



Sustainable Growth through Resilience



His Highness
Sheikh Tamim bin Hamad Al Thani
Amir of the State of Qatar

His Highness
Sheikh Hamad bin Khalifa Al Thani
Father Amir

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Report overview

This report marks QAFAC's tenth sustainability report. The report discusses our economic, environmental and social performance, including our efforts to drive sustainable development through our business operations. In line with our previous sustainability reports, this report discloses our sustainability performance for one calendar year from 1 January 2020 to 31 December 2020; while our last sustainability report covered QAFAC's sustainability performance from 1 January 2019 to 31 December 2019.

Reporting framework

This report has been prepared in accordance with the GRI Standards: Core option. This report also referenced other guidelines such as the Sustainability Accounting Standards Board (SASB) Oil and Gas Sector Standard, the International Petroleum industry Environmental Conservation Association (IPIECA) and Qatar Stock Exchange (QSE) Environmental Social and Governance Guidance.

Furthermore, this report highlights our contribution to local and international sustainability agendas, wherever relevant and applicable, viz., the United Nations Sustainable Development Goals (UN SDGs) and the Qatar National Vision 2030 (QNV).

Information covered

This report covers information related to the management approach and performance on the issues that are most material to our business and our stakeholders. For more details on our material and other important topics, please refer to page 33.

This report highlights several initiatives undertaken in 2020 that help improve our performance on the material issues.

Reporting topic boundaries

The general reporting boundaries for this report's data and information is based on our operations in Qatar including our Head Office, Methanol

plant, Utilities plant, and MTBE plant. The sales and shipping of our products are not included in our reporting boundary. They are handled by Qatar Chemical and Petrochemical Marketing and Distribution Company Q.P.J.S.C. (Muntajat). Contractors' and suppliers' data are also not included in this report unless otherwise stated.

Data collection and reporting approach

This report conforms to GRI's Reporting Principles. The data and information disclosed in this report were collected from relevant functional departments as per the data requirements of the GRI Standards. We have clearly defined our data collection approach, calculation methodologies, proxies and assumptions, if any, wherever relevant in the report. Any global tools, methodologies or standards used for disclosures have been provided. We also ensured that the data reported for 2020 is comparable to previous reporting periods.

The report has not undergone external assurance. However, the data and information presented has been subjected to an interactive review process to identify any potential inaccuracies and ensure reliability. The report has been developed in a way that caters to the various users of the report.

Feedback and suggestions

The opinions of our stakeholders are important to us. Thus, we welcome any feedback on this report. Please contact us with questions or suggestions using the following channels:

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Chairman Foreword

Sheikh Thani Bin Thamer Al-Thani

Chairman of the Board
Qatar Fuel Additives Company



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QAFAC's 2020 Sustainability Report marks ten years of reporting our sustainability performance. Guided by the vision and leadership of the State of Qatar, we continue to build on our founding role to create a better and sustainable future locally, regionally and globally.

When contemplating sustainability, we recognize the complex inter-relationships between the economy, the environment and society. Therefore, as a contributor to socio-economic development of Qatar, we at QAFAC are proud of our commitment towards building long-term sustainable growth in the petrochemical sector as well as creating shared value for all our stakeholders. Our focus on producing petrochemical products in a responsible manner – namely Methanol and MTBE - demonstrates our commitment to actively working towards contributing to sustainable development, in alignment with the objectives of the Qatar National Vision 2030 and the United Nation's Sustainable Development Goals.

2020 has been a year of unprecedented challenges due to the global restrictions and other implications posed by the COVID-19 pandemic, which have placed governments, companies and societies in complex and often adverse situations. The pandemic has clearly demonstrated the importance of adopting sustainable practices in order for businesses to remain resilient, and to continue to operate responsibly and successfully even in crisis situations.

Looking back through the year, has QAFAC demonstrated remarkable resilience in the face of this challenging business climate and environment. The successes are underpinned by strategic business continuity and effective risk management practices based on the principles of operational excellence; without compromising the high standards of health and

safety of our workforce while also ensuring environmental preservation. We have utilized technology and have implemented several digital initiatives and projects during the year, thereby constantly increasing the efficiency of our operations, optimizing our costs, while also reducing negative impacts on the environment and society.

I am pleased with our achievements at QAFAC measured against the primary sustainability pillars of economy, environment and society. In 2020, we embarked on our journey to implement a world-class Greenhouse Gas (GHG) Accounting and Reporting (A&R) program in line with Qatar Petroleum (QP)'s approved procedure for GHG emissions. We have not had any significant loss of containment incidents, and 2020 also marked the eighth consecutive year in which we did not face any reportable hydrocarbon spills. QAFAC strives to be a High Reliability Organization, and in 2020 we have achieved plant reliabilities of 96.2% and 100% in our Methanol and MTBE plants respectively.

Coupled with our focus on environmental protection, we also focus on workforce health and safety management through a substantive process of risk management. In 2020, we maintained reliable and safe operations, and did not have any fatalities or lost time injuries among our employees and contractors.

We know that our future success depends on our ability to effectively respond to all the risks and opportunities faced by QAFAC and the industry. Through strategic planning and by staying focused on our goals, we are confident that we will continue to improve our performance and meet all future challenges.

We are optimistic that the market for petrochemical products will thrive and expand further as the global economy emerges from the pandemic. As a responsible steward of Qatar's petrochemical products and a key contributor to the country's development, we are committed to growth and are confident of upholding our Methanol and MTBE production capacity, while maintaining our efforts to operate sustainably and responsibly in the coming years.

Finally, I would like to thank all our employees at QAFAC for their commitment, efforts, and contributions to help us to remain resilient and to implement dynamic sustainable business practices during these challenging times. The last year has demonstrated that they are the most important asset of QAFAC. I also deeply appreciate the unwavering support of the Board Members, our CEO, the Leadership Team and our contractors and business partners.

Chief Executive Officer Foreword

Ahmed Abdulqader Al-Ahmed

Chief Executive Officer
Qatar Fuel Additives Company



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I am delighted to present the tenth Sustainability Report of QAFAC – a leading Methanol and MTBE producer based in the State of Qatar. This transparent report provides us with an opportunity to inform our stakeholders about our annual sustainability performance and the progress made on our ongoing sustainability journey, as well as to demonstrate our continued commitment to the environmental and socio-economic development of Qatar.

The outbreak of the COVID-19 pandemic has caused unprecedented challenges in the business environment across all geographical regions, thus disrupting the global economy and business operations on a scale never seen before. QAFAC is no exception to this global crisis and this pandemic has also affected our operations with various operational implications for our workforce, supply chains, projects and business performance.

Despite these extremely difficult conditions, we have continued to support our stakeholders and to further strengthen our business process excellence by remaining resilient and leveraging the potential of digitalization. We have also implemented recognized safety measures to mitigate the impact of the pandemic and to turn the current challenges into a competitive advantage by dynamically managing, reviewing, and adjusting our business continuity management strategies on a regular basis.

With regard to our operational performance, the emergence of the pandemic and the resultant restrictions such as lockdowns and transportation curfews that followed, coupled with the volatility of the oil and gas prices significantly decreased the demand for MTBE in 2020. Nevertheless, we strived to maintain our operational performance and profitability by increasing the production of Methanol, such that our production increased by 14% compared to 2019. We achieved an annual production of 1,067,232 tons of Methanol

and 505,756 tons of MTBE respectively, which is a result of our continuous efforts to enhance our plants' reliabilities, which resulted in the achievement of 96.2% and 100% plant reliability in our Methanol and MTBE plants respectively in 2020.

In 2020, we presented our updated mission, vision, values and corporate strategy to our stakeholders which reinforced and advanced our sustainable growth and competitiveness in the petrochemical sector.

As an operator in the petrochemical industry, we recognize our role in minimizing our environmental footprint and striving for excellence in environmental preservation. We have always looked for innovative ways to reduce our impact on the environment. The commissioning of our Carbon Dioxide Recovery Unit and Selective Non-Catalytic Reduction unit at our Methanol reformer are examples of environmental mitigation solutions introduced to our operations. We are currently in the implementation phase of a Near Zero Liquid Discharge (NZLD) project, which will recover approximately 85% of our process wastewater, thus resulting in a substantial saving of the water sourced from KAHRAMAA, the water and electricity distributor in Qatar.

We have applied various safety principles and practices in upholding the highest health and safety standards. The COVID pandemic has further emphasized the supreme importance of prioritizing the health, safety and well-being of our workforce, and QAFAC has diligently followed all the instructions and guidelines as issued by the Ministry of Public Health (MoPH) and Qatar Petroleum (QP).

We have also closely coordinated with QP the implementation of the health and safety measures to develop appropriate COVID-19 related policies and guidelines for the protection of our workforce.

QAFAC Health, Safety, Security and Environment (HSSE) principles and Life Saving Rules provide a foundation a safe workplace for our employees and contractors and to implement risk control measures against life threatening injuries and hazards.

QAFAC is dedicated to enhancing a robust HSSE management system and a strong safety culture. QAFAC has achieved the Royal Society for the Prevention of Accidents (RoSPA) UK Silver Award. We have a 'Zero Injury' philosophy and believe that all accidents are preventable and have achieved the significant milestone of 16.43 million safe working hours without any Lost Time Injuries (LTI). The annual Heat Stress Prevention program is still effective, and we have not experienced or recorded any heat stress incidents over nine consecutive years.

We understand that our employees are central to the success of our business and long-term sustainability, therefore, in 2020 we took extra precautionary measures to ensure that our workforce felt safe, engaged, and appreciated despite the stresses of the pandemic.

QAFAC is committed to the continued development of a proficient Qatari workforce through education and training, and is also focused on initiatives to increase the percentage of females in the workforce. To this end, QAFAC has a robust Qatari development program which is focused on providing the platforms to acquire the necessary skills, competencies, and employment opportunities for young Qataris.

QAFAC has reached 30% Qatarization in 2020 and has well-structured targeted efforts and programs that focus on attracting, retaining, and developing the Qatari workforce. QAFAC is aligned and well-positioned to achieve the target of 50% Qatarization of the workforce by 2030, which is the target defined in the Qatar National Vision.

QAFAC's Senior Management positions are predominantly filled by Qatari National talents, and there is a strong drive to attract and retain talented Qatari nationals to ensure that we continue to enhance and develop a strong and dynamic local workforce.

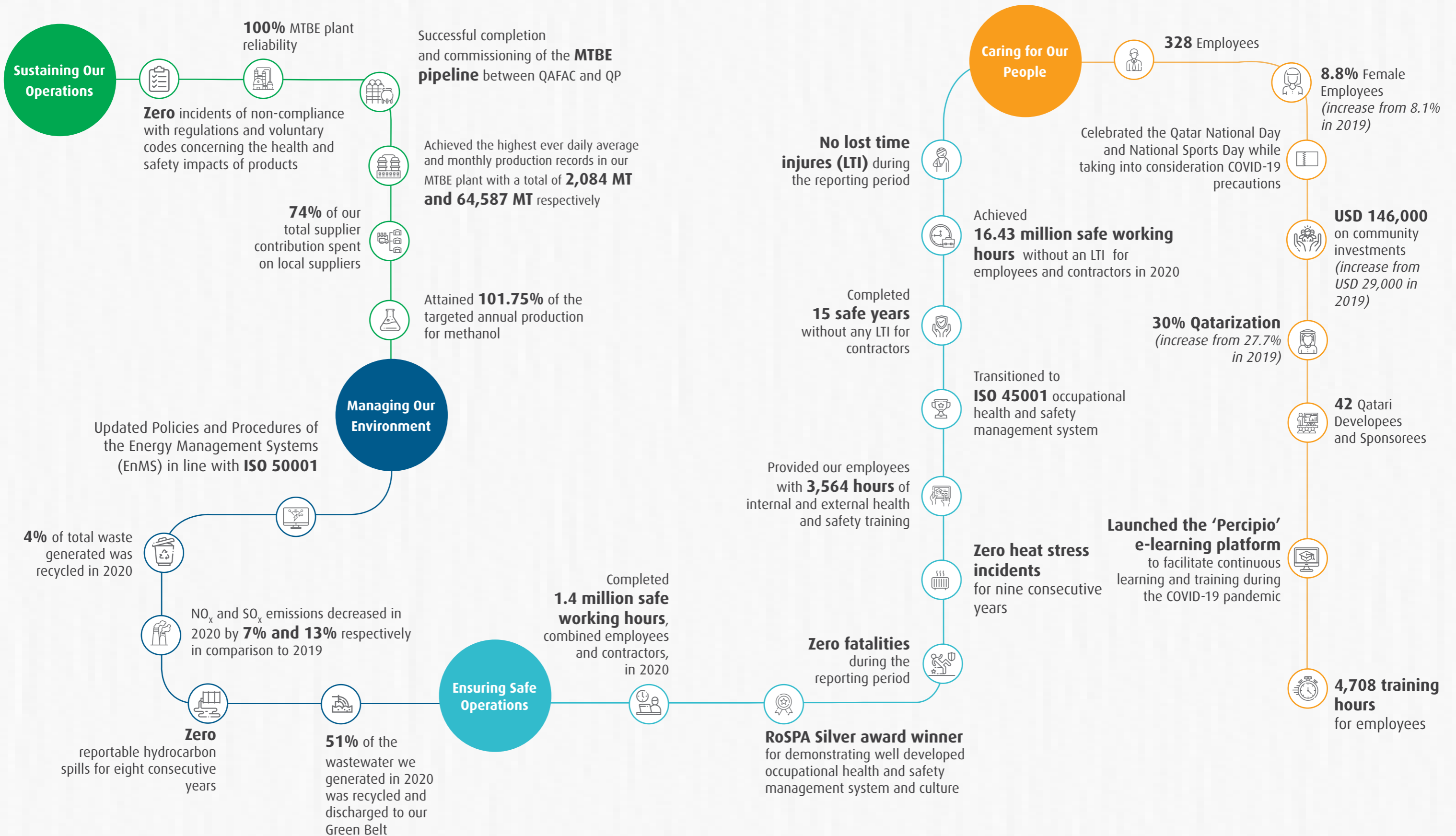
QAFAC's Learning and Development initiatives seek to enhance employees' skills, knowledge, and competency, resulting in better performance and in a smooth transfer of knowledge in the work environment. QAFAC has focused development targets for employees aimed at the broadening and deepening of knowledge and aligned to the development goals.

QAFAC has launched a state of the art digital interactive learning platform (Percipio), in which all QAFAC employees are given access to more than 2800 on-line learning courses focused on the competency requirements of various disciplines. Percipio facilitated continuous learning and training during the COVID-19 pandemic where we were faced with lockdowns and other restrictions on gathering. Percipio offers the choice of convenience of where, when, and how to learn while delivering highly engaging multimodal content in an intuitive stylish design and consumer-led experience.

With strategic foresight, we will continue our sustainability journey in the coming years and improve our performance to support the State of Qatar in meeting its sustainability objectives in line with the targets of the Qatar National Vision 2030 and the United Nations Sustainable Development Goals.

I invite you to read this report and learn more about QAFAC's sustainability performance as we continue on our mission to create value for all our stakeholders.

Key Achievements and Highlights



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Our Profile

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Qatar Fuel Additives Company Limited, also known as QAFAC is integral to Qatar's ambitious strategy to monetize its natural resources down the value chain of natural gas derivatives. QAFAC has its corporate headquarters in Doha, Qatar and its operations, which produce Methanol and MTBE (Methyl-tert-butyl-ether), are located in Mesaieed, Qatar. Both products are sold domestically and in the international markets by Muntajat.

Methanol and MTBE are liquid chemicals used in thousands of everyday products, including plastics, paints, cosmetics

and fuels. Methanol is also an emerging renewable energy resource, used in the marine, automotive, and electricity sectors. Our plants are designed to produce 2,950 MTPD of Methanol and 1,830 MTPD of MTBE per year.

QAFAC was incorporated in 1991 as joint venture and is currently owned by Industries Qatar, OPIC Middle East Corporation, International Octane L.L.C and LCY Middle East Corporation.

Our Shareholders

Industries Qatar (IQ)

A limited liability company registered and incorporated in the state of Qatar as a Qatari Shareholding Company (Q.S.C.C). In 2003, Qatar Petroleum (QP) transferred the entire shareholding in QAFAC to IQ. QP is a state-owned corporation responsible for developing and distributing Qatar's oil and gas reservoir and promoting downstream industries in the State.

OPIC Middle East Corp. (OPEC)

A wholly owned subsidiary of Overseas Petroleum and Investment Corporation, which in turn is beneficially owned by the Chinese Petroleum Corporation (CPC) of Taiwan. CPC is the state-owned supplier of oil and refined petroleum products for the Taiwanese market and is involved in exploration, refining, storage and distribution of oil and natural gas, as well as in the manufacture of petrochemical raw materials. CPC is Taiwan's largest manufacturing enterprise.



International Octane LLC (IOILC)

A member of the OUTCO Group of Companies, which has interested in civil engineering, manufacturing, hotels, real estate, and other fields, both in the UAE and Globally. IOILC was established to develop business opportunities in the rapidly growing MT BE and methanol markets worldwide.

LCY Middle East Corp. (LCYMEC)

A wholly owned subsidiary of LCY Investments Corp. (LCY), which is in turn a wholly owned subsidiary of the Lee Chang Yung Group of Taiwan, one of the major suppliers of petrochemical products including methanol, formaldehyde, ethyl acetate, isopropyl alcohol and acetone. Over the previous decade, LCY diversified into production of high-value-added products such as synthetic rubber, copper foil, and electronic-grade fine chemicals.

Our Journey

1991

Emiri decree issued establishing QAFAC as a company



1992

Basic Engineering initiated designed Alberta EnviroFuels (AEF) MTBE and Celanese methanol plants in Edmonton

1993

Chinese Petroleum Corporation and Lee Chang Yung Chemical Industry Corporation, both of Taiwan became shareholders of QAFAC

1995

Project Licensor Agreement signed with Universal Oil Products (UOP) and Jacobs Engineering

1997

EPC contract awarded to Chiyoda

1999

Official inauguration of QAFAC



2012

Signing ceremony for Carbon Dioxide Recovery Plant

2014

Reaching three million-man hours without Lost-Time Accident (LTA)

2018

Achieving ten million safe man hours



2015

Launching of Carbon Dioxide Recovery Plant

2019

Launching of Energy Management System (EnMS), Near Zero Liquid Discharge (NZLD) and Regenerate Gas Scrubbing (RGS) projects

Commissioning of Selective Non-Catalytic Reduction (SNCR) unit

Completion of Lost- Time Injury (LTI) free turnaround



2020

Implementation of GHG Accounting & Reporting program

Successful completion of more than sixteen million safe working hours without LTI

Value Chain

GRI 102-2

QAFAC is an integrated facility, where Natural Gas and Butane are sourced from Qatar Petroleum (QP) and Hydrogen from Qatar Fertilizer Company (QAFCO) (during plant start-up only). After their transformation into our final products, Methanol and MTBE, are shipped to our customers worldwide. Pentane is a by-product of the process.



Note: This diagram is for illustrative purposes only and does not necessarily reflect the exact layout of the plant or shape and design of the equipment.

Memberships and Associations

GRI 102-13



The Royal Society for the Prevention of Accidents (RoSPA)

RoSPA is a registered British charity established in 1916 with the objective of saving lives and preventing accidents that can cause life-changing injuries.



The Gulf Petrochemicals and Chemicals Association (GPCA)

GPCA represents the downstream hydrocarbon industry in the Arabian Gulf. The association manages six working committees – Plastics, Supply Chain, Fertilizers, International Trade, Research and Innovation, and Responsible Care – and organizes six world-class events each year.



Mary Kay O'Connor Process Safety Center (MKOPSC)

The Center's mission is to promote safety as second nature for organizations around the world with goals to prevent future incidents. In addition, the Center also develops safer processes, equipment, procedures and management strategies to minimize losses within the processing industry.



Methanol Institute (MI)

Methanol Institute is a global trade association for the methanol industry representing the world's leading methanol producers, distributors and technology companies. The mission of the Methanol Institute is to serve and provide cost-effective value to its members.



Asian Clean Fuels Association (ACFA)

ACFA is a non-profit organization established in 2000 and works closely with fuel policymakers, regulators and stakeholders in the fuel industry to promote and advance the use of cleaner transport fuels based on principles of sound science, cost efficiency and sustainability of the environment.



The European Petrochemical Association (EPCA)

EPCA is Europe's primary business network for the global petrochemical community. EPCA programs continuously inform members on a full range of topics, shaping the sustainable development of the global petrochemical industry.



03

Our Organization at a Glance

- Strategy
- Corporate Governance
- Risk Management
- Ethics and Culture
- Managing Our Sustainability Priorities
- The Global Pandemic - Remaining Resilient and Re-Calibrating to the New Normal



Strategy

Since inception, we at QAFAC achieved significant milestones amongst our operations, thereby demonstrating excellence across production, environmental and safety management while also caring for our people. However, we realize that many paradigm shifts are occurring due to the various global megatrends impacting the petrochemical industry. Therefore, we recognize the significance of these megatrends and the importance of preparing ourselves to become resilient and act decisively to capture opportunities as well as mitigate risks created by these forces.

Furthermore, we cannot disregard the global impact of the COVID-19 pandemic which also led us to face changes in our overall performance. Despite these critical conditions raised by the pandemic, we continued to put great efforts in managing our operations and business continuity while adapting to the new normal. The lessons learned have been shared with QAFAC's shareholders. In addition, we also continue to share and facilitate knowledge transfer on the new learnings and industry best practices that enhance business continuity management and resilience.

Consequently, these global events continuously re-emphasize the critical need for us to review and refresh our corporate strategy to maintain our profitability and sustainability while delivering value in line with the Qatar National Vision (QNV) 2030.

To this effect, we continued progressing with our project 'Advance' to undergo a proactive refresh of our strategy for the next 5 years and ultimately define an inspiring and motivating strategy, vision, mission and values that consider pertinent external factors such as changes in

the petrochemical market dynamics, potential changes in shareholder structure as a result of Joint Venture (JV) agreements, amongst others.

We have adapted our strategy in line with that of QP's as well as with the objectives of QNV 2030 and thereof, updated our objectives considering the forward outlook for our products as well as the changing market conditions.

As part of the approach for refreshing the strategy, one-to-one meetings were held with all the internal business departments and external entities in order to gather feedback and align the thought processes of all the stakeholders. We conducted multiple data gathering sessions with all the levels of QAFAC's management and staff, and also benchmarked against our regional and international peers. In addition, an independent third party entity also conducted a survey to capture the feedback and expectations from a sample of QAFAC employees to realign our resources in preparation for the new strategy.

As part of strategy development, we also engaged with the Surface Development Directorate of QP to ensure that our strategy is fully compatible with the objectives of QP. Accordingly, we also identified areas that required improved focus and alignment which have been incorporated in the new strategy and roadmap.

As a result, our updated vision, mission and core values shape the way we rightfully conduct our business, through ensuring economic profitability and safeguarding our social and environmental vitality.

Vision

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

Mission

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

Core Values

Safety
"We ensure safety in everything we do."

People
"We care about people."

Excellence
"We strive for continuous improvement in all dimensions."

Integrity
"We always choose to do the right thing."

Responsibility
"We care deeply for environment and all communities we impact."

