of Reporting	Location of Disclosure	
Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Page 31	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Not		
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Page 44	
EC4	Significant financial assistance received from government.	Not		
Market presence				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	Page 29	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Not		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Page 29	

Economic				
Indicator	Disclosure	Level of Reporting	Location of Disclosure	
Indirect economic impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Page 30	
Environmental				
Indicator	Disclosure	Level of Reporting	Location of Disclosure	
Materials				
EN1	Materials used by weight or volume.	Not		
EN2	Percentage of materials used that are recycled input materials.	Not		
Energy				
EN3	Direct energy consumption by primary energy source.	Fully	Page 34	
EN4	Indirect energy consumption by primary source.	Fully	Page 34	
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Page 37	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Page 37	
Water				
EN8	Total water withdrawal by source.	Fully	Page 35	
EN9	Water sources significantly affected by withdrawal of water.	Not		
EN10	Percentage and total volume of water recycled and reused.	Not		
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not		
EN13	Habitats protected or restored.	Not		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not		
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Page 36	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Page 37	
EN19	Emissions of ozone-depleting substances by weight.	Not		
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Page 36	
EN21	Total water discharge by quality and destination.	Fully	Page 35	
EN22	Total weight of waste by type and disposal method.	Not		
EN23	Total number and volume of significant spills.	Fully	Page 36	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not		
Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Page 37	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not		
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not		
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not		
Overall				
EN30	Total environmental protection expenditures and investments by type.	Fully	Page 31	

GRI Index

Social: Labor Practices and Decent Work				
Indicator	Disclosure	Level of Reporting	Location of Disclosure	
Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	Page 43	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Not		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not		
LA15	Return to work and retention rates after parental leave, by gender.	Not		
Labor/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Page 44	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not		
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	Page 38	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Not		
LA9	Health and safety topics covered in formal agreements with trade unions.	Not		
Training and education				
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	Page 43	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Page 43	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	Page 43	
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Not		
Equal remuneration for women and men				
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	Page 30	
Social: Human Rights				
Indicator	Disclosure	Level of Reporting	Location of Disclosure	
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Page 44	
HR2	Percentage of significant suppliers, contractors, and other business partners who have undergone human rights screening, and actions taken.	Not		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not		
Non-discrimination				
HR4	Total number of incidents of discrimination and actions taken.	Not		
Freedom of association and collective bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not		
Child labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not		
Forced and compulsory labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not		
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not		

Social: Human Rights				
Indicator	Disclosure	Level of Reporting	Location of Disclosure	
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not		
Assessment				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not		
Remediation				
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	Not		
Social: Society				
Indicator	Disclosure	Level of Reporting	Location of Disclosure	
Local communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Not		
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	Page 24	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not		
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Page 43	
SO4	Actions taken in response to incidents of corruption.	Not		
Public policy				
SO5	Public policy positions and participation in public policy development and lobbying.	Not		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not		
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not		
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not		
Social: Product Responsibility				
Indicator	Disclosure	Level of Reporting	Location of Disclosure	
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not		
Product and service labelling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Page 46	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Page 46	
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not		
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not		
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not		