GRI 102-15

GRI 102-16



Double down on core products profitability LEADERSHIP ECONOMICS		Prepare for new GROWTH ENGINES	
Optimize production volume for MeOH & MTBE	Achieve business excellence to optimize efficiency and quality	Continue exploring de-bottlenecking and prepare for potential brownfield plant expansion for MeOH & MTBE	Screen MeOH derivatives portfolio
Maintain high plant availability and reliability in the most economical way		Explore technical ideas to optimize/de-bottleneck the plant within current constraints	
Continue to improve efficiency of operations, project execution and support functions		Develop technical & market intelligence with support of QP & Muntajat <small>Includes MeOH derivatives and alternative production route for MeOH</small>	
Enhance cost synergies with QP system		Explore by-products synergies with the rest of QP system <small>e.g. H₂, CO₂</small>	



Prepare for LONG-TERM SUSTAINABILITY				
Sustainability Enabler	QAFAC Values	SDGs	QNV 2030	QP's Strategy
Sustain top quartile health and safety performance	<ul style="list-style-type: none"> • Safety • People 	SDG 3, 6, 8, 11, 16	<ul style="list-style-type: none"> • Social development 	<ul style="list-style-type: none"> • Strive to 1st Quartile in Capacity, Reliability and Cost
Strive for excellence in environmental protection	<ul style="list-style-type: none"> • Excellence • Responsibility 	SDG 3, 6, 7, 8, 12, 13, 14, 15	<ul style="list-style-type: none"> • Environmental development 	<ul style="list-style-type: none"> • Reduce Flaring
High performing organization, focus on talent management, Qatarization and succession planning	<ul style="list-style-type: none"> • People • Excellence 	SDG 3, 5, 8, 9, 10	<ul style="list-style-type: none"> • Social development 	<ul style="list-style-type: none"> • Brownfield expansion, grow capacity through projects with high CAPEX efficiency • Maximize production in existing assets
Boost digitalization to become a 'reference' in our industry	<ul style="list-style-type: none"> • Excellence 	SDG 9, 16	<ul style="list-style-type: none"> • Economic, Social and Environmental development 	<ul style="list-style-type: none"> • Capture all utilities and by-product synergies between assets • Reduce Flaring
Strengthen stakeholder alignment	<ul style="list-style-type: none"> • People • Responsibility 	SDG 11, 17	<ul style="list-style-type: none"> • Social development 	<ul style="list-style-type: none"> • Optimize OPEX • Strive to 1st Quartile in Capacity, Reliability and Cost
Support shaping regulations impacting our products	<ul style="list-style-type: none"> • People • Integrity • Responsibility 	SDG 8, 16	<ul style="list-style-type: none"> • Social development 	

Strategic Priorities

Our updated corporate strategy focuses on three strategic priorities: Leadership Economics, Growth Engines and Sustainability. The strategy considers our internal strengths and capabilities to produce high quality Methanol and MTBE by optimizing the production volume and plant reliability, whilst exploring solutions for de-bottlenecking. The updated strategy also prepares us to embark on future endeavors through potential sustainable growth in the petrochemical industry.

In particular, the strategic priority 'Prepare for Long Term Sustainability' encompasses six key enablers which provide the future direction for QAFAC's sustainability management and encompasses the implementation of several strategic initiatives and activities, along with the streamlined management and monitoring of performance (including KPIs and targets) in the coming years.

This project 'Advance' is implemented over a 3-phase approach comprising of strategic foundation, formulation and roll-out. We completed the second phase of the project by the first quarter of 2020, where our final refreshed vision, mission, values and strategy underwent an approval from the CEO and Board of Directors.

As part of the strategy roll-out and implementation, during 2020 we conducted the communication roll-out of the vision & mission statements, core values and refreshed strategy (including initiative charters) to familiarize our external and internal stakeholders through a series of engagements and discussions. However, owing to the COVID-19 pandemic the implementation of the strategy was put on hold and is targeted to be deployed in 2021.



Turnaround (TA) Critique Meeting

QAFAC organized a TA Critique Meeting at Oryx Rotana Hotel in order to evaluate the processes and procedures pertaining to the 2019 TA that will need further improvements and refinements during the next turnaround.

During the meeting, which was chaired by the COO, the critiques, which were collected in advance from various departments and divisions after the completion of the recent TA, were presented by the Senior Maintenance Manager (SMT).

The QAFAC senior management as well as key employees attended the meeting. Various deliberations and discussions that were held during the meeting is expected to have a positive impact on our next TA.

The COO highlighted that we have to be well prepared for the next TA since the country will be staging many prestigious events like the 2022 world cup during this period.



Corporate Governance

GRI 102-18

At QAFAC, we realize the importance of establishing good Corporate Governance to endorse our accountability towards achieving long-term strategic objectives and targets, financial stability and integrity to promote operational and business excellence. Subsequently, this also helps us in providing our stakeholders with a transparent understanding of our operations.

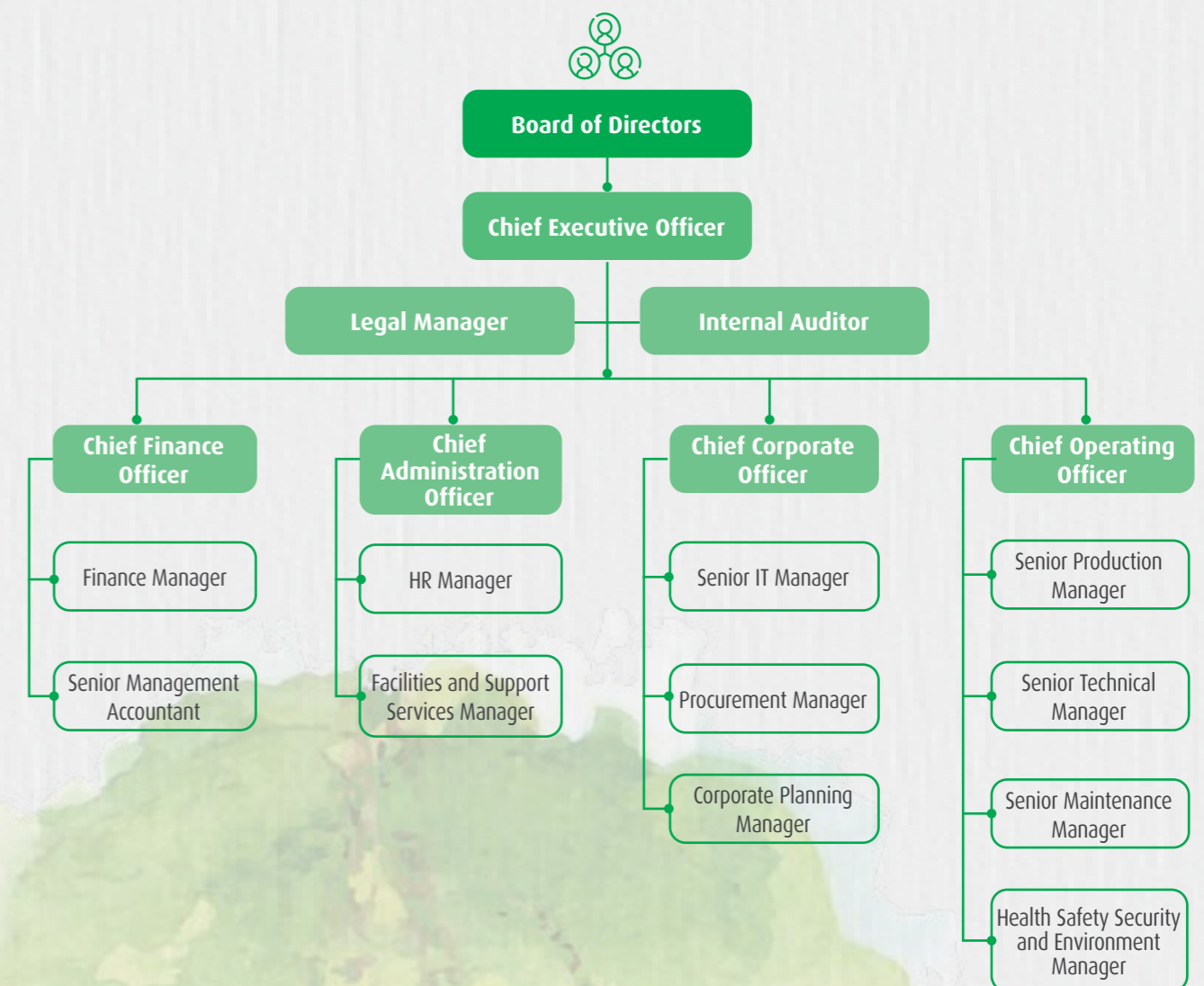
The Board of Directors (BoD) is the ultimate governing body that provides oversight over our executive management and supports them in setting policies.

Currently, QAFAC's BoD is comprised of the Chairman, Vice Chairman, Chief Executive Officer (CEO) and five other directors. The Chairman heads the BoD's meetings and ensures that a culture of openness and transparency

is maintained. The Vice-Chairman heads the Audit Risk Committee (ARC) and ensures that risk management, governance and internal control process are operating effectively within QAFAC. The CEO is responsible for driving the organization to meet or exceed the goals set forth by the shareholders. The day to day operations of QAFAC are managed by Executive Leadership Team (ELT) under the guidance of the CEO.

Every year, the Board holds the Annual General Meetings (AGM), which is a legal requirement for organizations, as per the companies' law. With respect to the remuneration policies, the members of the BoD are awarded an annual remuneration, which is approved by a resolution of the shareholders during the yearly Annual General Meeting.

Organizational Structure



Our Directors



Sheikh Thani Bin Thamer Al-Thani
Chairman, (IQ)



Rashid Mohd Al-Fehaidi
Vice-Chairman, (IQ)



Ahmed Abdulqader Al-Ahmed
Director and Chief Executive Officer, (IQ)



Abdulaziz Khalil Al-Meer
Director, (IQ)



Heui-Jane Liao
Director, (OMEC)



Ching-Jung Jung HSU
Director, (OMEC)



Bowei Lee
Director, (LCYMEC)



Tariq Baker
Director, (IOLLC)

Leadership Team



Ahmed Abdulqader Al-Ahmed
Chief Executive Officer



Nicholas Fathers
Legal Manager



Sultan Al-Enazi
Chief Operating Officer



Anwar Al-Enazi
Chief Finance Officer



Khalifa Al-Sowaidi
Chief Administration Officer



Khalid Al-Mannai
Chief Corporate Officer

Note: The Board of Directors in this report are updated as at May 2021.

Risk Management

Risk management forms an integral part of our business success as we continuously strive to reduce the uncertainty against the achievement of our objectives, business strategy plans and operational effectiveness. To this effect, we established a comprehensive Enterprise Risk Management (ERM) framework based on ISO 31000:2009 and follow a four-step risk management process – Plan, Do, Check, Act for the control and continuous improvement of our processes.

We also conduct risk assessments periodically to reflect the new risks in scope, and perform a business impact analysis, thereby identifying and assessing critical process impacts on our operations. In addition, we have also established eight principal risk categories through which we manage and mitigate our risks effectively. These include strategic and reputation risk, operational risk, HSSE risk, energy performance risk, financial risk, IT risk, legal risk and human resources risk.

Furthermore, to ensure that our risk management, governance and internal control process are operating effectively, our Internal Audit function provides independent assurance of our business operations and reports directly to the CEO and subsequently to the Board of Directors.

We are also members of the Information Systems Audit and Control Association (ISACA), the EC-Council and adhere to the Institute of Internal Auditors (IIA) framework.

During the year, as part of our ERM efforts to tackle the COVID-19 pandemic, we continuously assessed and re-assessed the potential challenges that we could face from the pandemic every quarter and updated our controls accordingly. Some of the key risks assessed include the potential challenges of re-opening facilities, proving access to control rooms, ensuring that employees practice social distancing and follow safety norms at all times to prevent the spread, amongst others.

We understand that moving forward digitalization will play a key role in driving operational excellence. However, this also brings along its associated share of challenges and risks related to cyber security. To combat the same, we continuously assess and adopt several measures to manage our information security systems to further augment business resilience.



Cyber Security Management

At QAFAC, we follow national cyber security protocols and apply controls (wherever applicable) in compliance with the requirements of the Ministry of Interior (MOI) and Ministry of Transport and Communications (MOTC) cyber security division (Q-CERT) to implement threat advisories. To that extent, we also established an electronic link with the MOI to monitor cyber security threats.

In 2020, we won the 'National Cyber Drill – Star 8' organized by MOTC for cyber security management.

In addition, we also adhere to the national strategies and work closely with entities such as Supreme Council of Information and Communication Technology for advancing cybersecurity measures.

We have adopted the Qatar Cybersecurity Framework (which is a combination of several international standards) and have a roadmap in place (aligned to the national strategies) for achieving the framework requirements

by 2022. Moving forward, we also intend to adopt the National Information Assurance (NIA) Policy for information security management.

To create information security awareness among our employees, we use the 'Phishme e-Learning platform', to perform phishing simulations and provide awareness trainings on the latest cyber threats.

Moreover, during the year we adopted a new approach and methodology for information security management system (ISMS) risk assessment in line with the ISO 31000 ERM Framework. We also successfully implemented business continuity for remote support in response to COVID-19 management and implemented projects related to Data Center Firewall Migration and Data Center Rack Migration.

We are currently working towards implementing Microsoft 365 to provide best-in-class productivity applications with powerful intelligent cloud services, device management and advanced security services through a single connected experience. Looking ahead, we also intend to digitalize our risk management processes in 2021.



Certifications

To ensure business excellence, we continuously seek to standardize our operations in a reliable manner to meet the stringent requirements of several ISO certifications including:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- ISO 27001:2013/ IEC 20000 Information Security Management System
- ISO 22301:2012 Business Continuity Management System

In addition, during the year we also underwent an internal assessment of our cyber security protocols as part of our efforts to meet the requirements of the National Information Assurance (NIA) certification, besides completing a surveillance audit, SAP license audit and Security and Resilience Business Continuity Management Systems (ISO 22301:2019) audit.



Ethics and Culture

GRI 102-16

GRI 102-17

GRI 205-3

We are committed to responsible business conduct and uphold the highest ethical values. Our Code of Conduct provides clear guidance to all employees on what it means to act ethically and professionally with integrity.

We always strive to promote a culture of open and transparent communication on any issues or incidents faced by our employees as a part of their association with QAFAC. We have rigorous reporting mechanisms to report any incidents of misconduct and corresponding corrective actions are taken to ensure any such complaints are addressed in a timely and effective manner.

At QAFAC, we have taken a clear stance to tackle any obstacles to our sustainable growth and development which is caused by fraudulent practices, by adopting a zero-tolerance approach to any form of bribery and corruption.

Our Code of Conduct covers a wide range of topics including anti-bribery, conflict of interest, fraud, corruption and compliance. Each year, our employees are required to make a Declaration, indicating that they have read and clearly understood the Code, and whether they have any actual or potential conflicts of interest before signing the same.

In our efforts to combat corruption, our employees, clients, and partners are encouraged to raise any concerns that they have about potential corruption violations in alignment with our Conflict of Interest policy. The reporting mechanism involves declaring any incidents of non-compliance to the Risk Officer, the concerned Department Manager or Chief and to any senior management to discuss the next course of action. All incidents of bribery or corruption are handled as

per the Qatari Criminal Law and are reported to the relevant authorities.

During the year, our Policies and Procedures Committee developed and approved an Anti-Corruption Policy in alignment with a QP initiative "Shaping Who We Are". The policy is planned to be rolled out in 2021 along with the provision of awareness sessions to the employees regarding the same.

QAFAC and its employees were in full compliance to our code of ethics.

Based on the guidelines received from QP and IQ, updates were also implemented to the Code of Conduct to meet their requirements.

All our policies are communicated to our employees by publishing them in our intranet and also by physically circulating them within the organization. In addition, new employees also go through an induction session whereby they are made aware of the Code of Ethical Conduct including all our practices, policies and procedures.

With respect to human rights and labor management, we are proud to mention that there have been no incidents or grievances in relation to human rights issues, discrimination against employees as well as forced or compulsory labor during the reporting year and ever since the establishment of our organization.



Managing Our Sustainability Priorities

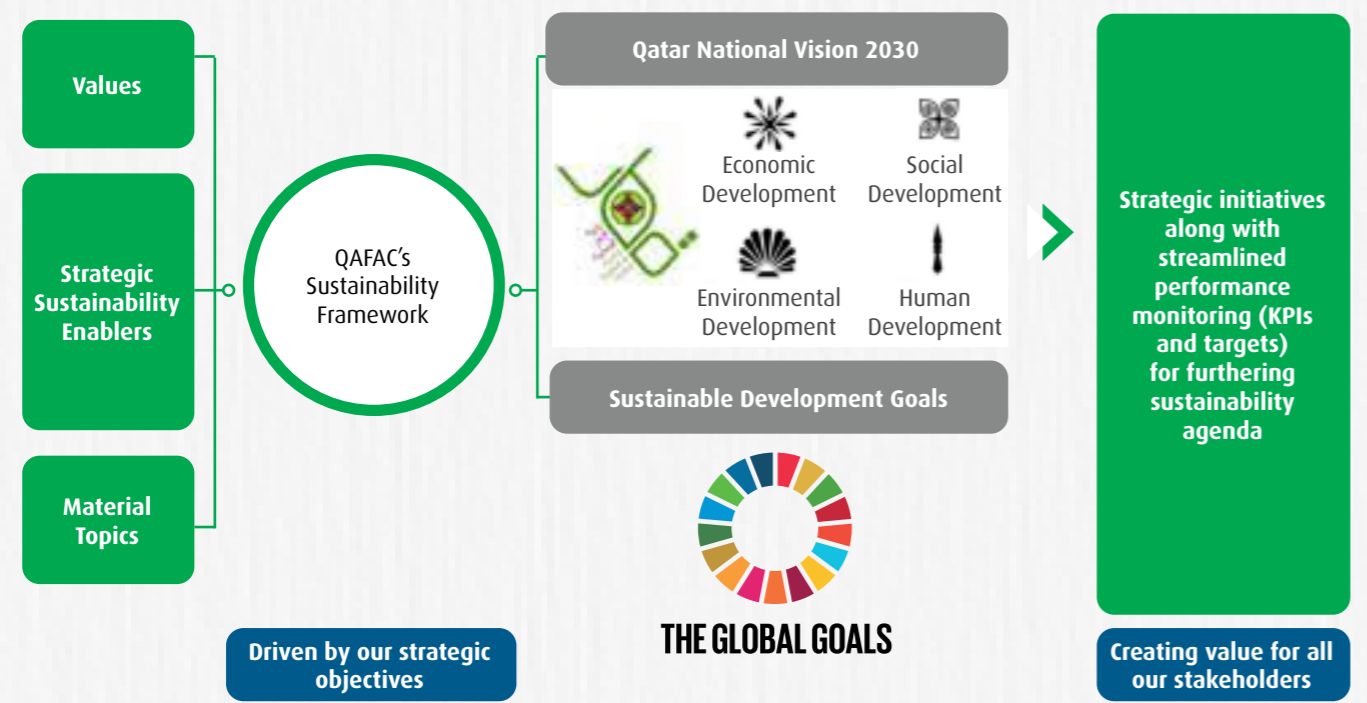
GRI 102-16

At QAFAC, we have been meticulously working towards integrating our sustainability efforts within our overall corporate vision and strategic priorities. In line with this purpose, we aim to continuously improve our approach towards sustainability management on an ongoing basis, in alignment with the most material aspects for our organization and stakeholders.

In 2018, we developed a high-level Sustainability Framework to articulate our commitment of integrating sustainability into our business practices and also developed a high-level Sustainability Policy that guides us towards fulfilling our sustainability goals.

In 2020, we worked towards further developing and implementing a more comprehensive and holistic Sustainability Policy and Framework, which takes into consideration our latest business priorities, ensures alignment to the updated corporate strategy as well as to the material sustainability topics. We expect the updated Policy and Framework to also enable us to continuously improve upon our sustainability commitments and update them on an ongoing basis, thereby building on changing stakeholder expectations and business priorities.

Our Approach to Sustainability Management



Our Sustainability Policy further bolsters the Framework and defines our commitment towards managing the economic, environmental and social impacts based on the following key principles:



The current Sustainability Policy and Framework are being formulated based on a peer benchmarking of leading global and regional oil & gas organizational practices, review of our internal organizational context, our updated corporate strategy and through stakeholder consultation, amongst others.

The Sustainability Framework highlights the key strategic initiatives identified for advancing our sustainability agenda and demonstrates alignment to our values, strategic sustainability enablers (as part of the updated corporate strategy), material topics as well as to the objectives of the Qatar National Vision (QNV) 2030 and the United Nations Sustainable Development Goals (UN SDGs).

The Policy also outlines the key commitments, which have been developed in line with the six sustainability enablers. Through these sustainability commitments, we aim to further our progress in achieving the priorities underpinning these enablers as well as support various national and global objectives, while striving to achieve sustainable business excellence on a continued basis.

The updated Sustainability Policy and Framework are currently under development and are expected to be rolled out in 2021, based on further review and approval by the Board.

In addition, our core team members track the progress of adaptation of sustainability practices pertaining to our sector, and in particular to the production of Methanol and MTBE. Furthermore, we also receive communication from industry associations such as Methanol Institute (MI), Asian Clean Fuels Association (ACFA) and subscribed data providers (Independent Commodity Intelligent Services (ICIS) and IHS Markit Ltd.) on sustainability best practices and new techniques. This information is circulated to relevant departments and to the management. Wherever applicable, the new practices and principles are adapted and implemented as per our standard project management and approval procedures.

Sustainability Enabler	Sustainability Policy Commitment
Sustain top quartile Health and Safety performance	Adopt and promote labor practices that promote health and safety within the workplace.
Strive for excellence in environmental protection	Prevent the negative impacts and pollution on the environment by efficient use of resources and reduction of waste and emissions.
High performing organization, focus on talent management, Qatarization and succession planning	Create both direct and economic growth through development of local content, while adopting labor practices that promote decent work and contribute to development and wellbeing of employees.
Boost digitalization to become a 'reference' in our industry	Actively promote digital transformation and innovation within the petrochemical sector.
Strengthen stakeholder alignment	Assess the impacts operations on stakeholders and actively seek opportunities to fulfil their needs.
Support shaping regulations impacting our products	Comply with and positively influence socio-economic and environmental regulations in order to promote sustainability in petrochemical sector.

Stakeholder Engagement

We are committed to transparently communicating our sustainability performance related to the economic, environmental and social impacts to all our stakeholders. We recognize that disclosing our impacts to our stakeholders supports us in maintaining our transparency and accountability, while being a responsible member of the community.

We are dedicated to implement an effective, meaningful and informed stakeholder engagement process to achieve sustainable development outcomes and maintain strong relationships with our stakeholders. Our stakeholder engagement process involves identifying and prioritizing key stakeholder groups that can substantially impact or be impacted by our business decisions, activities and operations.

Stakeholder	Key Concerns	Channels of Engagement
State of Qatar and Regulatory Bodies	<ul style="list-style-type: none"> QNV 2030 Development of national talent Qatarization Compliance with regulations 	<ul style="list-style-type: none"> Meetings with government entities Partnerships with government entities Conferences and exhibitions Performance reports to regulatory bodies Annual sustainability report
Shareholders	<ul style="list-style-type: none"> Maintenance of safe and reliable operations Process efficiency Financial returns Reputation Participation in local economic and social development 	<ul style="list-style-type: none"> Quarterly meetings Shareholder market presentations Board meetings Annual Sustainability report
Local Community	<ul style="list-style-type: none"> Responsible business practices Minimal environmental impacts Employment opportunities Safe operations Development of national talent 	<ul style="list-style-type: none"> Interaction with employees and their families Educational awareness sessions Public reports Career fairs
Employees	<ul style="list-style-type: none"> Health and safety Competitive pay and benefits Continuous career development Open and transparent Communications Supportive Management 	<ul style="list-style-type: none"> HSSE Newsletter Regular departmental/team meetings Employee satisfaction surveys Email communications QAFAC Newsletter Annual Sustainability report
Media	<ul style="list-style-type: none"> Transparency Health and safety 	<ul style="list-style-type: none"> Annual Sustainability Report (Online Version) Press Releases (as needed)
Customers and Muntajat	<ul style="list-style-type: none"> Reliable, timely supplies of Methanol and MTBE Supply chain management Service excellence Quality products 	<ul style="list-style-type: none"> Contracts and agreements Meetings with Muntajat Conference and exhibitions Customer feedback surveys Memberships in industry associations
Contractors and Suppliers	<ul style="list-style-type: none"> Fair contract bidding/awarding Timely payments Good working conditions 	<ul style="list-style-type: none"> Contractual arrangements and bidding Conferences and exhibitions Third-party endorsement Medical screening for contractors
Non-Governmental Organizations	<ul style="list-style-type: none"> Responsive communications Support to local NGOs 	<ul style="list-style-type: none"> Presentations/Briefings Meetings

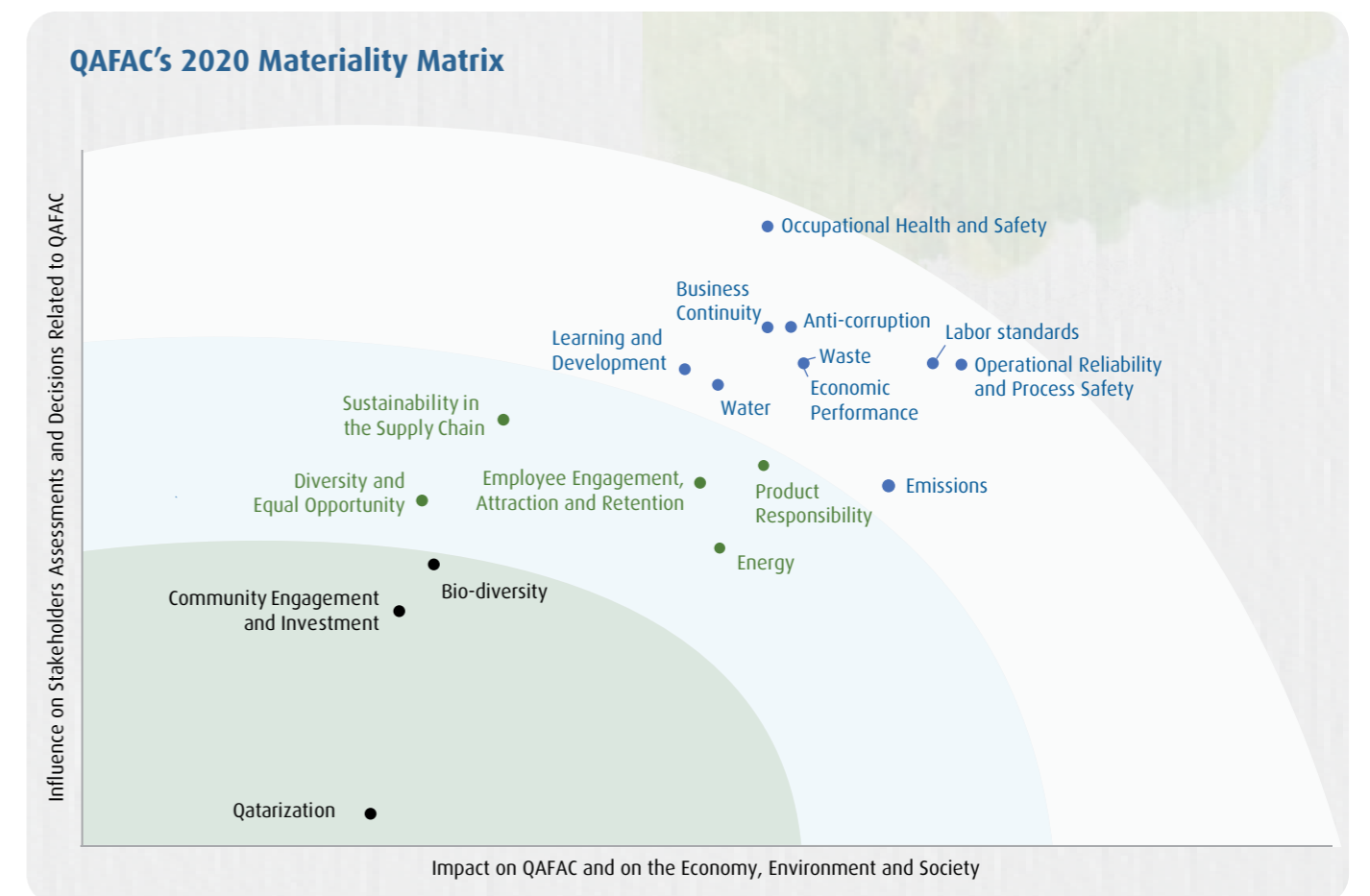
Materiality Assessment

We annually perform a materiality assessment exercise to determine which relevant topics are sufficiently important that it is essential to report on them. The Materiality Principle is key to determining the contents and also ensuring the quality of our sustainability report. We consider a combination of internal and external factors when assessing the materiality of the sustainability topics and our assessment process follows a four-step approach.

- Review our context:** We performed a review of our material topics in the previous reporting period and considered feedback from stakeholders. The findings from our review contributed to the next step in our approach.
- Identify relevant topics:** We identified a list of relevant sustainability topics based on each individual topic's significance, which can reasonably be considered important for reflecting our economic, environmental and social impacts, or influencing the decisions of stakeholders. We identified the topics based on a desk review of multiple sustainability frameworks and agendas as well as international and regional peers in the chemical sector. Some of the sustainability frameworks we reviewed include Sustainability Accounting

Standards Board (SASB), Qatar Stock Exchange (QSE) ESG Guidance and the Global Reporting Initiative Oil and Gas Supplement. As a result, we identified 18 relevant topics that cover economic, social and environmental aspects.

- Prioritize relevant topics:** Following the identification of the relevant sustainability topics, we used a virtual collaborative tool to facilitate the engagement with internal stakeholders (across QAFAC's departments) as well as external stakeholders to ultimately prioritize the topics based on the level of impact of each topic on QAFAC as well as on the economy, environment and society against the degree to which the topic influences the assessments and decisions of stakeholders.
- Validate material topics:** Subsequent to the analysis of the materiality assessment results, we shared the list of prioritized material topics with our top management to validate and sign-off on the results. The validation step ensures that the Global Reporting Initiative's (GRI) principles of 'completeness' and 'stakeholder inclusiveness' are applied to conclude the final list of material topics defining the report content.






Aligning Our Priorities

As a responsible organization, we are keen to demonstrate our commitment and contribution to endorse sustainable development in line with the national and international guidelines and frameworks. We place particular importance on the UN SDGs, QNV 2030 and Qatar Stock Exchange (QSE) Guidance on ESG Reporting.



The enclosed table outlines the alignment of our sustainability topics and their contributions to these national and international sustainability guidelines/ frameworks. The detailed information on QAFAC's contribution in regard to the same are available in the respective chapters.

Material Topics	QAFAC's Contribution	Sustainability Enabler	QAFAC Values	UN SDGs	QNV 2030	QSE
Anti-corruption	We have a zero-tolerance approach towards any form of bribery and corruption. In 2020, we did not face any incidents of corruption.	• Support shaping regulations impacting our products	• Integrity		Social development	QSE G32
Operational Reliability	To maintain strong operational reliability and efficiency, we have a combination of rigorous systems and procedures that assist us in monitoring our assets and avoiding preventable failures. In 2020, we put extra efforts to maintain our high operational reliability despite challenging times. These efforts included adjusting our day-to-day operations to ensure continuous operations and high productivity while safeguarding the health and safety of our employees and complying with government regulations and requirements.	• Strengthen stakeholder alignment	• Excellence	 	Economic development	-
Economic Performance	We continue to take the necessary actions to optimize our operations and processes, drive productivity, and adopt technology and automation in order to remain profitable in the market and meet stakeholders' needs.	• High performing organization, focus on talent • Boost digitalization to become a 'reference' in our industry	• Excellence • People	 	Economic development	-

Material Topics	QAFAC's Contribution	Sustainability Enabler	QAFAC Values	UN SDGs	QNV 2030	QSE
Business Continuity	During the challenging times of the COVID-19 pandemic, we took several efforts to assess the impact of the pandemic and continuously updated our business continuity strategy to turn current challenges into a competitive advantage.	• High performing organization, focus on talent management, Qatarization and succession planning	• Excellence • People	 	Economic and Social development	-
Product Responsibility	We make sure our products meet the highest standards of quality, health, safety and environmental protection. This is achieved by continuously working on mitigating our products' potential negative impacts on our employees, customers, and on the environment at any point during production, storage, transportation and end-use.	• Strive for excellence in environmental protection • Boost digitalization to become a 'reference' in our industry • Strengthen stakeholder alignment	• Excellence • Responsibility • Safety	 	Economic, Social and Environmental development	QSE E2, S14
Sustainability in the Supply Chain	We are committed to advancing the principles and practices of social and environmental responsibility along the value chain. Therefore, we assess our contractors and suppliers through a formal evaluation procedure that considers the social, environmental and governance/economic practices of contractors and suppliers and prioritizes local goods and services.	• Support shaping regulations impacting our products • Strengthen stakeholder alignment	• Responsibility • Integrity • People	 	Economic, Social and Environmental development	QSE S22
Energy	We follow detailed processes to optimize energy consumption at our plants and ensure that we manage our energy efficiently. We also initiated a project to implement an energy management system (EnMS) in line with ISO 50001.	• Strive for excellence in environmental protection	• Excellence • Responsibility	 	Economic development	QSE E3, 4, 6, 7

Material Topics	QAFAC's Contribution	Sustainability Enabler	QAFAC Values	UN SDGs	QNV 2030	QSE
Emissions	We invest in various controls and initiatives to ensure the reduction of our emissions. We are committed to tracking and reducing our emissions through various initiatives – most prominently our Carbon Dioxide Recovery Unit and Selective Non-catalytic Reduction (SNCR) Unit. We also started our journey to implement a world-class Greenhouse Gas (GHG) Accounting and Reporting (A&R) program to ensure highest accuracy of reported GHG emissions.	<ul style="list-style-type: none"> Strive for excellence in environmental protection 	<ul style="list-style-type: none"> Excellence Responsibility 		Economic development	QSE E5
Water Stewardship	We are committed to monitoring our water consumption and wastewater generated. We share quarterly reports with the Ministry of Municipality and Environment (MME) as part of the requirements for our consent to operate permit. To further manage our wastewater, we are establishing a near zero liquid discharge (NZLD) plant, where we aim to recycle 85% of our process wastewater.	<ul style="list-style-type: none"> Strive for excellence in environmental protection 	<ul style="list-style-type: none"> Excellence Responsibility 		Economic development	QSE E8
Waste Management	Our production processes do not generate significant volumes of hazardous and non-hazardous waste, as our operations are natural gas based. Nevertheless, we aim to reduce waste generation wherever possible and continue to establish the best waste management practices. We have programs in place to safely handle chemical waste and reduce waste generation through our 'Recyclable Waste Management' program.	<ul style="list-style-type: none"> Strive for excellence in environmental protection 	<ul style="list-style-type: none"> Excellence Responsibility 		Economic development	QSE E9

Material Topics	QAFAC's Contribution	Sustainability Enabler	QAFAC Values	UN SDGs	QNV 2030	QSE
Occupational Health and Safety	Our goal is to ensure 'No Harm' to all our employees, contractors, visitors, customers, and shareholders and to ensure a hazard free and safe working environment with zero injuries and fatalities. Therefore, we maintain the 'Bill of Safety Rights and Duties' as well as an occupational health and safety management system. We are proud to have accomplished a significant milestone of 16.43 million safe working hours without any lost time injuries (LTI) over nine years.	<ul style="list-style-type: none"> Sustain top quartile Health and Safety performance 	<ul style="list-style-type: none"> Safety People 		Social development	QSE S14, 15
Labor Standards	We ensure that all our employees and contractors are treated fairly, and all their rights are preserved. We also perform regular audits on our contractors' premises to ensure compliance with human rights.	<ul style="list-style-type: none"> Support shaping regulations impacting our products 	<ul style="list-style-type: none"> Integrity Responsibility People 		Social development	QSE S16, 17, 18
Process Safety Management	We have a rigorous framework for process safety management with several committees to oversee the performance and implementation of world-class procedures and processes. In 2020, we did not face any Tier-1 and Tier-2 process safety incidents.	<ul style="list-style-type: none"> Sustain top quartile health and safety performance 	<ul style="list-style-type: none"> Safety People 		Social development	QSE S14
Learning and Development	We support our employees in their personal and professional development by providing trainings, diplomas, and graduation programs. During the challenging times of the COVID-19 pandemic, we implemented several measures to ensure our employees have access to trainings such as the launch of the digital learning platform, Percipio, and the digitalization of the Personal Development Program.	<ul style="list-style-type: none"> High performing organization, focus on talent management, Qatarization and succession planning Boost 'digitalization' to become a reference in our industry 	<ul style="list-style-type: none"> People Excellence 		Human and Social development	QSE S13

Material Topics	QAFAC's Contribution	Sustainability Enabler	QAFAC Values	UN SDGs	QNV 2030	QSE
Employee Engagement, Attraction and Retention	As a high-performing workforce is fundamental to continuously driving optimal levels of success at QAFAC, we put great emphasis on our efforts to attract, retain and engage high caliber talent. To that effect, we continuously apply the correct mechanisms for talent acquisition, employee engagement, employee retention and talent exit management, as governed by our policies.	<ul style="list-style-type: none"> High performing organization, focus on talent management, Qatarization and succession planning 	<ul style="list-style-type: none"> People Excellence 		Human development	QSE S10, 11, 12
Diversity and Equal Opportunity	We believe in the worth of our people, and in the value of their differing experiences, backgrounds and perspectives in driving QAFAC towards continued success. Therefore, we continuously work on promoting diversity and equal opportunity in order to offer an inclusive work atmosphere to all our employees regardless of one's gender, ethnicity, or age.	<ul style="list-style-type: none"> High performing organization, focus on talent management, Qatarization and succession planning 	<ul style="list-style-type: none"> People Excellence 		Human development	QSE S19

The Global Pandemic - Remaining Resilient and Re-Calibrating to the New Normal

The outbreak of the COVID-19 pandemic has presented unprecedented challenges in the business environment across all geographies, disrupting the global economy and business operations at a scale never seen before. QAFAC is no exception to this global crisis as this pandemic has also limited our operations with implications on our workforce, supply chains, projects and business performance. Yet, the pandemic is a powerful example showcasing the need for adopting resilient business practices and has further highlighted the importance of effective and sustainable business continuity planning at QAFAC.

In regard to our operational performance, the emergence of the pandemic with the ensuing forms of lockdowns and transportation curfews that followed, coupled with the volatility of the oil and gas prices largely dented the demand for MTBE in 2020. Nevertheless, we strived to maintain our operational performance and profitability by increasing the manufacture of Methanol, whereby our production increased by 14% compared to 2019. We also conducted data scenario planning and continuously looked at product mix ratios, while coordinating with QP Marketing on a regular basis to discuss prices to maintain sales and product distribution.

Subsequently, the joint efforts between QAFAC's management, employees and the stakeholders helped in minimizing the revenue losses. This also helped our assets to perform at high reliabilities despite the pandemic, in order to meet the growing demand for our products.

With respect to the execution of projects, we also faced challenges in implementing our CAPEX and various other projects targeted in 2020 due to schedule overrun and cost variances, owing to difficulties in engaging contractors who were based outside Qatar. As a result, we undertook strategic decisions to stall some of our projects and postpone them for implementation in 2021. To guide these decisions, we continuously assessed the impact of the pandemic on major projects and ongoing projects with QP to set forth a plan and develop contingency measures to ensure our continued business operation and performance.

For QAFAC, the COVID-19 pandemic was also a revelation and reminded us how of challenging it can be to prepare for a systemic risk. Although disaster recovery and business continuity plans are not a new practice to business management, certainly there has nothing been as huge and all-encompassing as a global pandemic of the magnitude that we are experiencing. Therefore, undoubtedly, a key takeaway for us as an organization was to consider the pandemic as a systemic risk within the business continuity management framework. Going forward, we are confident that many of the business continuity steps taken during the COVID-19 pandemic shall also be considered when crafting broader disaster recovery plans and planning for continued resilience.

With the outbreak of the pandemic, one of the key measures we undertook was to assemble our crisis management team that met on a weekly basis to oversee the operations as well as identify and address various challenges that arose in our business practices. Our crisis management team also regularly communicated with the Ministry of Public Health (MOPH)

During these testing times, we took several efforts to assess the impact of the pandemic and turn current challenges into a competitive advantage by regularly managing and reworking on our business continuity management strategy. In order to adapt to the on-going crisis, the business continuity management team developed a five-phase de-escalation and re-escalation plan that is reviewed on a weekly basis, to continuously assess and evolve a business continuity strategy and management action plan for 're-opening'. The plan evaluates the trends in the rise or surge of COVID-19 cases and assesses the different 'return to work' scenarios that illustrates the potential trajectory of recoveries across the country and globally. Based on the escalation plan, the severity of controls and measures are tightened or eased based on the rise and decline in the number of COVID-19 cases. We also have a contingency plan to manage emergency situations, to quickly re-escalate the plan and incorporate more stringent measures to contain the spread of the disease in case of a sudden spike.

and QP and issued several COVID-19 guidelines on health and safety protocols for our workforce.

The crisis management team formulated two sub-committees – Human Resource and business continuity. The Human Resource (HR) crisis management team (chaired by CEO) looked after the workforce management affairs and well-being such as managing the visa and logistics of the employees and contractors during the lockdown. The team closely coordinated with QP and Ministry of Interior to get the employees and contractors on-board for managing our critical business operations. The business continuity team, on the other side was tasked with developing and managing business continuity plans, assessing operations to avoid disruptions, evaluating staffing requirements and developing contingency plans to address any emerging challenges due to COVID-19.

The COVID-19 pandemic has also emphasized the central role of our people, as the well-being of our workforce is our top priority at all times. Therefore, we took every possible effort to ensure their health and safety whether on site or working remotely, while also ensuring the continuity of our business. In light of the same, we followed the instructions and guidelines developed by QP which were more stringent and conservative than the MOPH guidelines, thereby permitting operations with social distancing and minimal staffing at the workplace, along with the remaining of our workforce operating from a ‘work from home’ arrangement.

Our crisis management team also introduced a set of several measures and guidelines that are required to be followed by all our employees. Our HR crisis management committee specifically encouraged our elderly workforce with any prevailing history of medical condition (such as high blood pressure and diabetes) to reach out to the committee. These elderly employees were assessed on a case to case basis and specific guidance was provided regarding the measures to help them avoid the risk of contracting the COVID-19 disease. In addition, we also updated our supply chain protocols, and developed special guidance for the tendering process to account for the impact of the pandemic.

Our employees have also demonstrated tremendous resilience in adapting to the dynamic shift in the traditional business practices. The transition towards adopting a ‘new normal’ has rather been a smooth process across the organization and a culture of safety has been strongly embedded as a way of life, owing to the pandemic. As we move forward, we will continue to take conscientious efforts to facilitate the transition to help our employees adjust as seamlessly as possible to these new work realities.

As we look through the year, we cannot discount the contribution and the overwhelming role played by our business departments in helping us navigate our business response measures through the pandemic. Specifically, our HSSE department played a critical role in developing the COVID-19 related policies and guidelines and coordinating with QP for implementing health and safety measures. In addition, our Business Continuity, HR and Administration departments also took to communicating and disseminating

the information on protective measures and COVID-19 guidelines across the employees, organizing several campaigns throughout the year, as well as raising safety awareness on a weekly basis. In particular, our HR department rolled out several initiatives to ensure employee productivity and to keep the workforce sane and healthy, including weekly reminders on the various safety measures. In addition, the emails and messages from our CEO also helped us to keep the workforce motivated and manage their stress during the pandemic.

During this time of sheer uncertainty, our willingness to adopt technology and digitalization has been our lifeline and nonetheless, has assisted us in managing the crisis more effectively. Particularly, our IT department played a critical role during the pandemic in undertaking several efforts to make sure that our business operations remain uninterrupted. We provided the employees working from home with all the IT requirements and support needed, including access to SAP applications through Virtual Desktop Infrastructure (VDI). We also provided awareness and training programs regarding the effective usage of these IT applications without compromising the cyber security.

One of the biggest game-changers has been the transition to online meetings. In 2020, our virtual meetings and some of our trainings were conducted through Microsoft Teams application. We also implemented special enhancements and features of Microsoft Teams, such as ‘Board Rooms’, which provides our employees with the ability to join multiple virtual discussion rooms at the same time. Additionally, we have explored and implemented various smart solutions to facilitate our employees’ day-to-day work, such as incorporating e-signatures and a digital QAFAC stamp (which also support the Go-Green initiative to be more environmentally friendly).

In addition, we are also a member of QP’s ‘Tawteen’ initiative which focuses on digitalization. As part of the same, we are currently implementing two initiatives related to 3D and predictive category management system which would further enable us to manage and tackle the operational challenges during COVID-19. Going forward, we shall continue to explore and leverage other digital technologies with a focus on cloud environment and implementing operations through mobile applications to enhance the productivity and ease of working.

Our world today has become a platform for real time stress test of businesses, institutions, governance forms and new normal ways of life. While the world continues to reel under the impact of the crisis, we at QAFAC aspire to stay ahead of the curve and move forward by exploring new opportunities and solutions. This entails reviewing our current strategies, considering mid-course corrections and devising a lockdown exit strategy, using digitalization as a key enabler and embracing the cultural and behavioral shifts that COVID-19 introduced. We are confident that we shall be able to set ourselves on the right trajectory for growth as we come out the other side, through continued demonstration of organizational agility and by using resilience as a lens for business value creation.

















04

Sustaining our Operations

- Our Financial Performance
- Operational Reliability and Efficiency
- Sustainable Supply Chain Management
- Product Responsibility



Aligning our Material topics to our Strategic Priorities and to Global and National Reporting Frameworks, Goals and Targets

Material Topic	Key enabler to our strategic priority "Prepare for long term SUSTAINABILITY"	GRI	UN SDGs	QSE	QNV 2030
Product Responsibility	<ul style="list-style-type: none"> • High performing organization, focus on talent management, Qatarization and succession planning • Strengthen stakeholder alignment • Support shaping regulations impacting our products • Boost digitalization to become a 'reference' in our industry 	GRI 416, GRI 417	  	QSE E 2, S 14	Economic Development, Social Development, Environmental Development
Operational Reliability		GRI 201	 	-	Economic Development
Economic Performance		GRI 201	    	-	Economic Development
Sustainability in the Supply Chain		GRI 204, GRI 308, GRI 414	   	QSE S 22	Social Development, Economic Development, Environmental Development

The COVID-19 pandemic coincided with an industry already entering a downcycle; the global petrochemical industry has been facing many challenges before the pandemic such as fluctuating oil and gas prices, slowing demand growth, and growing surplus. Those challenges have only become more pronounced during the pandemic, and the repercussions of the pandemic and the lockdowns introduced to curb it continued to be felt across the petrochemical industry globally.

As oil prices crashed and demand for medical and personal care products soared, parts of the petrochemical industry found new opportunities, while others floundered. For example, as economic activity slowed sharply across the globe, demand for petroleum and petroleum products plummeted, which had subsequent impacts on prices for refined petroleum products and other associated items, such as MTBE.

While we remained resilient in the face of these challenges, it became increasingly clear how important it is to continue to take the necessary actions to navigate towards even greater resilience. By continuing to focus on improving our financial performance, increasing our operational reliability and efficiency, supporting our supply chain and enhancing the quality of our products, we will be able to ensure our business's continued success.

Even before 2020, QAFAC has taken several steps on its transformational journey, accelerating our shift towards resilience and sustainable growth and preparing our company for a dynamic future. In 2019, we launched the Project 'Advance' to undergo proactive strategy refresh for the next 5 years. As part of the project, various strategic priorities were defined to optimize our production volumes for Methanol and MTBE in order to achieve business excellence, while delivering value in line with the Qatar National Vision 2030.

Project 'Advance' is planned to be implemented over a 3-phase approach comprising of strategic foundation, formulation and roll-out. During 2019, one-on-one meetings were held with all department heads as well as external entities like Muntajat and QP in order to gather feedback and align the thought processes of all stakeholders. Two offsite meetings were undertaken; while the first one focused on QAFAC's vision and mission, the second one focused on the company's values. Further to these meetings, a new vision and mission as well as a new set of values were adopted with effect from 2020 following the approval of the Board of Directors and the CEO.

Additionally, as part of the strategy roll-out and implementation, in 2020 we conducted the communication roll-out of the vision & mission statements, core values and

refreshed strategy (including initiative charters) to familiarize our external and internal stakeholders through a series of engagements and discussions. However, owing to the COVID-19 pandemic, the implementation of the strategy was put on hold and is targeted to be deployed in 2021.

To support our efforts towards continuous operational excellence and growth, we maintain an ISO 9001 Quality Management System certified by an external auditor. This system enables us to identify, measure, control, and improve our core business processes to untimely drive process efficiency, high profitability, and achieve a quality-driven culture. In addition, our quality management system endorses us to deliver products which consistently achieve customer satisfaction.

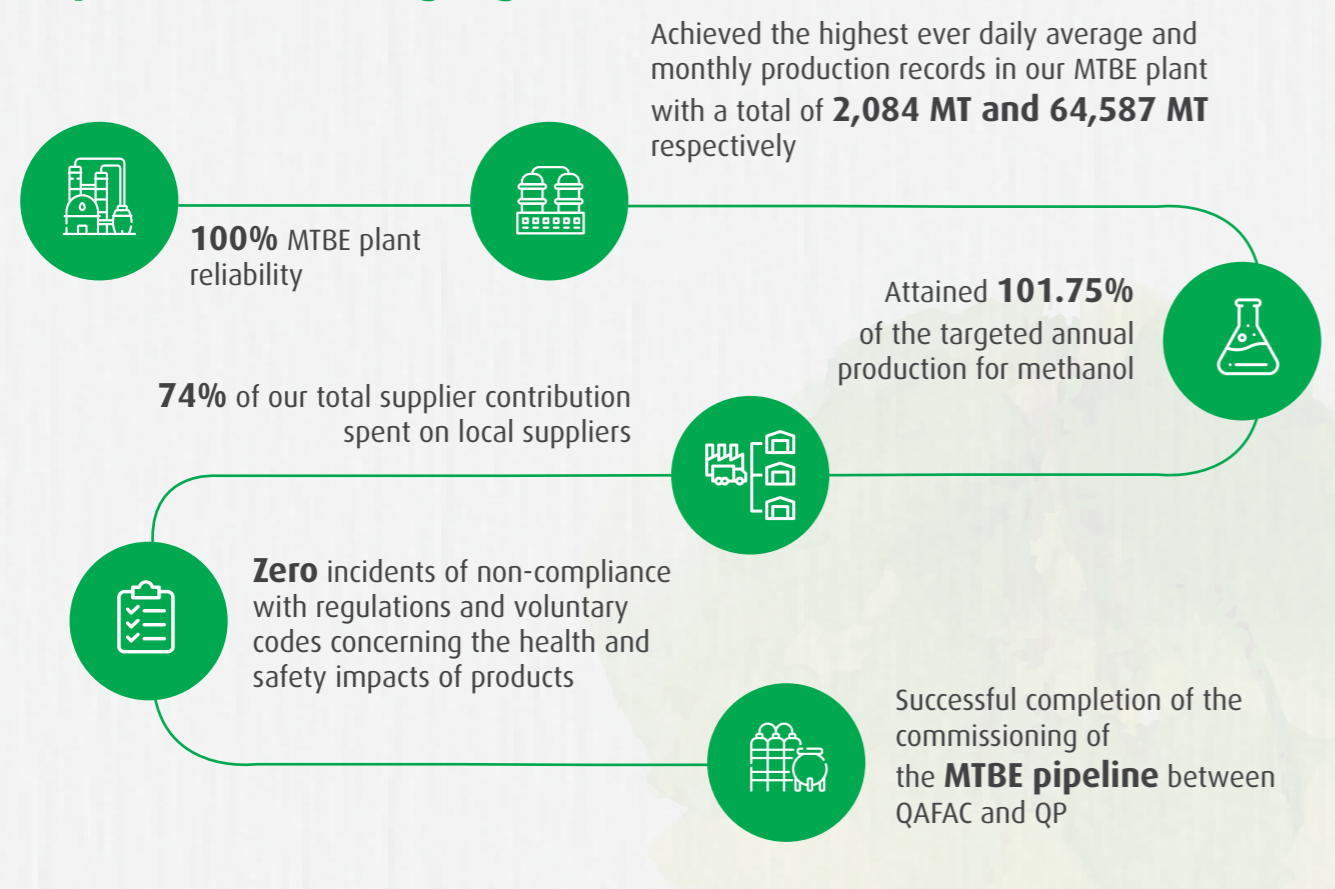
Furthermore, we continued to build upon the success of our Operational Excellence (OE) Program to enhance performance and increase efficiency and reliability in our plants' main operations. The program was launched in 2015 to reinforce our position as a leading Methanol and MTBE producer in the industry and transform our working procedures through the introduction of world-class tools and practices that increase performance, efficiency and reliability. This is achieved through state-of-the-art operations and equipment, continuous performance monitoring and management, in addition to fostering a culture of innovation, ownership, accountability, and self-improvement at all levels

of the organization. The program also entails a performance monitoring system to track our production performance. Since its launch, the program has been successfully supporting us on our continuous quest for operational excellence.

We also continue to track and monitor our financial performance, plant reliability, maintenance, production, product quality, and customer satisfaction through the multiple key performance indicators (KPIs) which were established in 2015.

Last but not least, we believe in the power of effective communication and employee engagement in driving success and achieving desired organizational outcomes. Therefore, our leadership ensures communicating QAFAC's core values, commitments and challenges to all its employees in an effort to improve employees' satisfaction and commitment towards the Company's mission, vision, and goals. This section outlines our performance in 2020 in regard to economic performance, product responsibility, operational reliability, and sustainability in the supply chain. These topics, which are aligned with the GRI Standards, have been identified as material for QAFAC and its stakeholders during our Materiality Assessment in 2020. The selected material topics have also been broadly correlated to the UN SDGs, QNV 2030 and QSE ESG Guidance to show the contribution of our activities and initiatives to sustainable development globally and locally.

Key Performance Highlights



Our Financial Performance

GRI 102-45

GRI 201-1

The COVID-19 pandemic has impacted many businesses, industries, and communities around the globe. However, for the petrochemical industry, COVID-19 was not the sole challenge the industry faced in 2020. The global petrochemical industry has been facing challenges due to fluctuations in oil and gas prices and a decline in demand due to the transition to renewable energy resources and a regenerative, or circular, economy.

Our adaptability to abrupt changes throughout the year and our continued operations were a testament to our strength and resilience. Nonetheless, we realize that only by continuing to optimize our operations and processes, drive productivity, and adopt technology and automation, we will be able to remain profitable in the market and meet stakeholders' needs.

Thereon, we maintain a Cost Optimization Policy to govern our financial performance metrics, targets and practices, that serve as guidance for the Finance Division to drive cost optimization efforts at QAFAC. The policy is endorsed by QAFAC's Chief Financial Officer (CFO), who plays a pivotal role in setting the required financial performance targets each year – including revenue, operating profits, liabilities and expenses. These targets are then cascaded down to specific departmental key performance indicators, which are also established by the CFO.

In addition, our Internal Financial Control Framework that was developed in alignment with leading practices, such as The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework, guides our direction in relation to achieving operational effectiveness and efficiency, financial reporting reliability and ensuring compliance with applicable laws and regulations. Our CFO oversees the Finance Division's compliance with this framework and ensures adequate financial controls are in place.

In order to manage and track our financial performance, we have a Finance Management System in place, which is an integrated software solution, that assists us in measuring, tracking, and monitoring our financial activities such as setting budgets, forecasts, taxes, cash flows and investments. The system helps inform and shape our management's strategic decisions, which impact the entirety of QAFAC.

On an annual basis, budgets are developed by the Finance Department and approved by the CFO in line with our Cost Optimization Policy. On a monthly and quarterly basis, budgeting meetings are held concerning internal stakeholders to ensure compliance with budgets set at the beginning of the financial year. Deviations in budgets are discussed and analyzed to identify measures to balance them or obtain adequate approvals.

GRI 102-45

Our Finance Management System also facilitates the process of preparing and reporting on our financial performance, which we conduct annually per the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). Our annual financial statements are independently assured by an external auditor.

All of these practices, combined with directed leadership, shared values and a culture that emphasizes accountability for control and effective communication, institute our internal control system. This internal control system is continuously monitored in order to identify, assess, and mitigate any rising risks in a timely manner.

For 2021, we have set a reasonable target to achieve our revenues, considering the uncertainty around COVID-19 and its impacts, and the unprecedented challenging situation the world is facing.

Despite a challenging year and the decrease in our revenues, our commitment to contributing to the socio-economic development of Qatar remained unchanged. In 2020, we spent a total value of USD 146,000 on community investments.

Our Economic Contribution (USD '000)				
KPIs / Financial Year	2017	2018	2019	2020
Direct Economic Value Generated				
Revenues	671,683	777,856	531,604	361,633
Economic Value Distributed				
Operating Costs	415,857	456,696	378,651	345,969
Employee Wages and Benefits	58,472	64,575	69,684	64,069
Payments to providers of Capital*	-	-	-	-
Payments to Government(s)	64,300	91,150	31,000	15,000
Community Investment	307	307	29	146

*Confidential



Operational Reliability and Efficiency

The COVID-19 pandemic has posed unprecedented challenges for us in 2020 that obliged us to transform and adjust the way we conduct our business in order to keep afloat through unstable times. With the understanding that poor plant availability and reliability causes uncertainty among our customers that ultimately affects our bottom line, we put great efforts to maintain high plant availability and reliability during the year. Our day-to-day operations were adjusted to ensure continuous operations and high productivity while safeguarding the health and safety of our employees. We also had to adapt our operations to ensure our business is compliant with government regulations and requirements, such as those related to the imposed lockdowns.

To maintain strong operational reliability and efficiency, we have a combination of rigorous systems and procedures that assist us in monitoring our assets and avoiding preventable failures. For example, our risk-based inspection approach provides for dynamic and planned inspection and maintenance activities that enable us to deliver value by mitigating the risks of unplanned operational interruptions.

Additionally, our Mechanical Integrity and Quality Assurance (MIQA) Manual guides our equipment reliability assessments, focusing on installing, maintaining and improving assets as per the specifications of the equipment design basis. The manual is supported by a comprehensive set of sub-procedures, which guide and ensure our alignment with the MIQA manual in managing process management safety critical equipment and associated tasks that can be viewed in real-time by our Reliability Department. In 2019, we established a MIQA committee comprising of all QAFAC's function heads who are responsible for the implementation of the MIQA Manual and associated procedures. The committee and associated sub-committee are also responsible for identifying and resolving issues affecting the MIQA program's effectiveness, providing and arranging MIQA related training and guidance to site personnel when needed, establishing and reporting to management all MIQA KPIs as per the MIQA Manual, auditing the MIQA program periodically, and ensuring recommendations from MIQA audits are tracked and documentation is maintained.

In 2020, MIQA sub-committee met 8 times to discuss progress on the committee's KPIs, which are monitored on a monthly basis. These KPIs include, number of tests and inspections deferred for safety critical equipment, number of overdue tests & inspections for safety critical equipment, number of active temporary repairs/clamps, number of items rejected by Minimum Essential Receiving Inspection (MERI), and number of open and overdue recommendations arising from tests and inspections on PSM critical equipment.

MIQA sub-committee meetings are chaired by the Senior Maintenance Manager and representation from the different departments/divisions is ensured in the meetings, for example a representative from Operations, HSSE, Maintenance (Instrument, Control System, Static Equipment and Rotating Heads) and from Technical Services (i.e. Inspection & Reliability Manager) attend the meetings.

At QAFAC, the management of our production performance is accomplished using our internal management system. The system encompasses dashboards that support us in continuously monitoring, tracking and reviewing performance data and performance improvements at all operational levels, and enable us to initiate improvement actions wherever necessary. Production dashboard meetings are held on a daily and monthly basis to discuss QAFAC's production performance, areas for improvements, and production targets.

In 2020, we enhanced our SAP BI/BW dashboards through the implementation of SAP Lumira software. SAP Lumira enables business users to access, transform, and visualize data of any size in a repeatable and self-service manner. The software emphasizes a simple user-friendly interface and generates captivating visualizations which allow users to swiftly analyze data without the need for scripting.

To ensure our strategic initiatives are communicated across the entirety of QAFAC, we held a critique meeting, chaired by the Chief Operations Officer and attended by key employees and senior managers, in order to evaluate our production procedures, operations, and the required areas of improvements.

To continuously enhance our plants' reliabilities, our Operator Training Simulator (OTS), which was introduced in 2018, provides plant operators with the opportunity to regularly train and enhance their competencies by utilizing real time scenarios generated by our dynamic state of the art simulator of our methanol and MTBE plants. The scenarios range from normal operations to upset conditions in the plants that are simulated close to real plant operation. This simulator contributes towards our commitment to ensuring plant reliability and efficiency by reducing operational interruptions due to manpower, therefore, generating higher production levels and delivering good HSSE performance. In 2020, we carried out trial runs on the simulator that confirmed its readiness to operate pending few developmental actions.

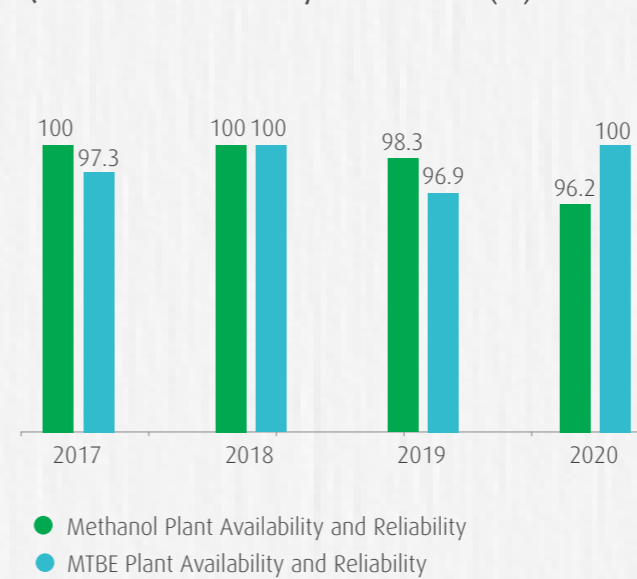
We also conduct annual reliability assessments of our Methanol and MTBE plants in order to compare our performance against previous targets and set future targets. In 2020, our methanol plant achieved a reliability of 96.2% against our internal target of 96.5% and decreasing from 98.3% in 2019. Lower reliability was due to plant outages in

GRI 102-2

GRI 102-48

January of 2020 related to C-1101-LP NDE DGS failure followed by C-1102 impeller failure. On the other hand, our MTBE plant achieved reliability of 100% in 2020 increasing from 96.9% in 2019. This increase came as a testament to the success of our multiple efforts that are aimed at enhancing our plants' reliabilities and due to no unplanned shutdowns in 2020.

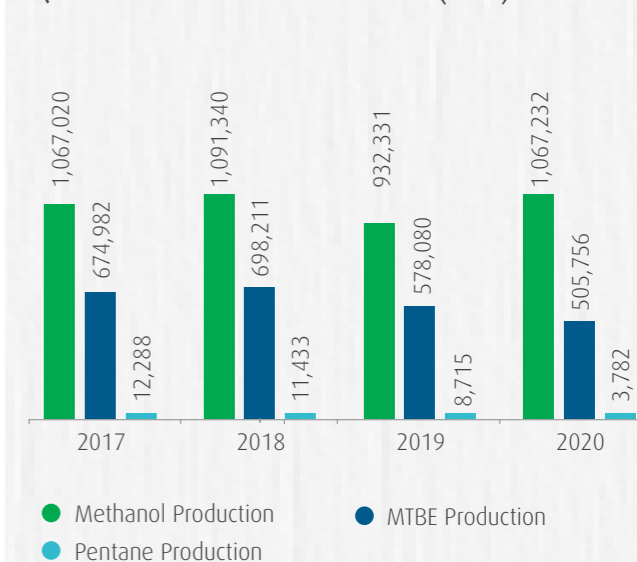
QAFAC Plants' Reliability Performance (%)



Furthermore, we strive to improve the efficiency across our operations by ensuring major projects are executed within the budgeted time and cost in order to achieve a 10% reduction in our controllable costs by 2023. This objective is in line with QP's guidance that encourages the automation of time-consuming processes and deploying cost saving measures. We have also established specific key performance indicators (i.e. equipment efficiency, consumption rates and quality adherence) for measuring and managing our manufacturing productivity and the efficiency of our operations.

In line with our intent to boost digitalization in QAFAC and utilize it to drive operational excellence and cost optimization, we have implemented Advanced Process Control (APC) at our MTBE plant. APC helps us in reducing the energy and butane consumption, as well as enhancing production volumes by reducing fluctuations affecting plant operations. We have reaped many benefits from APC since its three major controllers were put into operation in 2016, such as smoother plant operation, reduction of process deviation alarms, improvement in production, and steam savings.

QAFAC's Production Performance (Tons)



Note: As we continuously strive to improve our reporting performance, we have restated the 2019 Pentane Production data.



Additionally, we plan to undertake benchmarking studies against best practices on cost of operations in particular regarding maintenance and procurement that will support us in identifying improvement areas to implement across our operations.

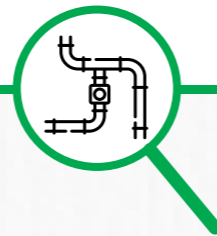
As a result of our reliability and efficiency efforts, our methanol production reached 1,067,232 MT in 2020 of US Federal Grade AA Methanol which is about 14% increase compared to 2019. However, our MTBE production reached 505,756 MT, a decrease of approximately 13% compared to 2019. This decrease was due to unfavorable market conditions owing to COVID-19 impacts.

In addition, in 2020 we have attained the highest ever monthly production record in our MTBE plant which was achieved in March with a total of 64,587 MT.

Also, in April we have achieved the highest ever daily average production record which accounted to 2,084 MT.

Moving forward, our digitalization efforts are planned to span across multiple functions including production, maintenance, procurement, health and safety and the rest of our departments, through task automations, wearables that involve devices, such as smart watches, that can be used by QAFAC's employees to share and view company data.

In addition to our planned adoption of the Internet of Things (IoT) that has the ability to transform any device into a smart solution through a simple internet connectivity for the sole purpose of efficiency of operations. For example, we plan to connect our products with our data monitoring system to transmit the product's performance data in real-time.



Integrated Gas Supply to Mesaieed Consumers (IGSMC)

Qatar Petroleum (QP) initiated this project, in 2019, in order to ensure uninterrupted natural gas supply to all QP customers in Mesaieed, including QAFAC. The project consists of the construction, testing, and commissioning of a gas pipeline from QP to QAFAC.

Despite multiple challenges due to COVID-19 related to managing contractors, technology providers, and the lockdowns in 2020, QAFAC was able to contribute to the project by providing a plot for metering station,

installing gas pipeline from QP battery limit to the QAFAC tie in point, and providing instrument air, power and communication (FO) facilities.

This project supports our efforts to ensure continued operations and meet production targets, which eventually contribute towards meeting our customers' needs, enhancing our reputation, and retaining our market capitalization. The project is aimed to be completed in 2022.



Sustainable Supply Chain Management

GRI 102-9

GRI 102-10

GRI 204-1

Supply chain management continues to be an integral part of our business as it is critical to our success and core to our customer experience. The COVID-19 pandemic clearly showed the risks and lack of resilience in supply chains that are solely focusing on driving efficiency and cost reductions and disregarding environmental and social considerations. Therefore, through supply chain sustainability, we have the power not only to optimize operations, reduce operating costs, realize market and economic value, and boost customer service, but also achieve a competitive advantage over our business rivals through generating positive risk management capabilities.

To that effect, we are committed to advancing the principles and practices of social and environmental responsibility along the value chain. This commitment is ingrained in our corporate values and is supported by our Procurement Policy. The latter provides us with the direction on the most important considerations as we work towards achieving a sustainable supply chain. It prioritizes the following criteria when making procurement decisions:

- Contractors and suppliers who have high social, environmental and economic standards and practices.
- Local goods and services to encourage local economic development and enhance local skills and expertise.

In order to implement our Procurement Policy and ultimately drive a sustainable supply chain, we have a Supplier Performance Evaluation Procedure that provides us with a systemic approach to assessing our suppliers and contractors. The assessment takes into consideration the suppliers' and contractors' technical and commercial capabilities, their ISO certifications such as ISO 9001, ISO 14001 and ISO 45001, and their business relationships with Qatari companies in the oil and gas industry. While suppliers and contractors are evaluated based on their performance and completion of scope of work (SoW) and eventually awarded based on DIFOTIC criteria (Delivered in Full and On Time, and Invoiced Correctly), the Supplier Performance Evaluation Procedure allows us to distinguish the high performing suppliers that gain priority and a competitive advantage over their peers.

Additionally, our automated Vendor Categorization System, which was developed by the Procurement Department in 2018, allows us to organize all active vendors that offer similar or interrelated goods and services into specific categories in order to leverage opportunities for consolidation, contingency development, and improving supply chain performance, value, and savings.

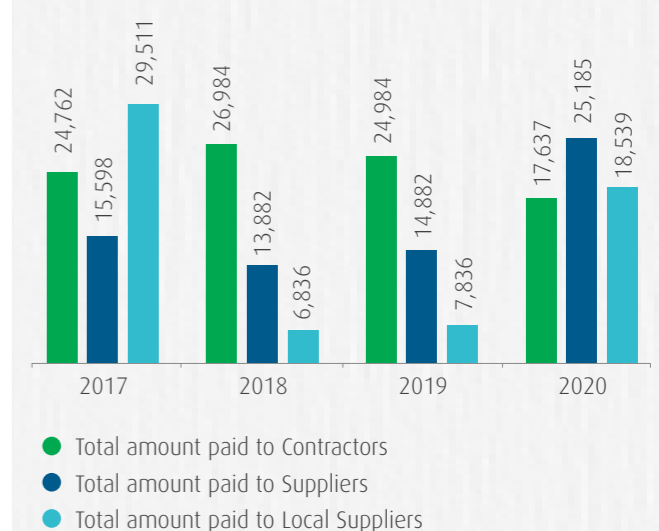
Our Procurement Department is responsible for managing, recording, monitoring, and tracking all data related to our supply chain. In 2020, we paid a total of USD 42.82 million to our suppliers and contractors for procured goods, products and services.

As part of our sustainable supply chain agenda and in alignment with the Economic Development Pillar of QNV 2030, we focus on procuring from local suppliers as an effort to support the growth of the local businesses in Qatar and contribute to the economic development of the country. Our Procurement Policy emphasis preference for Qatari companies and individuals who are nationals of the State of Qatar or companies that are controlled by such individuals. In fact, a preference to these companies and individuals is given if the cost of similar works or services does not exceed a margin of more than 10% of the cost of similar works or services offered by otherwise available non-Qatari nationals or companies that are controlled by non-Qataris. In 2020, we spent a total of USD 18.5 million on local suppliers – accounting to 74% of total supplier contribution.

Due to the COVID-19 pandemic, we faced several challenges this year mainly around the imposed lockdowns, such as logistical challenges and availability of materials and services. Consequently, we took extra measures to mitigate those challenges by extending existing contracts, sourcing alternate products and services providers wherever possible, and closely coordinating with QP and its subsidiary companies through participating in the Mesaieed Industrial City (MIC) synergy initiatives for the procurement of goods and services.

In 2020, we continued to drive sustainability and efficiency in our supply chain through the Ta'win Synergy Development Program, which was started in 2017 in collaboration with QP subsidiaries, such as Q-Chem, Qatalum, QAFCO, Qatar Steel and QAPCO. The program is aimed at creating sourcing synergies to reduce costs by focusing on large aggregate orders across companies for preferential pricing, for example, in the procurement of health and safety equipment and health insurance packages.

Procurement Contributions (USD '000)



Procurement Contributions				
KPIs / Financial Year	2017	2018	2019	2020
Spending on locally based Contractors and Suppliers (%)	72	75	85	77
Locally based Suppliers (%)	61	61	51	43



Establishment of QAFAC Contract Review Committee

In line with our cost optimization efforts, in 2020, we established QAFAC Contract Review Committee with the mandate to negotiate existing contracts with the objectives of obtaining discounts from contractors and eventually reducing our costs.

The committee consists of our Senior Production Manager, Procurement Manager, Finance Manager, Strategic Sourcing Manager, and Purchasing Manager, all reporting to the Chief Corporate Officer, who is also part of the committee.

In 2020, the committee achieved cost reductions of 6.8% (USD 177,666) through successfully negotiating five contracts.

Building on the success achieved in 2020, the committee will continue its important work throughout the years to realize further cost reductions in line with our Procurement Policy.

Product Responsibility

Our two primary products at QAFAC, Methanol and MTBE, are used widely across a multitude of industries such as automotive, agriculture, construction, furniture, oil and gas, textiles, adhesives, pharmaceuticals and many more.

Methanol is a commodity chemical that is a key ingredient in a variety of chemical derivatives and serves as a building block to produce a multitude of everyday consumer and industrial items. These items include plastics, adhesives, reins, glues, LCD TV, computer screens, silicone, windshield, water fluid, propane, furniture, carpeting, plywood subfloors, vaccines and other pharmaceuticals.

Additionally, methanol is also used in an increasing number of energy-related applications. As global demand for clean energy and concerns for preserving the environment are rising, methanol has emerged as a clean, sustainable transportation fuel alternative for the future (vehicle fuel, marine fuel, etc.), whether used in a blended application with gasoline or on its own as a substitute for diesel or gasoline. Methanol is an economically viable alternative-energy solution that can provide fuel diversity and reduce emissions like sulphur oxide (SO_x) and nitrogen oxide (NO_x). It can also be produced from renewable resources like biomass, landfill gas, and CO₂, which reduces its carbon footprint.

Over the last few years and mostly in China, methanol has also been increasingly replacing coal as a clean-burning fuel to power industrial boilers and furnaces used for heat generation. Compared to coal, methanol boilers show superior emissions benefits of at least a 75% reduction in total emissions in terms of PM, SO_x, and NO_x.¹

On the other hand, MTBE is a fuel additive that is used in motor gasoline to reduce the tail gas emissions generated by

motor vehicles, such as volatile organic compounds (VOC) and particulate matter (PM), which in turn improves air quality due to more complete combustion.

We realize that the world comes into contact with our products on a daily basis whether directly or indirectly, therefore, we understand the responsibility that falls upon us to ensure our products meet the highest standards of quality, health, safety and environmental protection. To that effect, we continuously work to mitigate products' potential impacts on our people, customers, and the environment at any point during the lifecycle of our products.

We, at QAFAC, have various stringent internal controls and systems that ensure the high-quality and safe production of our products. For example, our ISO 9001 Quality Management System sets the foundation for our quality assurance activities, which include conducting regular comprehensive quality checks on our products in line with ISO 9001 in order to ensure we consistently provide products that meet customer and regulatory requirements.

Additionally, we have developed Material Safety Data Sheets (MSDS) that are in line with the United Nations Globally Harmonized System of Classification and Labelling of Chemicals (GHS) for both of our products, Methanol and MTBE. The MSDS provide our people and customers with various safety information to help with the identification of the product, its hazards and some control measures including dedicated emergency hotlines. The sheets specifically depict the physical and chemical properties to be aware of when handling and storing our products, identifies potential hazards and first aid measures, including the correct measures to implement if Methanol or MTBE contacted the eyes or skin, was inhaled or digested, and indicate firefighting measures



Methanol as Marine Fuel

Methanol has drawn much attention as a marine fuel due to its potential in GHG emission reduction, ease of handling, operational safety and engine compatibility.²

Methanol emits no sulphur, and its use significantly reduces NO_x and particulate-matter emissions compared to traditional marine fuels, which is helping the maritime industry meet the increasingly stringent emissions regulations and the new environmental regulations from the International Maritime Organization (IMO) which require ships to decrease emissions of sulphur oxide (SO_x) and nitrogen oxide (NO_x). Additionally, methanol can contribute to lower CO₂ emissions in the maritime sector compared to heavy fuel oil. With the future market outlook driving the push towards reducing sulphur emissions in the marine fuel sector, Methanol qualifies as a promising option to eliminate sulphur from the transportation sector.

¹ Maritime Energy and Sustainable Development (MESD) Centre of Excellence – Methanol as a Marine Fuel Report, January 2021

² Methanol Institute (<https://www.methanol.org/heat/>)

in case of fire resulting from QAFAC's products. Our MSDS for Methanol and MTBE are available to anyone handling, transporting or using our products and are publicly available on our website.

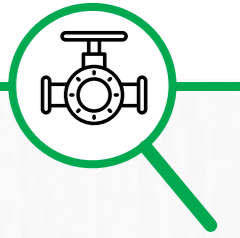
We also take various measures, throughout our production process, to ensure our products are produced safely and to the highest quality standards. For example, in our Methanol production process, our steam reformer is optimized (including the monitoring and controlling of the temperature and pressure) to achieve high conversion and high quality of our products. Moreover, we ensure all our pipes and valves are labelled and the direction of flow is indicated, and our products are stored above-ground in tank farms to avoid hazards related to static discharges that are prevalent in other types of storages.

Last but not least, we also performed environmental impact assessments on our products and identified associated hazards and various controls for exposure, accidental release, and first aid among others. The assessments are critical for mitigating our health, safety and environmental impacts and protecting our people and customers throughout the process of handling, storing and transporting our products.

Consequently, in 2020 we did not face any incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products.

In addition, as part of our strategic initiatives we intend to collaborate with Muntajat to further develop both our MTBE and Methanol market knowledge encompassing market conditions projections and future market trends. This will support us in reaching our aspirations of becoming a reference leader in the market.

We are also planning to develop technical and market intelligence with the support of QP and Muntajat by exploring market potential and by prioritizing brownfield expansions for MTBE and Methanol derivatives. We are keen on investing in this initiative due to brownfield expansion's environmental mitigation and cost efficiency as we would purchase or lease existing facilities opposed to the critical economic and environmental costs that would be incurred in building a new facility. In addition, we are also keen to identify areas of potential by-products synergies with the broader QP system (e.g. CO₂ and H₂ for Methanol production through CO₂ Hydrogenation process) and review best-in-class / approaches for overall by-product synergy.



Completion and Commissioning of the new MTBE pipeline

We realize that our responsibility for the impact of our products extends across their entire lifecycle, which includes the efficient and safe transportation of our products to customers' locations. In 2017, we started the MTBE Pipeline project with Qatar Petroleum (QP), which aimed at providing a safe and reliable transfer system for our MTBE product to QP refinery.

QP uses MTBE to blend it with gasoline in order to enhance the desired properties of the latter. Previously, MTBE was being transported from QAFAC to QP Refinery through tankers, which was putting a cap on the supply (1,800-2,000 bbl/day) considering the limited number of tankers per day (8 tankers per day, each having a capacity of 250 bbl approximately). With QP foreseeing an increase in MTBE demand based on future specifications, a pipeline was necessary for QAFAC and QP to stay ahead of the curve.

Additionally, this project contributes towards our efforts to improve the safety and reliability of our operations by eliminating the potential for spills when filling tankers, reducing the amount of flammable substances being transported on roadways, reducing traffic, and eliminating loading and unloading bottlenecks.

This project included the installation of a dedicated MTBE pipeline and transfer pumps at QAFAC, and the installation and integration of a MTBE Tank and blending pumps at QP refinery, which were completed in 2019.

In February 2020, successful commissioning of the pipeline was completed, and it has been in regular use since then. However, our MTBE truck loading system remains on standby, ready for use when and if required.



Life Cycle Assessment of Methanol and MTBE

Life Cycle Assessment (LCA) is a methodology that is used to evaluate various environmental impacts associated with the lifecycle of a product. The analysis examines different input and output flows across the life cycle stages within the specified boundary to mark the environmental impacts across the product manufacturing value chain.

LCA follows a phased manner of assessment, detailed below.

1. Goal and scope definition – This phase asserts the objective and intended use of the study and outlines the chosen scope appropriate for fulfilling the defined goal(s).
2. Inventory analysis – This phase involves the collection and aggregation of input and output data with respect to the product lifecycle being studied.
3. Impact assessment – This phase involves using the raw data to characterize and evaluate the overall lifecycle environmental impacts under consideration.
4. Interpretation – This phase is ongoing throughout the study as an iterative process of assessing and guiding the outcomes of each of the phases above in relation to the study objectives.

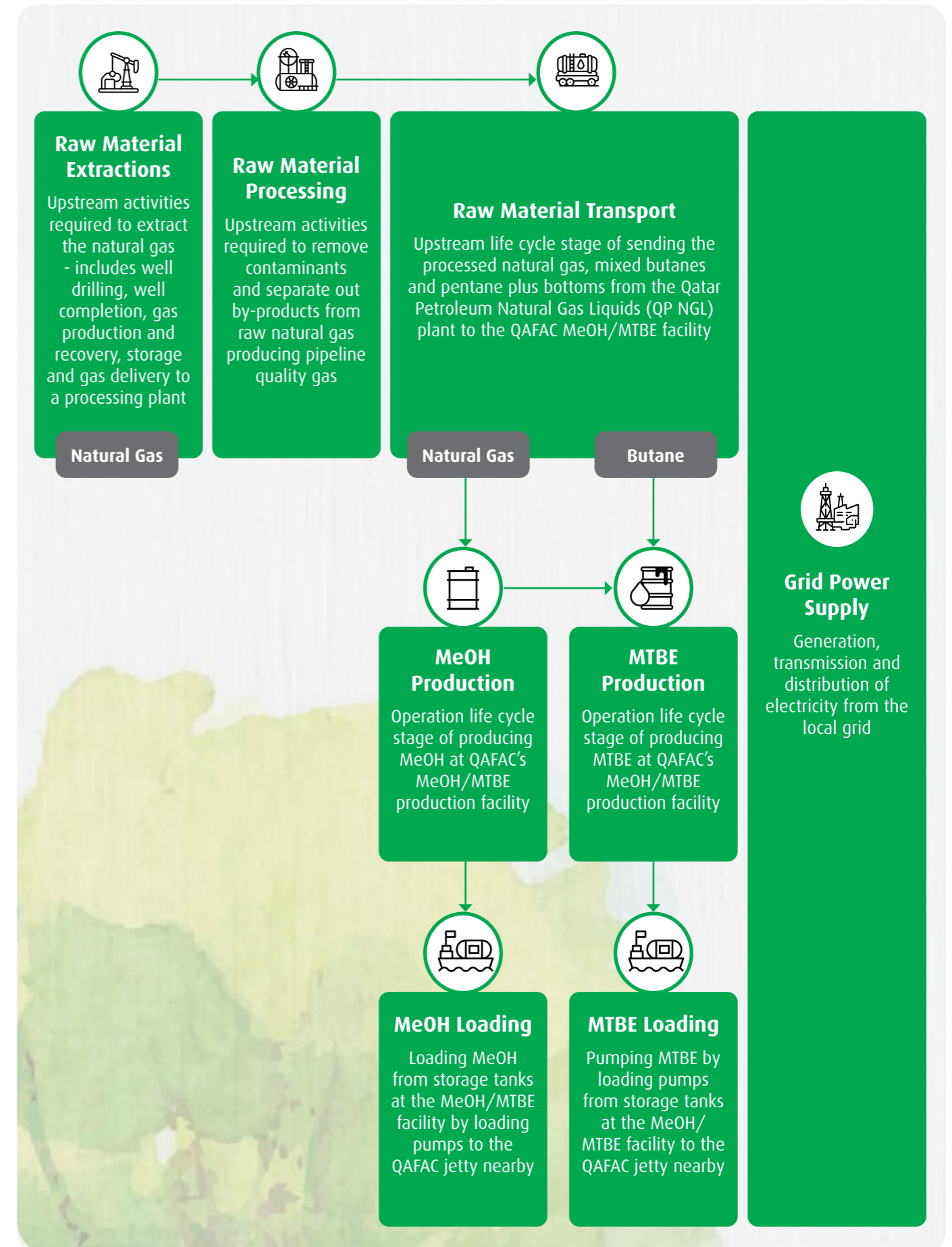
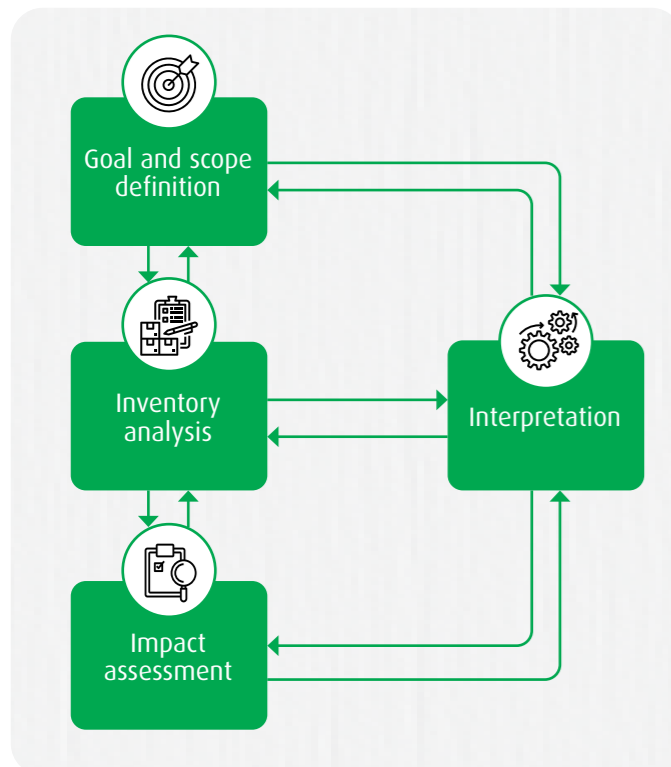
QAFAC's Health, Safety, Security and Environment Department has performed LCA studies of its two primary products: Methanol (MeOH) and MTBE. Methanol is a building block for countless chemicals, with wide-ranging clean energy applications. Owing to the product's importance in several manufacturing processes, QAFAC aims to assess its products' environmental footprint using the cradle-to-gate approach, wherein the life cycle of the MeOH and MTBE products is traced back to the extraction of feedstock materials and ends at the QAFAC plant gate. The LCA was performed in fulfilment of ISO standards 14001 and 14064 and to satisfy mandates by internal and external stakeholders of the company. The methodology used conforms to ISO standards 14040 and 14044.

The assessment focused on the upstream life cycle stages affected by QAFAC's supply chain and the operation life cycle stage that are directly influenced by the environmental performance of QAFAC's facilities. Product distribution and end-use phases have been excluded from the analysis. The functional units used for the MeOH and MTBE analysis were 1 MT of MeOH and 1 MT of MTBE, respectively.

The five impact categories selected for evaluation in this study included:

1. Climate Change: This category reflects total emissions of greenhouse gases across the product life cycle, viz., Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O).
2. Acidification: This category reflects total emissions of acidic gases across the product life cycle, viz., Sulphur Oxides (SO_x) and nitrogen oxides (NO_x).
3. Resource Depletion- Fossil Fuels: This category reflects the total requirement for fossil-fuel-based energy across the product life cycle.
4. Water Scarcity: This category reflects the total freshwater drawn across the product lifecycle.
5. Photochemical Ozone Creation: This category reflects the total emissions of Non-Methane Volatile Organic Compounds (NMVOC).

The following manufacturing (MeOH and MTBE) process's value chain is considered for the lifecycle assessment.



05

Managing Our Environment

- Environmental Leadership
- Direct and Indirect Energy
- Greenhouse Gas (GHG) and Air Emissions
- Water and Wastewater
- Hazardous and Non-Hazardous Waste



Aligning our Material Topics to our Strategic Priorities and to Global and National Reporting Frameworks, Goals and Targets

Material Topic	Key enabler to our strategic priority "Prepare for long term SUSTAINABILITY"	GRI	UN SDGs	QSE	QNV 2030
Energy	<ul style="list-style-type: none"> • Strive for excellence in environmental protection • Boost 'digitalization' to set a benchmark in our industry 	GRI 302		QSE E3, 4, 6	Environmental Development
Emissions		GRI 305		QSE E5	
Water and wastewater		GRI 303		QSE E8	
Waste management		GRI 306		QSE E9	

Climate resilience is one of the most critical issues of our time, requiring timely and dedicated action at a global scale. Now coupled with that, the global COVID-19 pandemic has placed governments, businesses and societies in challenging and complex circumstances, with the energy demand drastically changing around the world.

Despite these extremely, difficult conditions, as a producer of Methanol and MTBE, we at QAFAC continue to recognize the impact of our operations on the environment and reckon that we have a critical role to play in climate change mitigation by driving profound changes within the energy systems to accelerate decarbonization as well as by enhancing our water and waste management practices.

To that effect, our environmental efforts support various national and international efforts in fighting climate change including the Paris agreement of the United Nations

Framework Convention on Climate Change (UNFCCC), United Nations Sustainable Development Goals (UN SDGs), The Doha Amendment, and the Environmental leadership guidelines from the International Petroleum Industry Environmental Conservation Association (IPIECA).

Furthermore, we also support the State of Qatar in meeting the aspirations and goals of the Environmental Development pillar of the Qatar National Vision 2030 as well as the objectives of the Second National Development Strategy (2018- 2022).

This section discloses our environmental journey in 2020 and highlights our performance on energy management, greenhouse gas and air emissions, water and waste management.

Key Performance Highlights



Updated Policies and Procedures of the Energy Management Systems (EnMS) in line with **ISO 50001**



NO_x and SO_x emissions decreased in 2020 by **7%** and **13%** respectively in comparison to 2019



51% of the wastewater we generated in 2020 was recycled and discharged to our Green Belt



4% of total waste generated was recycled in 2020



Zero reportable hydrocarbon spills for eight consecutive years

Environmental Leadership

As part of our Leadership commitment to environmental excellence and minimizing the environmental footprint, we at QAFAC embedded environmental objectives into our mission, values and strategy.

Along with our strategy, we also developed the Quality, Health, Safety and Environmental (QHSE) policy which governs our practices and further augments our Leadership's commitment towards building an ethos that fosters environmental protection.

Furthermore, we realize the importance of having governance bodies to drive environmental management and protection. To that effect, we have Level 1, Level 2 and Level 3 HSSE committees that conduct periodic meetings to review updates on our environmental performance, discuss progress on our current environmental initiatives and communicate any changes in environmental regulations.

Our Level 1 and Level 2 committee meetings took place as per the planned schedule. However, we faced disruptions in steering Level 3 committee meetings due to the COVID-19 pandemic, as these meetings are physically conducted on site and usually include members from shop floor and the field team. However, going forward we plan to transform our approach towards conducting these meetings by increasing their frequency as well as exploring options to remotely engage various committee members through use of digital technologies.

In addition, we are also part of the Mesaieed Industrial City (MIC) Environmental sub-committee, which includes members from industries located in MIC as well as Qatar Petroleum (QP) corporate. The sub-committee is responsible for carrying-out environmental studies for the MIC community and reviewing environmental parameters including environmental KPIs, flaring reports and environmental incidents, amongst

others. We did not face any challenges in participating in the environmental sub-committee meetings.

Furthermore, we conduct management review meetings twice a year to perform a thorough review of all the components that must be tracked and monitored including compliance assessments to environmental regulations as well as development of mitigation and or action plans as per our consent to operate and local environmental regulations. In 2020, our management review meetings were conducted as planned and involved discussion on topics such as assessment of our compliance to present regulations, and development of action plans to meet new environmental regulations.



Our Corporate Alignment To Our Environmental Priorities



As part of our belief in implementing a comprehensive framework to develop strong operational systems and processes, we implemented an Environmental Management System (EMS) as per ISO 14001 in 2005, demonstrating our commitment to environmental protection and delivering high quality. Our EMS encompasses all the environmental policies

and procedures that govern our environmental processes and provides a structured approach to manage major environmental concerns. In 2020, We updated our EMS with new procedures in line with ISO 14001 standards. As part of our EMS, it is the responsibility of every QAFAC employee to fully understand and follow our environmental policies.



World Environment Day Poster Competition



The poster making competition among the children of our employees is held on the World Environment Day each year. Besides being a fun-filled activity for the kids of all ages, the event also helps to raise environmental awareness. The theme for 2020 focused on "Time for Nature". The competition was held online due to the COVID-19 pandemic, and the winning contestants from all age groups received prizes.



Environmental Newsletter

A newsletter is one of the effective tools used for communication of relevant and valuable information. Environment newsletters are issued within QAFAC for communication of important information in order to enhance environmental awareness of employees. Following topics were covered in these newsletters during 2020:

- Zoonoses & COVID-19
- Forest Fire and its Impact on Environment
- Particulate Matter Pollution: Health and Environmental Effects
- Effects of Littering on Human, Animals and Environment
- Greenhouse Gas Emissions: Drivers and Impacts
- Earth Day 2020: Climate Action
- World Environment Day "Time for Nature"
- World Water Day: Water & Climate Change



We recognize that establishing strong auditing programs and routines is pivotal to the continuous management and improvement of our environmental performance as an organization. Subsequently, we conducted several audits including an EMS internal audit, third-party surveillance audits and re-certification audits to enhance our environmental performance.

In line with our philosophy behind environmental management, we comprehend the importance of having aware and knowledgeable employees to further embed and drive environmental excellence in our operations. Thus, we regularly participate in external conferences and trainings, and conduct internal awareness sessions. We participated in online conferences and trainings conducted by the Ministry

of Municipality and Environment (MME). We also conducted training and environmental awareness sessions for our employees and contractors, which covered topics such as ISO 14001 environmental management system awareness, waste management and recyclable waste segregation. These trainings were conducted face-to-face, but with a maximum of five participants per session owing to the COVID-19 pandemic. Our leadership recognizes that there is a strong need for a proactive and forward-looking position on emerging environmental issues in this rapidly changing global market. Thus, in the coming years we aspire to continue to embrace various projects and initiatives by strengthening our operational eminence and tapping into the potential of digitalization to further integrate environmental excellence into our organization and culture.



Upgrade of QAFAC Master Environmental Aspect/ Impact Register

In 2020, we undertook a key initiative to upgrade our Environmental aspect/ impacts register, which maintains a record of all the environmental aspects associated with QAFAC's activities and assesses whether these aspects already have or could potentially have a significant impact on the environment.

The environmental aspects evaluated include elements of QAFAC's activities, products or services that can interact with the environment, such as discharges to water, emissions to air, wastes, use of natural resources and materials. Consequently, the environmental impacts assessed include any changes to the environment whether adverse or beneficial, wholly or partially resulting from QAFAC's environmental aspects, such as global warming, water pollution or contamination of land. The relationship between aspect and impact is simply a "cause and effect". For example, emissions to air and water (aspects) can generate adverse impacts such as pollution and global warming.

The salient features of the upgraded aspect/ impact register include:

- Development of a new template, which provides us with a good understanding of the "evaluation of effective significance" before and after implementation of control measures.
- Within the new template, we have identified "compliance obligation" of each activity in accordance to Law number 30 of MME and QAFAC Consent to Operate. Therefore, aspects, which have a legal compliance, shall be ranked as "significant".
- Life Cycle Assessment (LCA), which is carried out as part of this exercise is a methodology for integrated impact assessment, where the environmental burdens associated with the whole life cycle of products are quantified. Such impacts refer to a wide range of categories such as climate change, resource depletion, eco-toxicity, etc. To fulfill the requirement of section 8.1 of ISO 14001:2015 standards, our new aspect/ impact register has been developed to be consistent with an LCA perspective.

Direct and Indirect Energy

GRI 302-1

GRI 302-3

As a Methanol and MTBE producer, we recognize that our operations can be energy intensive and consume abundant amounts of energy. Hence, we are cognizant of our responsibility to manage our energy consumption and subsequently mitigate our environmental footprint. We believe that the way forward is to invest in technologies and performance management processes that make our production processes as green and efficient as possible.

Therefore, as part of our continued efforts to reduce our energy consumption and drive excellence in energy management, in 2019, we initiated an organization-wide energy management system (EnMS) program in line with the ISO 50001 standard to guide our energy management practices. Our project is expected to conclude in 2021 and aims to help us with our commitment to the efficient, effective and economical management of our energy consumption. As part of the project, we developed new procedures as well as updated existing procedures and several other documentations such as the Enterprise Risk Management (ERM) procedure, management of change procedure, corrective action, internal audit, management review and environmental communications procedures in alignment with the ISO 50001 requirements. These procedures and documentation are expected to be finalized and effectively implemented in 2021.

As part of our EnMS project, we have also developed an energy management policy that governs our day-to-day operations to identify an energy baseline, energy performance indicators, significant energy uses, as well as set energy targets and objectives. Our energy management policy is expected to be approved and rolled out in 2021,

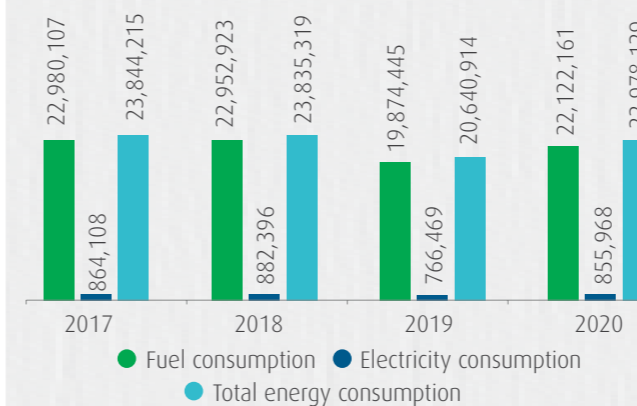
which will provide an overarching commitment to energy management and its key principles.

Currently, we follow detailed processes to optimize the energy consumption at our plants and ensure that we manage our energy efficiently. In addition, we also seek to implement closed loop processes that result in cost savings and further reduction in energy consumption.

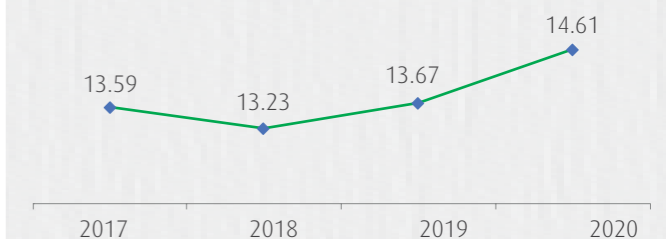
As a leading producer of Methanol and MTBE, fuel gas (comprising of natural gas and purge gas) makes up 96% of our energy consumption at QAFAC, whereas the remaining 4% is from electricity supplied by Qatar General Electricity and Water Corporation (KAHRAMAA). For our fuel gas, we primarily burn it in the firing reformer to produce steam to operate our mechanical equipment. In 2020, our total energy consumption was 11% higher than the previous year. This is due to the fact that our Methanol production increased by 14% during the reporting year. Consequently, this resulted in a high plant load operation contributing to the corresponding increase in the overall energy consumption.

Measuring our energy intensity provides us with a more representative comparison of our energy consumption by normalizing it against our production. During the reporting period, our energy intensity was 14.61 GJ per ton of production, which was 7% higher than the previous year. This can be attributed to the optimization of plant operations due to the COVID-19 pandemic. Although the MTBE production decreased in 2020, our energy consumption was still maintained at the same level (as fuel consumption for steam generation remains the same, as well as due to other maintenance activities), resulting in a higher energy intensity per ton of production.

Energy Consumption (Gj)



Energy Intensity (Gj/Ton of Production)



Greenhouse Gas (GHG) and Air Emissions

GRI 305-1 GRI 305-2 GRI 305-4 GRI 305-7 GRI 102-48

As an operator in an energy intensive industry, we realize that the energy we consume results in producing greenhouse gas (GHG) emissions and several other air emissions. Therefore, we are proud to play our part in cutting harmful industrial emissions and taking a leading role as an environmentally conscious company, preserving and protecting the natural environment around us.

We are cognizant that our processes require a degree of flaring to ensure the safety and reliability of our operations, consequently resulting in the generation of GHG emissions. Therefore, we comprehend that managing our emissions is a continuous process and we are committed to implementing proactive solutions to reduce them. Therefore, we invest in various controls and initiatives to promote the reduction of our emissions and flaring, while ensuring compliance to all the regulatory requirements as part of our environmental license to operate, and in alignment with QP's flaring reduction strategy.

To ensure better monitoring, tracking and verification of our data, we have established a dashboard system that allows real-time data monitoring and reporting on the performance of GHG and air emissions as well as flaring, through a set of KPIs.

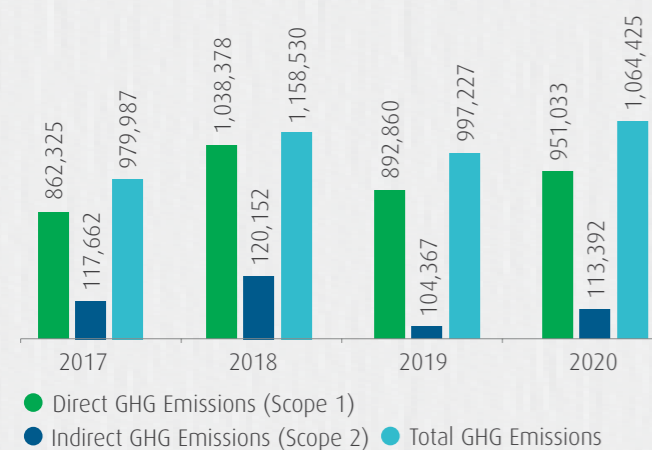
Furthermore, in 2020 we started our journey to implement a world-class Greenhouse Gas (GHG) Accounting and Reporting (A&R) program in line with QP's approved Accounting and Reporting Procedure for GHG emissions, as well as EU and IPCC guidelines to ensure the highest accuracy of reported emissions. As part of the program, new procedures and processes were developed, such as the quality management plan, emission methodologies, etc. We also adopted a data integration software for GHG A&R that will be communicating

with the plant information (PI) and Uniformance process history database (PHD) system and lab information management systems (LIMS), which is currently under development. Going forward, in 2021, we aspire to further enhance our program by having a comprehensive mechanism with calibration systems, equipment, protocols, monitoring and certification programs for GHG accounting, reporting and verification process.

Both our scope 1 and scope 2 emissions increased by 7% and 9% respectively in comparison to the previous reporting period. This is due to the corresponding overall increase in the energy consumption in our operations, owing to the increased Methanol production. In addition, specifically with respect to scope 1 emissions, as a result of our GHG A&R program, we have an improved inventory of GHG emission sources that is captured as part of our calculations, thereby resulting in higher values of scope 1 emission. The values for direct scope 1 carbon emissions (and therefore total emissions) for 2019 are revised in our current report based on AR reporting because we were deducting CO₂ recovered (from our CDR plant) and reused within our process from CO₂ emissions in our previous calculations. Also we incorporated Global Warming Potential (GWP) for CH₄ and N₂O in our revised calculations. QAFAC is also in the process of getting its verification by a QP-appointed third party in the second quarter of 2021.

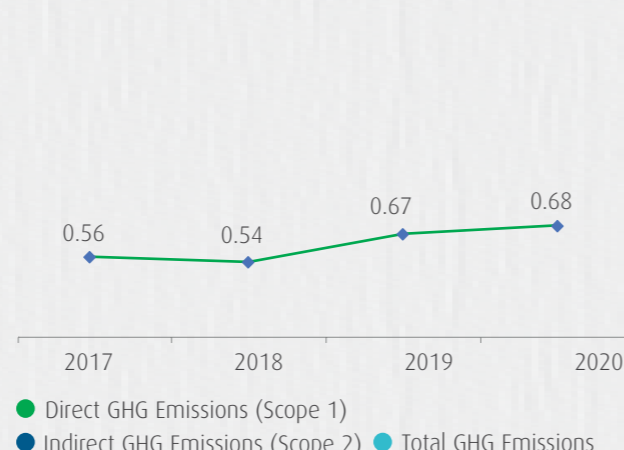
Our GHG intensity also increased by 1% compared to 2019. This is because, our MTBE plant operated at a low load attributed to the optimization of plant operations due to the COVID-19 pandemic. However, our energy consumption was maintained at the same level resulting in higher a GHG emission per ton of production.

Greenhouse Gas Emissions (Metric Tons of CO₂e)



Note: As a result of our GHG A&R program, the values for direct scope 1 GHG emissions (and therefore the total emissions) for 2019 are revised in our current report.

GHG Intensity (Ton CO₂e/ Ton of Production)



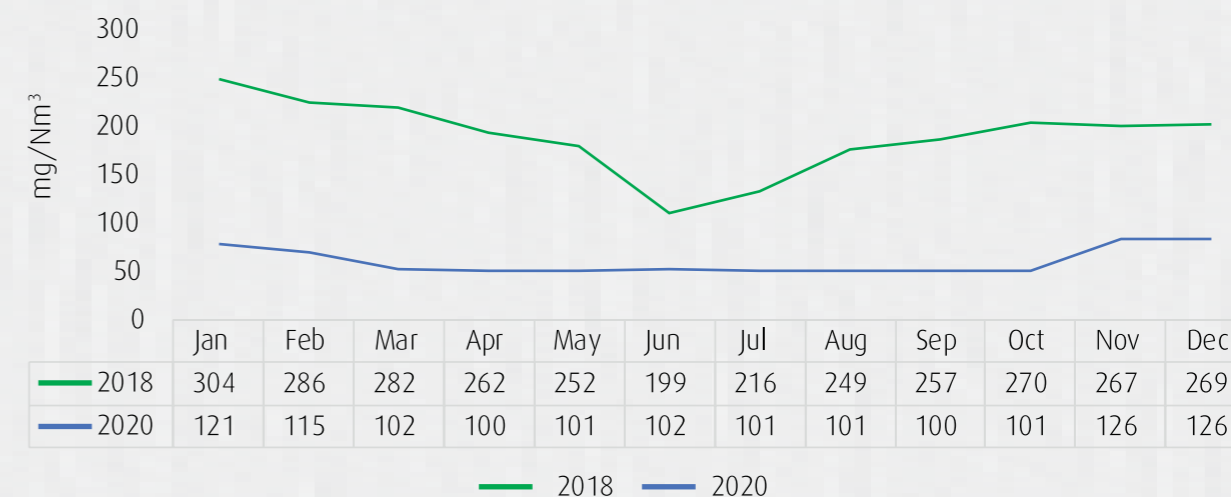
GRI 305-7

Nevertheless, despite the increase in the GHG emissions, our Carbon Dioxide Recovery (CDR) unit, which was commissioned in 2014, effectively reduces the GHG emissions by capturing carbon dioxide and converting it through our production processes to Methanol. We strongly believe that our efforts in capturing the carbon dioxide from our plant is contributing to the positive value of GHG emission mitigation in a sustainable manner. We successfully captured 158,317 metric tons of

carbon dioxide and converted it into Methanol. In the future, we aim to further reduce our GHG emissions and minimize our environmental footprint.

As for our air emissions, we are continuously looking for opportunities to reduce our environmental impact by implementing several environmental projects and conducting multiple studies. In 2019, we commissioned a selective non-

NO_x Comparison Before and After SNCR Commissioning

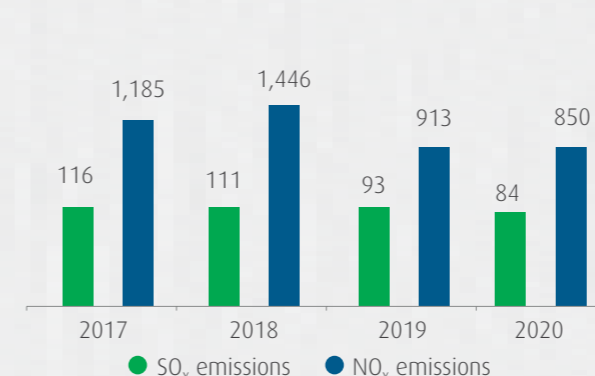


catalytic reduction (SNCR) system as part of our efforts to meet the Ministry of Municipality and Environment (MME)'s directive to maintain NO_x limits of 125 mg/Nm³. As part of the project, we also procured new equipment and installed new analyzers to further enhance the emission monitoring for the SNCR unit. As a result, we are proud to mention that our SNCR system achieved a 58% reduction in NO_x emissions at the reformer from approximately 260-280 mg/Nm³ in 2018 to around 110-125 mg/Nm³ in 2020.

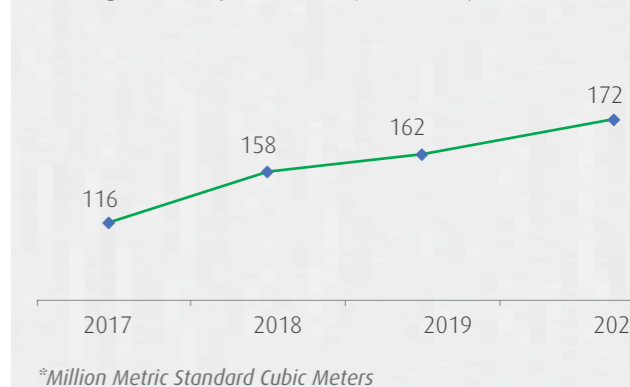
In addition, the SNCR unit also helped us in reducing the quantum of both our NO_x and SO_x emissions by 7% and 10% respectively in comparison to 2019.

With respect to the effective management of our flaring and to ensure the accuracy of our data reported, we have developed a dashboard system to carry out real-time data monitoring and tracking. Furthermore, we have also put an action plan in place to minimize our flaring in alignment with the QP mandate.

Air Emissions Trend (Tons)



Flaring of Off-Spec Gases (MMSCM*)



*Million Metric Standard Cubic Meters

We initiated the third round of our Leak Detection and Repair (LDAR) program following QP guidelines and in accordance with US EPA Method 21, in order to minimize the emission of fugitive volatile organic compounds (VOCs) and hazardous air pollutants (HAPs). While no new monitoring was carried out in 2020, we continued to develop new procedures during the year to have an in-house and out-sourced LDAR program.

Despite various controls in place, our off-spec flaring increased by 6% in 2020 in comparison to 2019 due to the low load operations and the unplanned shutdown of the MTBE plant.

However, we have undertaken significant measures to reduce our flaring in the future by initiating our Regenerate Gas Scrubbing (RGS) project.



Upgrade of Berth/Jetty

QAFAC has initiated a project to upgrade the existing berth and product loading system in our shipping operations, in order to have an internationally accepted, safe and permanent solution. This is because the jetty remains static, while the other part of the ship always faces movement based on the sea conditions, thereby posing a danger. In addition, the vapors emitted by the ships also cause environmental pollution. To combat the same, this project involves the installation of a completely automated loading arm and a vapor recovery system at the jetty, so as to enable the automatic disconnection of the loading system from the tanker in case of an emergency and to prohibit the emission of vapors directly into the atmosphere.

A key challenge as part of the project was to manage the environment and operational safety, as whenever there is a system connecting the static and dynamic it is highly important to ensure that the synchronization takes place correctly. Therefore, the loading arm will enable the automatic disconnection of the loading system within a very short period, as well as govern and manage all

the problems in the existing loading system such as movement of ships due to heavy winds or rough seas while establishing a disconnection/ connection between the loading system and the tanker nozzles.

The key objective of the project is to implement a completely safe loading system with zero spillages of any product (MTBE or Methanol) and avoid evaporation or vapor emissions to the environment with no changes to the jetty itself.

The project was started in 2019 and is currently under implementation. The project involves three phases comprising of pre-evaluation of prospective manufacturers as part of requesting their invitation to bid (ITB), followed by selection of the technology provider and the subsequent procurement of related equipment. In 2020, we faced technical challenges in implementing the project owing to the low response from the bidders due to the COVID-19 pandemic. The project is ongoing, and the technical evaluation is expected to be completed in 2021.



Regenerate Gas Scrubbing (RGS) Project

The RGS project aims to treat and recover the regeneration gas used at the Oleflex unit of the MTBE plant, for use as fuel in the fuel network. In 2018, we obtained the Environmental Clearance Permit and the RGS project is expected to be commissioned in 2021.

Once implemented, we are optimistic that we shall be able to drastically decrease our flaring as the benefits of the project include reduction in the flaring of regenerate net gas, saving of equivalent natural gas due to reduced

resource consumption as well as minimization of waste due to the reuse of gas as fuel. Furthermore, we are also planning to use approximately 50% of our Pressure Swing Adsorption (PSA) tail gas in the fuel network along with the RGS outlet gas. This project is also planned to be commissioned in the second quarter of 2021 along with the RGS unit.

Water and Wastewater

GRI 303-1

GRI 303-2

GRI 303-3

GRI 303-4

GRI 303-5

The State of Qatar is one of the few countries across the globe classified as suffering from acute water stress. Drawing heavily upon groundwater and desalinated water, Qatar is and to likely remain one of the most water-stressed countries in the near future, according to the World Resources Institute (WRI)*. Therefore, operating within one of the highest water-stressed regions of the world, we are immensely mindful of our water consumption, and thereof water efficiency forms an integral part of our environmental management approach.

In addition, as part of our efforts towards water management, water consumption is also one of key performance indicators that is monitored as part of our corporate scorecard and reviewed against objectives and targets.

At QAFAC, water is mainly used for two purposes: generating steam for process requirements and for driving the mechanical equipment as well as non-contact cooling. Our primary sources of water are purchased water from KAHRAMAA or self-generated water, which also includes water recovered and reused from the CDR plant - involving recycling recovered water vapor from flue gases.

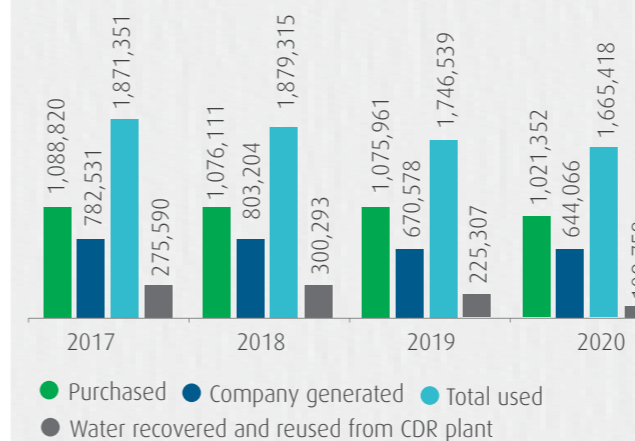
In 2020, our purchased water accounted for approximately 61% of our total freshwater consumption, whereas, the remaining 39% was from our company generated water. Specifically, the water recovered and reused from the CDR

plant constituted 17% of company-generated water and 7% of our total freshwater consumption.

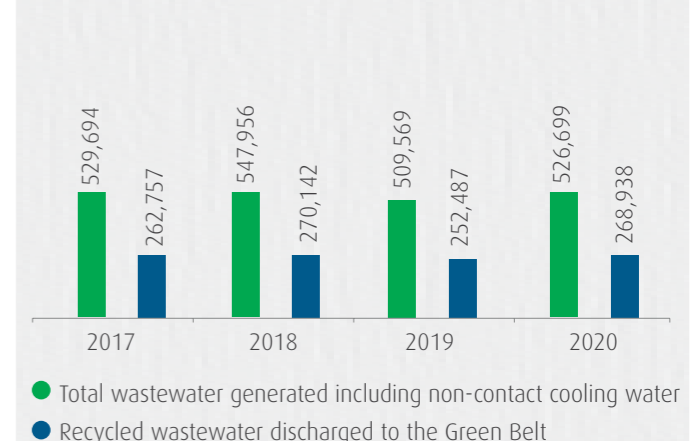
However, this quantum of water recovered from the CDR plant was approximately 50% less in comparison to 2019. This is due to the low plant operation and unplanned shut down of the CDR. The annual load of the CDR unit was slightly less in 2020 compared to 2019. In addition, the quencher gas (Flue gas) outlet temperature was also quite high due to which more water was passed into the CO₂ absorber and consequently resulting in less water recovery.

Owing to our water consumption, wastewater is discharged from our operations. Our wastewater is classified into four different types: oily wastewater, process wastewater, demineralized wastewater and sanitary wastewater. We discharged a total of 526,699 m³ of wastewater, which was 3.4% higher in comparison to the previous year. This is mainly due to the increased generation of process wastewater from the Methanol plant due to the increased production and corresponding high plant load operation. Nevertheless, approximately 51% of the wastewater we generated was recycled and discharged to our Green Belt. To further manage our wastewater, we are in the process of establishing a near zero liquid discharge (NZLD) plant.

Freshwater Use and Reuse Trend (m³)



Wastewater Generated and Recycled (m³)



* <https://www.wri.org/blog/2015/08/ranking-world-s-most-water-stressed-countries-2040>



Near Zero Liquid Discharge (NZLD) Plant

In order to manage our wastewater, we are establishing a near zero liquid discharge (NZLD) plant in compliance with the requirements of MME and the State of Qatar. The NZLD plant will have systems in place to treat the process wastewater streams (i.e. oily wastewater, process wastewater and demineralized wastewater) and upgrade them to potable water standards. The objective of the project is to promote water conservation as well as gain commercial benefit by utilizing the treated effluent, resulting in a substantial saving of 604,440 m³ annual and 69 m³/hour load of water sourced from KAHRAMAA with an equivalent cost savings of QAR 3.5 million.

The plant is highly automated and is being implemented in three phases. The first phase involves selection of the technology provider and procurement of package equipment. The second and third phases involve interfacing and detailed engineering followed by procurement, construction, installation and commissioning (PCIC) contract award for execution respectively.

Although we faced several operational delays in executing the phase 1 and phase 2 of the project due to the COVID-19 pandemic, we are currently finalizing the design engineering of the project and in the process of preparing the invitation to bid (ITB) document for a PCIC contractor. The plant is expected to be fully operational by the end of 2023 and will recover approximately 85% of our wastewater so that it can be utilized as make-up water to our demineralization plant. The remaining 15%, which is mainly brine water, will be rejected to the sea. As part of the project handover, our employees will also undergo training and awareness on the new equipment and technology.



Hazardous and Non-Hazardous Waste

Qatar has set a national objective to decrease the quantum of waste that is being sent to landfills by reducing the waste generation through design, reuse and recycling. Therefore, we at QAFAC recognize the importance of managing our waste responsibly in line with QNV 2030 and the industry best practices for enhancing environmental protection.

As a producer of MTBE and Methanol, our operations result in the generation of hazardous and non-hazardous waste, which can cause adverse environmental impacts unless managed responsibly. Therefore, we also carefully evaluate the waste management options for each of our waste streams and partner with local enterprises to promote further development of waste management infrastructure. Furthermore, we also continuously seek opportunities to improve our overall waste management practices and close the loop to minimize the negative environmental outcomes.

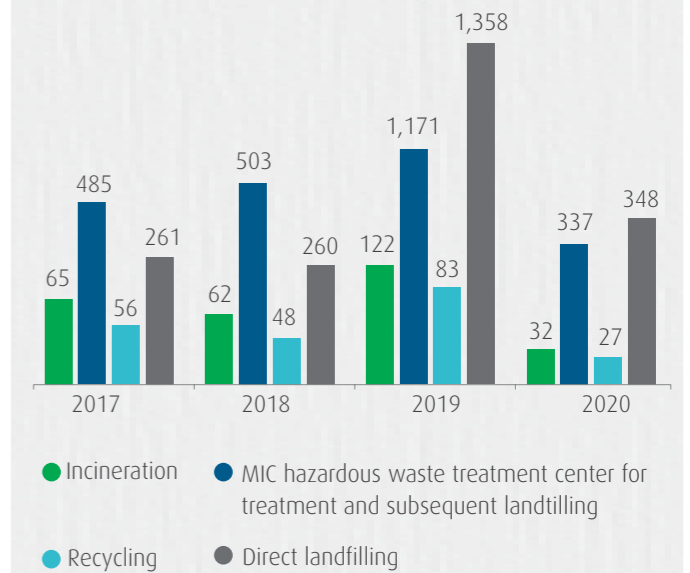
At QAFAC, our hazardous waste primarily comprises of spent catalysts, spent resin, spent salt, oily sludge, activated carbon and spent oil filters. Alternately, domestic waste and electronic waste (which is completely recycled) constitutes the majority of our non-hazardous waste.

To manage our waste responsibly, we set KPIs and targets at departmental and executive levels to ensure continuous improvement. Our performance is tracked through our dashboard systems and is reported quarterly as part of our consent to operate requirements to MME. Furthermore, we also engage with several waste management contractors who are responsible for the handling, transportation and disposal of different types of waste, which include hazardous waste, general waste, electronic waste, incinerable waste and medical waste.

During the reporting period, our waste generation reduced as much as 73% compared to the previous year. This was mainly due to planned turnaround in 2019 wherein waste generated was significantly high. We predominantly maintained normal operations. However, the generation of waste was high due to some maintenance and ongoing project activities conducted at the site.

We produced a total of approximately 744 tons of waste - approximately 48% of the waste we generated was non-hazardous, whereas the remaining 52% was hazardous waste. However, with proper planning, execution and coordination, the disposal of both hazardous and non-hazardous waste was carried out seamlessly.

Total Waste by Disposal Method (Tons)



Hazardous and Non-Hazardous Waste Trend (Tons)



Note: The data for 2019 was updated as typographical errors were discovered in historical calculations.

The waste we disposed constituted 96% of our total waste generated in 2020. We primarily dispose our waste through landfilling and incineration. Of the total waste disposed, 47% was hazardous waste that was initially treated at MIC hazardous waste treatment center and then landfilled, 4.5% of the waste was sent for incineration at the Boom Waste Treatment Company, whereas the remaining 48.5% was domestic non-hazardous waste that was directly landfilled. In 2020, approximately 92% of the total waste generated was eventually landfilled.



Launching of Recyclable Waste Management Program at QAFAC

Recycling involves the process of collecting and processing discarded materials (waste) and turning them into new products. Beyond the direct economic value created to the communities through energy and material recovery as well as new product creation, recycling also provides a multitude benefits to help our environment by conserving natural resources, protecting eco-systems and wildlife, reducing the demand for raw materials, contributing to energy savings and essentially cutting back on carbon emissions.

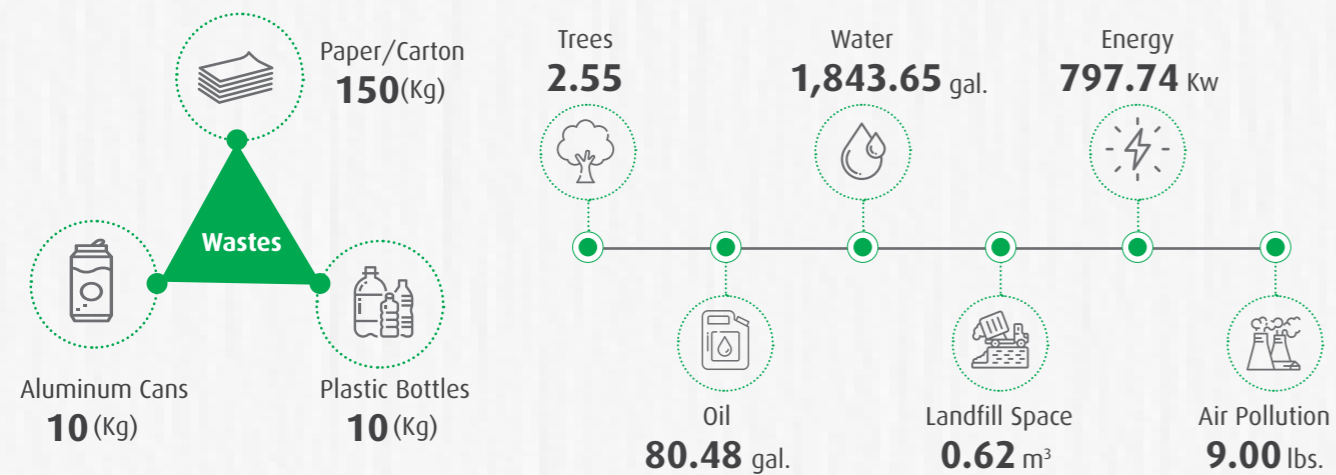
Keeping in view the environmental benefits of recycling, in 2019 QAFAC HSSE department and the Environment section launched the Recyclable Waste Management Program. In 2020, we further enhanced the program by placing color-coded recyclable waste bins in the buildings for collection of empty plastic water bottles, aluminum cans and paper. Each bin has four compartments with different color codes. Each color corresponds to a specific waste category as stated below:

- Yellow: For plastic bottles (e.g. water bottles)
- Red: For aluminum cans (e.g. beverage cans)
- Blue: For paper
- Green: For non-hazardous general waste

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



Summary of Waste Recycled and Environmental Benefits in 2020



We are proud to mention that the remaining 4% of our waste generated is recycled through our designated waste-handling contractors. Through our Recyclable Waste Management Program, we aim to further increase the percentage in coming years.

Apart from the waste we inevitably generate, our operations can also lead to the unfortunate incidents of hydrocarbon spills and thereof, it is our responsibility to prevent of such spills. In light of the same, we adopt a planned maintenance method to prevent spills at sources. This method upholds asset integrity via regular monitoring to proactively manage and prevent

spills. In addition, we also enhanced our oil spill response capability by conducting spill response assessments and exercises at identified operational facilities in collaboration with our emergency response team (ERT) members. Subsequent to our efforts, we are pleased to state that we did not have any reportable spill incidents for over eight consecutive years.

We understand that environmental management is a continuous journey. Therefore, in the coming years, we will rigorously persist to manage our commitment towards environmental protection and strive further to mitigate our footprint through responsible practices.



06

Ensuring Safe Operations

- Health and Safety Leadership
- Occupational Health and Safety
- Process Safety Management
- Emergency Preparedness



Aligning our Material Topics to our Strategic Priorities and to Global and National Reporting Frameworks, Goals and Targets

Material Topic	Key enabler to our strategic priority "Prepare for long term SUSTAINABILITY"	GRI	UN SDGs	QSE	QNV 2030
Occupational Health and Safety	<ul style="list-style-type: none"> • Sustain top quartile health and safety performance • Boost 'digitalization' to become a reference in our industry 	GRI 403		QSE S14,15	Social Development
Labor Standards		GRI 412		QSE S16,17,18	
Process Safety		GRI OG 13			

At QAFAC, the health and safety of our people and the safety of our operations has always been a core value, an unconditional and non-negotiable aspect of our business. In line with this value, operating in a healthy, safe and reliable manner is and will continue to be a critical component in our business decision making and lies at the heart of our organization.

Moreover, the resurgence of the COVID-19 pandemic has further emphasized the supreme importance of prioritizing the health, safety and well-being of our workforce. Therefore, we are more committed than ever and have taken an extra mile of effort in maintaining high norms of health and safety in all our operational activities to ensure 'zero harm' for all our employees, contractors, visitors, customers and shareholders. Subsequently, we took several efforts to ensure the health

and safety of our workforce whether on site or working remotely, while also ensuring the continuity of our business.

In light of the same, we stringently followed all the instructions and guidelines issued by the Ministry of Public Health (MoPH) and Qatar Petroleum. We also closely coordinated with QP for implementing the health and safety measures and worked with the crisis management committee to develop several COVID-19 related guidelines and measures that are required to be followed by our employees.

Some of these guidelines include protocols to manage individual health and safety (e.g. social distancing, wearing face masks, sanitizing, etc.), procedures for communicating any concerns or intimating information regarding COVID-19 cases within the organization, protocols for quarantining COVID-19 affected employees and transferring them to a

medical facility, travel and transportation guidelines for employees and contractors, guidelines for handling scenarios related to being a suspected or a positive case of COVID-19, amongst others.

We have also implemented several initiatives to ensure utmost health and safety and monitor the wellbeing of our employees and contractors. Moreover, we also put our joint HSSE inspections on hold, which are conducted in coordination with different departments, as a precautionary measure to avoid the close contact of the employees.

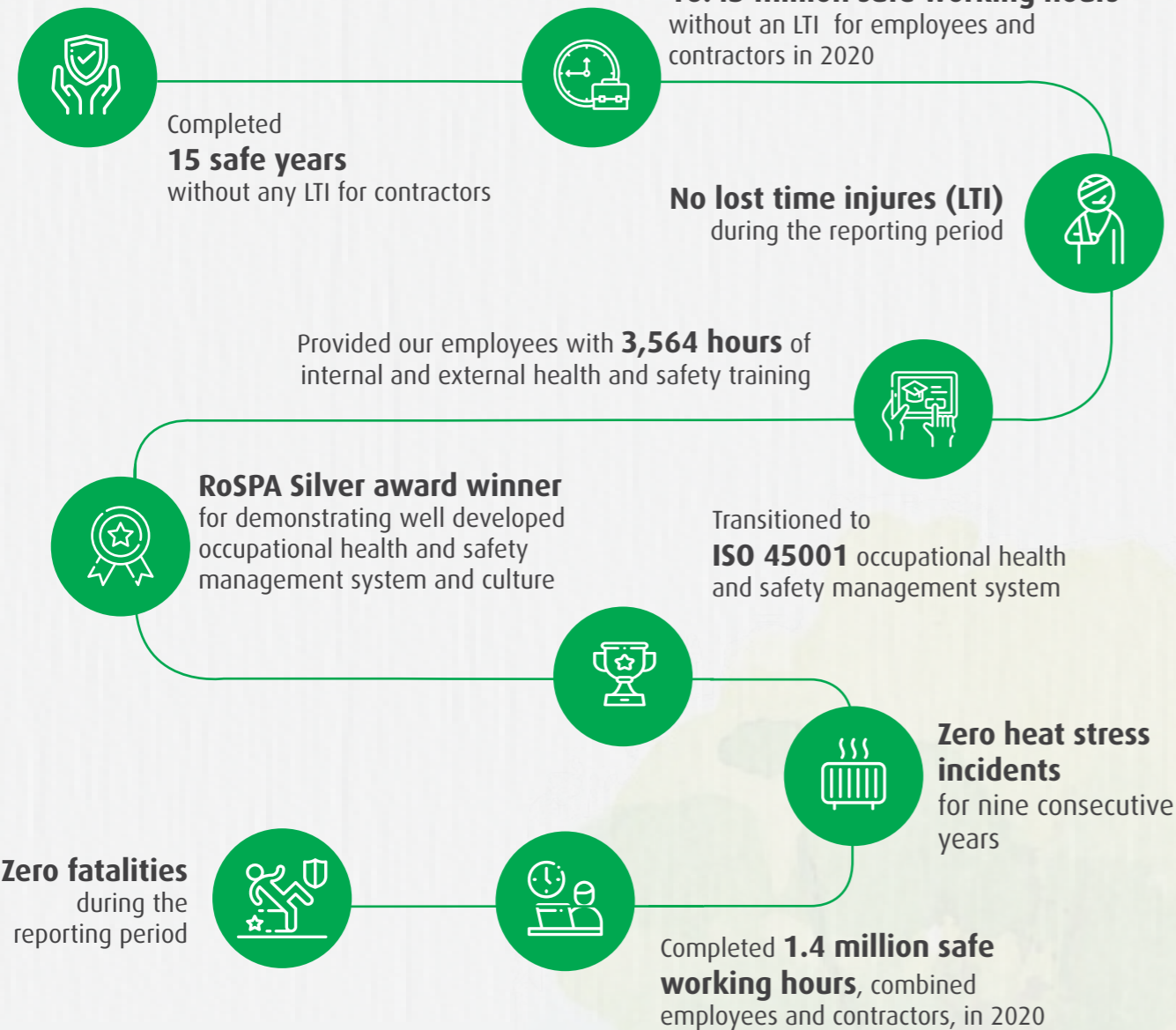
In addition, as part of our business operations, we also uphold high standards of occupational health and safety and process safety in line with international frameworks and standards published such as the Environment, Health and Safety (EHS) Program of the Organization for Economic Co-operation and Development (OECD), the Occupational Safety and Health

Convention and its accompanying Recommendation by the International Labor Organization (ILO) and the safety standards of the American Petroleum Institute (API).

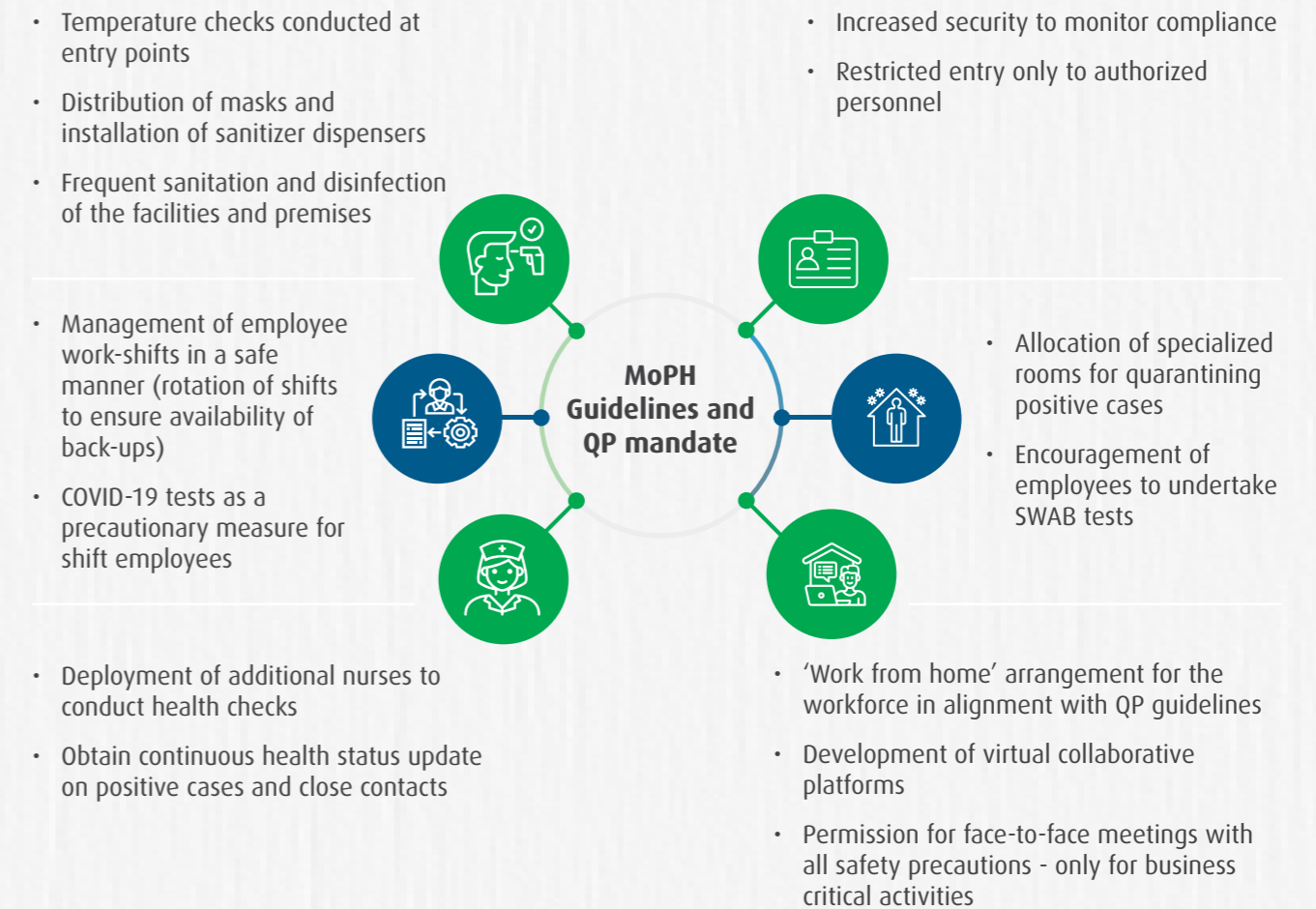
We also align our workplace reliability, health and safety with the provisions under the Qatar Labor Law, the policies of the National Committee of Occupational Health and Safety within the Ministry of Administrative Development, Labor and Social Affairs, and the social development pillar of the Qatar National Vision 2030.

This section outlines our performance during the reporting period on occupational health and safety, process safety and emergency preparedness. Our approach to managing our performance on these topics is disclosed in line with the Global Reporting Initiative and Qatar Stock Exchange ESG guidance.

Key Performance Highlights



Health and safety initiatives implemented for COVID-19



Health and Safety Leadership

Our leadership is cognizant of the importance of managing health and safety and is committed to providing a reliable, safe and a healthy working environment to our workforce – both employees and contractors. Accordingly, we design and manage our workforce health and safety and process safety programs with the goal of achieving a zero-injury and zero-release workplace year after year.

Furthermore, we maintain our Quality, Health, Safety and Environment (QHSE) policy, which elucidates our approach and ties down our practices to guide all employees and contractors to foster a culture of health and safety.

We believe that health and safety governance require oversight and commitment from leadership. Thus, we conduct bimonthly level-1 and level-2 health and safety meetings headed by the Chief Executive Officer (CEO) and Chief Operating Officer (COO) respectively, with representatives from all departments at QAFAC. In addition, each QAFAC department has its own safety committee, which is headed by the respective department's manager and conducts exclusive meetings to discuss important safety topics such as key safety incidents, major projects with health and safety concerns and current health and safety performance. We also have a management of change committee and a quality assurance committee, which contribute to embedding health and safety aspects into everyday practices. Furthermore, we also maintain a Process Safety Management (PSM) central committee specifically to oversee process safety matters. During the year, several meetings were conducted online owing to the COVID-19 pandemic.

In addition to the aforementioned committees, in 2020 we also established a crisis management committee to specifically deal with the management of the COVID-19 pandemic. The committee undertook several measures to monitor the COVID-19 situation, including providing continual updates on the COVID-19 cases and enforcing appropriate actions and mitigation measures to contain the spread of the disease.

Along with our internal committees, we are also part of several external committees such as the Qatar Petroleum (QP) and Mesaieed Industrial City (MIC) health and safety committees, which provide valuable insights to all the members and assist them in their commitments to various requirements.

As a leading producer of MTBE and Methanol, our leadership firmly believes that we also have the responsibility to drive health, safety and reliability at the industry level. Hence, we are an active member in the Gulf Petrochemicals and Chemicals Association (GPCA) and a sponsor of the Mary Kay O'Connor Process Safety Center of Texas A&M at Qatar. As a member of GPCA, we are also part of the GPCA process safety taskforce committee, which includes members from various petrochemical companies from the Gulf Cooperation Council countries.



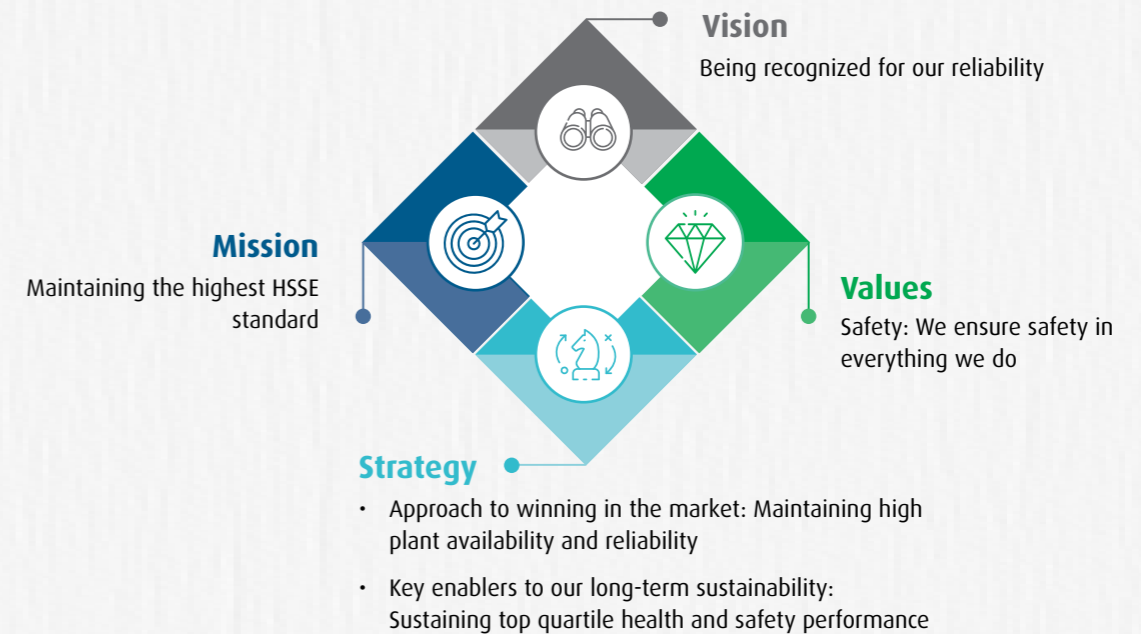
Level 1 and Level 2 HSSE Meetings were done through virtual platform during the pandemic



Total Number of Health and Safety Internal and External Training Hours in 2020



Our Corporate Alignment to Our Health and Safety Priorities



Apart from our participation in various memberships and committees to drive health and safety excellence, we also implement various controls, procedures and programs to support us in upholding our high health and safety standards. In light of the same, we created our Health, Safety, Security and Environment (HSSE) principles as an additional commitment to our process excellence, which provides a platform and a foundation for all systems and activities at

QAFAC. Our leadership also established QAFAC's Life Saving Rules to provide behavioral directives on protecting personnel against life threatening injuries, illnesses and life-threatening hazards.

At QAFAC, we believe that knowledge and awareness is a crucial building block to promote a continuous health and safety culture, and thereof we place significant emphasis



Adobe Captivate Prime-Online Learning Management System

In 2020, we implemented the Adobe Captivate Prime Learning Management System (LMS) – a comprehensive online learning platform, to meet the HSSE training needs of every employee. This LMS allows us to easily organize and store all the training information in one place through a cloud storage system, thereby making it user-friendly to access all the information while also reducing the risk of losing important data.

The Adobe Captivate Prime gives us complete control to effectively train employees and contractors with a modern digital learning platform, deliver personalized HSSE learning

experiences that encourage discovery and consumption as well as leverage the advantage of rich analytics to enable effective decision making.

The Artificial Intelligence (AI)-powered recommendation engine delivers a hyper-personalized learner home page experience and promotes HSSE skill-based learning plans to employee cohorts. The platform also encourages proactive reskilling initiatives with gamification points, certifications and badges as well as helps Managers undertake preventive decisions through the use of data from the skill and compliance report dashboards.

on providing health and safety related trainings, education, awareness sessions and programs. In 2020, we provided our employees with internal and external trainings covering a diverse range of topics to drive their awareness including emergency response plan awareness, advanced first aid, safety induction amongst others.

In addition, we also conducted health campaigns during the year which included topics on hypothermia, heat stress management, blood pressure and blood sugar awareness, cancer awareness and flu vaccination.

Our goal is to build and sustain a positive safety culture. Hence, we provided our employees with 3,564 hours of HSSE internal and external training in 2020.

Training Name	Type	Description	Training Hours
ERT Training	Internal	Build the capacity of emergency responders and improve their preparedness, technical skills, making better coordination while performing emergency management and response effectively.	320
Confined Space Entry Program	Internal	Provide the necessary knowledge of the hazards for working in confined spaces, safe use of tools and equipment, control of hazards and understanding the emergency procedure.	28
Permit to Work (Awareness)	Internal	Explain the purpose of permits to work within QAFAC and what type of high-risk activities may require them, roles and responsibilities of PTW key personnel and explain Job Hazard Analysis (JHA).	480
Permit to Work (Refresher)	Internal	Refresh the knowledge and understanding of the Permit to Work system in QAFAC and responsibilities when issuing and receiving permits.	182
Emergency Response Plan Awareness	Internal	Emergency Response Procedure is designed to provide an understanding of the planning and preparation of emergency response plans within QAFAC. Determine any gaps as the Emergency Response Team move through the course. Participants will collaborate in small groups to analyze scenarios using incident videos and case studies and apply critical thinking skills for prevention and to respond to emergencies.	22
Advance First Aid	External	This course covers the essential skills (resuscitation inclusive) and the emergency management of illness and injury following Intentional Guidelines.	84
Authorized Gas Tester - AGT	External	Understand QAFAC procedure requirements, recognize hazards and gases, pre-entry requirements, safe working codes of practices, be certified as an Authorized Gas Tester for confined space and conduct effective gas testing.	144
Basic Fire Extinguisher (Synergy)	External	Give sufficient knowledge to be able to <ul style="list-style-type: none"> Explain and understand Combustion State the actions to be taken on discovering a small fire Demonstrate correct extinguisher selection. Extinguisher use and operation using P.A.S.S Extinguish a small pan fire with a portable fire extinguisher 	60
Hydrogen Sulfide (H ₂ S) and Breathing Apparatus (BA)	External	Gain the required knowledge and understanding of the particular hazards and properties of H ₂ S, and appropriate emergency response actions to take should an H ₂ S related incident arise. Also provide participants greater awareness and profound understanding for the practical use of BA especially for all personnel who are at risk from H ₂ S and other toxic gas or for employees who may need to work in an immediately dangerous to life or health atmospheres.	36
Safety Induction (DVD) Employees / Trainees	Internal	Provide new employees with an overview of QAFAC work health, safety and environment principles, emergency response and QAFAC Lifesaving rules that will encourage them to work more safely.	8
Safety Induction (DVD) Contractors	Internal	Provide new contractors/ vendors with an overview of QAFAC work health, safety and environment principles, emergency response and QAFAC Lifesaving rules that will encourage them to work more safely.	2,196
Fire Marshall	Internal	Provide employees with the necessary training required to be a qualified fire Marshal. It will educate them about their duties and understanding of fire hazards and fire safety arrangements, and what is the emergency evacuation procedure.	4

GRI 412-1

Specifically, with respect to creating cognizance on the COVID-19 pandemic, we conducted several health and safety campaigns to promote awareness and shared continuous updates and reminders on the precautions, in line with the guidelines provided by MoPH and QP. In addition, we also undertook several initiatives to communicate and disseminate the information on the COVID-19 prevention, protective measures and guidelines across the employees and contractors by organizing several campaigns throughout the year as well as by raising safety awareness on a weekly basis.

Furthermore, whenever we received new guidelines or any revisions on the existing guidelines, these updates were circulated to employees and contractors on priority. Besides, we also discussed about the COVID-19 precautions in all our meetings and circulated flashes about the safety measures and instructions on how to use masks, regularly wash hands, etc., through email communications. Moreover, several videos, guides, safety raisers and posters on the COVID-19 guidelines were also developed and displayed at prominent locations across the organization including workplaces, entrance gate, rest areas and within the transportation vehicles. We have done various inspections of QAFAC shift buses and contractor transportation to ensure commuters maintain social distance and use mask while travelling. Hand sanitisers were fixed in buses and it was ensure that it is always filled. Drivers were trained to maintain hygiene condition.

With regards to performance management, with the objective of transforming our commitments into measurable insights,

our leadership has established multiple key performance indicators (KPIs) and set targets to ensure continual improvement of our health and safety performance.

Total Recordable Case Frequency (TRCF), Lost Time Injury Frequency (LTIF) and Process Safety Total Incident Rate (PSTIR) are the three primary KPIs that are continuously tracked and monitored by the management with a zero-target set for all.

Subsequently, to ease the tracking and monitoring of our performance and to ensure that the targets are met, our leadership has also established performance information dashboards at the executive level. These dashboards provide monthly performance information on the health and safety attributes, thus helping us to improve decision making in the key performance areas.



RoSPA Silver Award

To commemorate our exemplary HSSE performance in 2020, we participated in the Royal Society for the Prevention of Accidents (RoSPA) UK award competition, and we are proud to mention that we won the prestigious RoSPA Silver Award. This achievement is a testament to the utmost efforts that we have dedicated over the years to a develop a robust HSSE management system and embed a culture of safety among our workforce.



Apart from our employees, we also work closely with our contractors to meet our safety requirements and we make no distinction between the standards of health and safety and protocols that we put into practice to manage both our employee and contractor safety performance. In light of the same, we maintain a dedicated Contractor Safety Board to visibly demonstrate our collaborative management commitment to encourage and improve contractor safety performance. The Board exemplifies the best practices adopted within the local industry and community and helps to

develop a contractor safety improvement strategy with action plans, based on the findings from the periodic monitoring and review of contractor safety performance.

We also have a comprehensive contractor management program governed by a dedicated procedure that provides instructions to include HSE clauses in our tenders, as well as health and safety aspects within the technical evaluation of all submitted proposals to ensure that all people working with QAFAC conform to our health and safety standards.

GRI 412-1

The procedure also establishes actions for visiting contractor accommodations and conducting contractor audits at the pre-tendering stage for all contractors working at our facilities.

As part of our response to the COVID-19 pandemic, we also undertook prominent measures to manage our contractor health and safety, whereby 'COVID-19 guidelines for contractors' were developed, and awareness trainings on the precaution and safety measures were provided to every contractor engaged with QAFAC. We also communicated with various contractor management entities to ensure that QAFAC's guidelines as well as the protocols from QP and the directions from MoPH were followed.

We also implemented several initiatives to manage contractor health and safety at our facilities, including checking the status on the EHTERAZ app before they enter the plant, temperature checks, minimal staffing of contractors (including authorizing only one focal person to enter the buildings in order to obtain the permits and avoid frequent entries), provision of soaps and sanitizers at all prominent locations, sanitization of contractor fleet and ensuring only 50% occupancy in the buses.

Furthermore, we also conducted meetings as part of the contractor management program to share COVID-19 updates, new guidelines, awareness and precautions. Especially, during the bi-monthly contractor meetings, COVID-19 was the first topic of safety discussion during the year.

We also enforced protocols wherein, if any contractor was identified positive for COVID-19, they are required to quarantine and submit medical reports for having completed the treatment until COVID-19 negative. In addition, our QAFAC nurses also conduct follow up discussions about the health conditions as well as check the medical certificates before the contractors resume their duty to ensure the safety of our entire workforce.

During the lockdown, we also faced challenges in managing the health of some of our contractors who were critical to our business operations. Therefore, we closely coordinated with QP to transfer these business-critical contractors to safe concession camps in Mesaieed Industrial City (MIC), managed and controlled by QP. The concession camps were sanitized regularly and administered with stringent controls and measures including frequent medical assistance and temperature checkups to manage the contractor health and safety.

Our leadership comprehends that health and safety management is a continuous journey and thus requires us to remain focused, vigilant and compliant to ensure zero harm to our people. Therefore, in the coming years, we will persevere to ensure that health and safety management remains our core value and stay focused on evolving industry best practices to strengthen our culture of safety and protection.



EHTERAZ

EHTERAZ (meaning "precaution") is the official contact tracing application for the State of Qatar and is owned, operated, and approved by the Ministry of Public Health.

EHTERAZ aims to protect and safeguard the health of citizens, residents and visitors in Qatar to support the national effort in preventing and reducing the spread of COVID-19.

The application assists in identifying COVID-19 disease transmission chains, alerting individuals and stakeholders to expedite the provision of medical support and prioritize testing.



Occupational Health and Safety

- GRI 403-1
- GRI 403-2
- GRI 403-3
- GRI 403-4
- GRI403-5
- GRI 403-6
- GRI 403-7
- GRI 403-9
- GRI 412-1

At QAFAC, the health and safety of our employees and contractors is a top priority. We maintain the 'Bill of Safety Rights and Duties' in addition to our occupational health and safety management system, both of which guarantee effective actions and ensure that preventive measures are in place.

In 2020, we upgraded our systems and processes and successfully completed the transition from OHSAS 18001 standard to ISO 45001 occupational health and safety standard. As part of the upgrade, we developed new procedures as well as updated several exiting procedures to comply with the requirements of the ISO 45001 standard.

In addition, we also developed procedures related to safe operations. The excavation procedure identifies the responsibilities and safety requirements to be followed during excavation activities, including when working in different types of soil, conducting deep excavation pursuits, side wall collapse, falling of person or equipment, shoring, etc. In addition, as a safety restriction we also mandated the prohibition of non-intrinsically safe smartwatches and earbuds in the plant and process areas through the implementation of a Smart Watch Policy, as they may be ignition sources.

During the year, we also initiated a dedicated HSSE kickoff meeting' program for all the contractors engaging with QAFAC. The objective of the program is to provide the contractors with an overall induction and awareness to familiarize them with all the HSSE requirements, protocols and performance monitoring procedures before they are mobilized into our operations. This program helps the contractors ensure that they prepare for all the safety requirements in advance

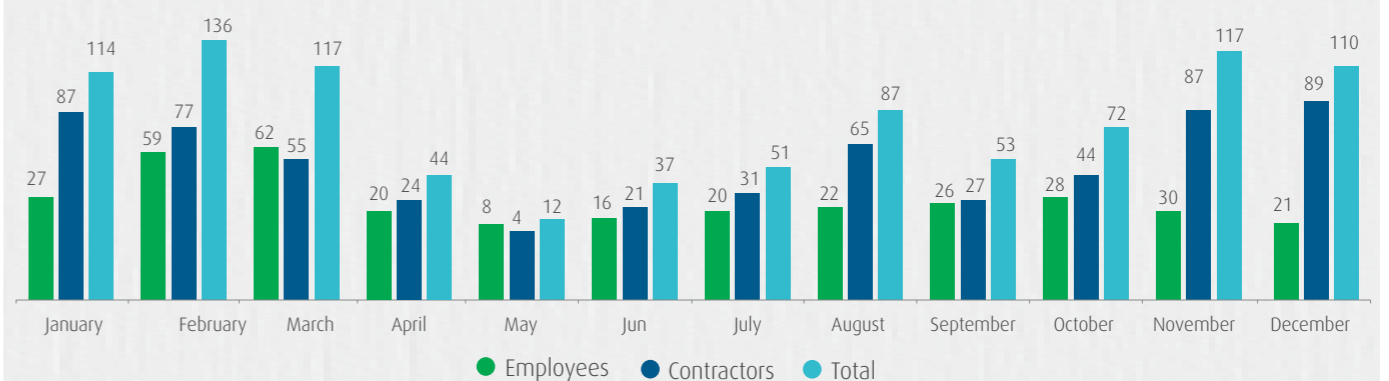
and avoid the occurrence of any safety violations. These meetings also allow for any disputes to be resolved at the earlier stages of engagement, which also helps further in ensuring compliance to QAFAC's HSSE requirements.

We also conduct regular audits on our occupational health and safety management through annual internal and external audits as part of our integrated management system for the purpose of affirming the sound implementation of our protocols. In 2020, our internal and external audits focused on checking the procedural compliance of different departments.

As part of our efforts to uphold high safety standards, identify hazards and manage associated risks, we implemented a comprehensive Hazard Identification and Risk Analysis (HIRA) process that is complemented by a well-established risk database. As part of the process, risk analyses are reviewed periodically by our risk owners, and a dynamic risk assessment on the hierarchy of controls is applied consistently with more emphasis and weightage given to the elimination, substitution and engineering control measures.

We recognize that despite our HIRA process, our workers may still encounter some additional hazards on site. Thus, we encourage all our workers to report unsafe conditions and acts through our HSSE observations program. In 2020, we had a total of 950 HSSE observations recorded – 339 by employees and 611 by contractors. On average, we had 146 observations per month. Along with our HSSE observations program, we also conduct periodic meetings with our contractor safety officers to discuss HSSE concerns, safety focus areas, planned work and any other safety-related issues that may need attention.

HSSE Observations in 2020





Celebrating 15 Million Safe Working Hours Without Lost Time Injuries (LTI)

In 2019, QAFAC achieved a significant milestone of 15 million safe working hours without any LTI for eight consecutive years - a testament of our commitment to the philosophy that there is no job so important that it cannot be done safely.

To commemorate the milestone achievement, we celebrated the event on 19 February 2020 together with the contractors and other stakeholders. Our CEO acknowledged the effort of everyone to achieve this milestone and paid tribute to the company wide safety processes, tools, campaigns and trainings along with the unwavering support of every individual working with QAFAC.

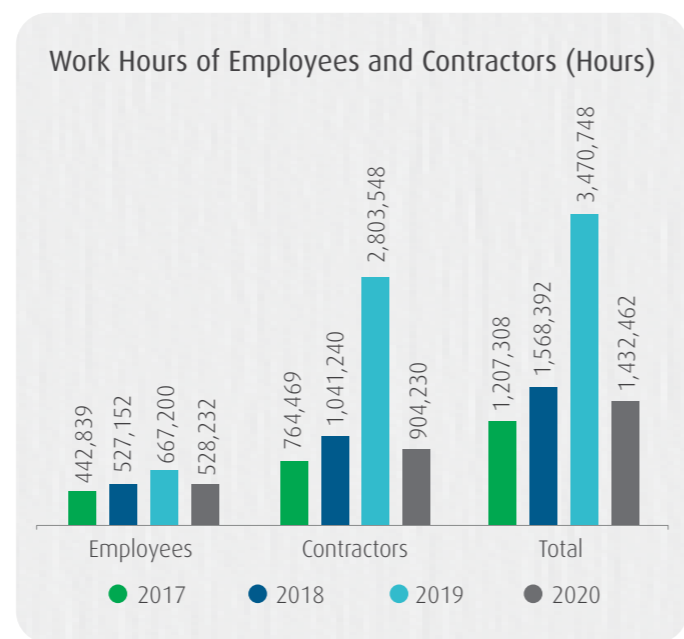
As part of the event, a memento of appreciation was presented to the CEO in recognition of the vital role played towards the zero LTI achievement. Mementos were also presented to all the chief officers, department managers and contractors to acknowledge and appreciate their tireless contribution that helped in achieving the milestone.

The main show case of the event was the safety booths which were prepared by contracting companies to demonstrate their best safety practices that are followed to keep the work activities and work site safe. QAFAC's members visited each stall and appreciated the contractors for the demonstration. The event ended with a cake cutting ceremony and photography with employees and contractors, with the hope to work and strive together to achieve a new milestone.



As on December 30th, 2020, we are proud to have accomplished another significant milestone of 16.43 million safe working hours without any LTI over nine consecutive years, which re-emphasizes our world-class safety performance and commitment to the philosophy of 'Safety always first'. Nevertheless, we still recognize that safety excellence is a continuous process with perpetual scope for improvement.

In 2020, we had one case of total recordable injury involving restricted work for one of our contractors assigned for the Regenerate Gas Scrubbing (RGS) project. Depending on the injury sustained, the contractor was treated at our QAFAC first aid unit and referred for further consultation. An incident report was reported for the recordable injury. The potential root cause was identified and actions to eliminate the same were implemented. Based on the analysis of the incident, the identified causes, immediate and corrective actions, and lessons learnt were also shared across the employees and contractors.



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

As for our occupational health in specific, we have a comprehensive Heat Stress Management Program with well-defined safe working principles and practices to manage and control heat stress related through the summer months. In addition, we also perform fatigue checks routinely as part of our Heat Stress Management Program. Subsequently, during the year 1,725 fatigue assessments were carried out by QAFAC occupational health nurses during various on-site activities. During the fatigue assessments, the nurses also check the physical wellbeing of the QAFAC employees and contractors by administering their vital signs, blood pressure and blood sugar levels. Furthermore, provisions on having

shaded work areas and limited work times are also in place to ensure that no heat stress cases are faced. As a result of our continuous efforts, we are pleased to mention that in the past nine years we have not suffered any heat stress incident, which is a positive performance given that our people work in conditions where long heat waves are common.

Along with our comprehensive Heat Stress Management Program, we also have a first aid unit that is available around the clock with qualified nurses at QAFAC. During the year, we also attained a remarkable completion of 181 periodic medical check-ups (PMC) against a target 210, despite the several challenges posed by the COVID-19 pandemic. We also have regular weekly and monthly inspections of QAFAC plants and contractor facilities to ensure the hygiene and well-being of the amenities.

Safety Performance Statistics				
Indicator	2017	2018	2019	2020
Number of Employee Fatalities	0	0	0	0
Number of Contractor Fatalities	0	0	0	0
Employee Lost Time Injuries	0	0	0	0
Contractor Lost Time Injuries	0	0	0	0
Employee Total Recordable Injuries	0	0	1	0
Contractor Total Recordable Injuries	1	1	2	1
Employee Occupational Illnesses	0	0	0	0



Body Mass Index (BMI) Machine: Analysis Report to Track Health Statistics

Body Composition consists of 4 major components i.e. Water, Protein, Minerals and Fat. These four elements are the fundamental ingredients the body is comprised of, and it is important for them to be in balance. Body composition analysis is expected to quantify and measure these ingredients.

The InBody370 yields accurate results unique to the individual, regardless of empirical estimations and reliably evaluates the effectiveness of diet control and exercise prescription. Our employees can be profited with this machine and their results can be recorded as necessary.



Process Safety Management

GRI 0G-13

As a producer of Methanol and MTBE, we realize the consequences of process safety incidents on our workforce, as well as on the larger environment and society. Therefore, we are cognizant of our responsibility to operate our plants in a highly reliable and safe manner.

To govern our processes, we maintain a Process Safety Management (PSM) central committee chaired by our CEO, to specifically oversee process safety matters. The committee helps to establish process safety guidelines, recommend process safety trainings for site personnel and audit the performance in all of the essential elements of PSM, to ultimately ensure continual improvement in our safety systems and performance.

Furthermore, we are members in QP's process safety committee under the QP Risk Management Forum. As part of this committee, we discuss PSM matters and any related directives from QP. We also set annual targets, review PSM implementation and discuss any significant incidents including its causes, outcomes, mitigation actions and lessons learnt as part of the committee proceedings.

We also maintain an integrated HSSE and PSM procedure and process safety information management procedure to provide a directive to manage PSM implementation. Furthermore, we

have a Process Hazard Analysis (PHA) overarching standard and sub-procedures that provide comprehensive requirements for implementing our process hazard analysis program. Our PHA program encompasses several techniques to evaluate and control the hazards and risk levels respective to the process operations. This helps in assessing the suitability and effectiveness of the existing safety barriers and to help determine whether additional barriers or risk mitigation measures are needed.

We also have a Mechanical Integrity and Quality Assurance (MIQA) manual that guides our practices in managing process Safety Critical Equipment (SCE) and associated critical tasks. Furthermore, we follow the OSHA 1910.119 Management of Highly Hazardous Chemicals model to analyze our safety practices, identify gaps and implement recommended process safety improvements that will help us achieve excellence in HSSE practices.

To that effect, we retain a PSM system audit procedure and a full suite of protocols that ensure the tracking and monitoring of our process safety requirements. In addition to our PSM system audit procedure, we also maintain several programs that support us in upholding excellence in reliability and process safety.



Cyclic Process Hazard Analysis (PHA) Reviews

QAFAC's Methanol plant, utilities and CDR plant processes were extensively reviewed during a cyclic PHA that was conducted at Oryx Rotana Doha Hotel from 9th September to 24th October 2019. The review meetings were coordinated by PII (Process Safety Institute), a world-renowned authority on such exercises and were attended by the Production, Maintenance and Process Safety teams of QAFAC.

All the process control hazards and control measures as well as the critical operating procedures were re-evaluated and all the safety issues that may need further assessment were also reviewed. PII conducted PHA participant level and PHA leader level training for selected QAFAC employees.

PII has also submitted a detailed report with recommendations for improvement, which will be undertaken by QAFAC in due course.



Detailed Investigation of Incidents and Root Cause Analysis (RCA)

A proper incident investigation is critical to any safety management system within an organization. In view of the same, a part of our overall PSM, we conduct detailed investigation of incidents and root cause analyses related to equipment and processes.

Subsequently, a work stream was formed as part of our flagship AMAN PSM program (that was concluded in 2018) with the goal to critically review and improve our incident investigation practices. The objectives of work stream were two-fold and the same has been completed:

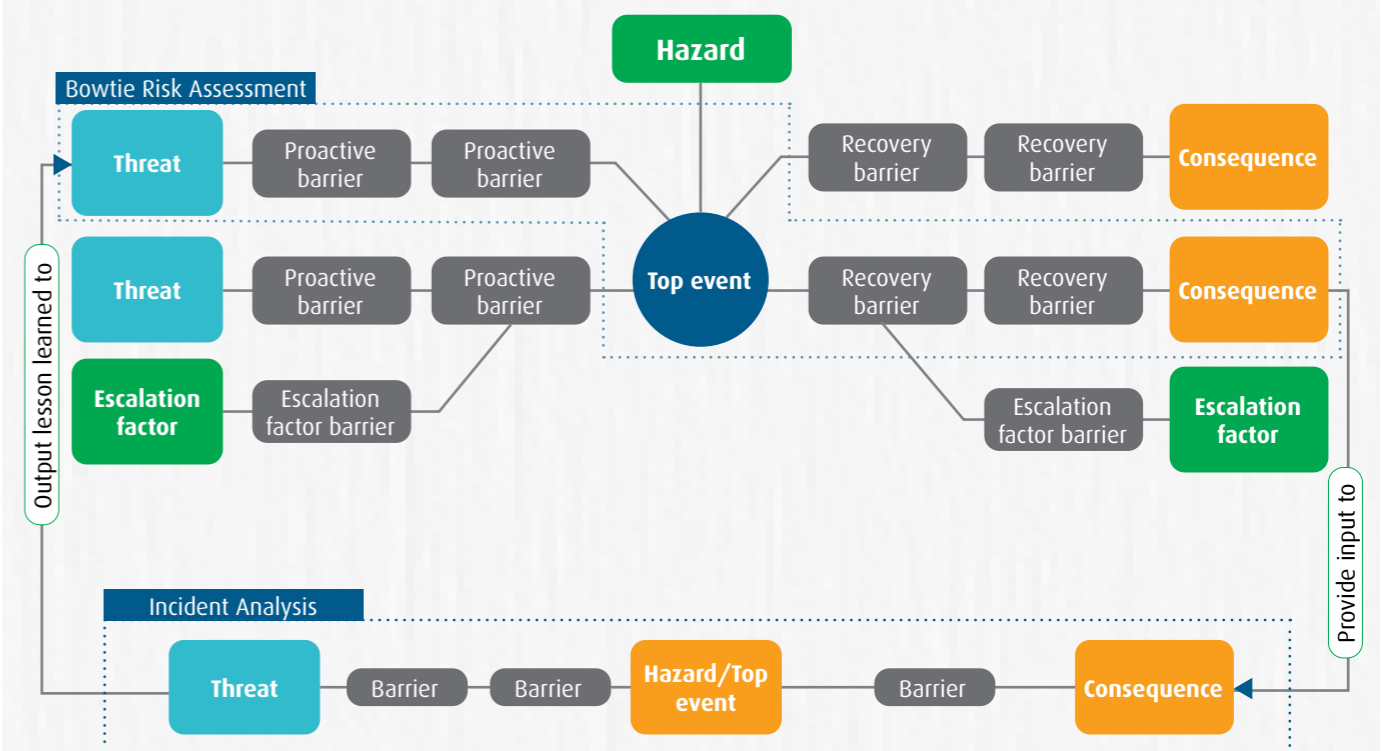
- Upgrade the existing incident investigation procedure in line with the process safety events reporting and investigation guidelines, which will help in examining the process safety events more effectively.
- Build competencies among employees to conduct detailed 'RCA' by delivering multiple training sessions for selected key personnel on the updated procedures, RCA techniques with awareness sessions on best practices and key concepts of incident investigation.

As a result, currently we have a robust system in place for incident reporting and investigation as per approved procedures, which provide clear and detailed guidelines to examine and perform the RCA. We were recommended 16 RCA's and achieved completion of all 16.

In order to conduct the detailed RCA, the 'WHY tree' technique is used to identify the underlying cause and contributory factors. Once the RCA is completed, a draft report with all the supporting information is issued to the key stakeholders for their review, and subsequently approved by the COO for final issuance. Subsequently, the status of the 'RCA' and 'Recommendations Close Out' is shared with all the respective divisions. Furthermore, all the recommendations of the incident reports are well tracked on a monthly basis and are also recorded in the SAP.

Learning from Incidents

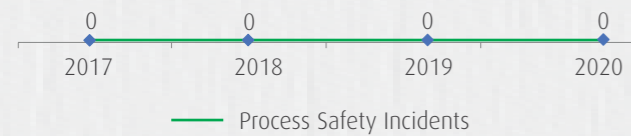
Linking incident analysis to bowties: In order to improve learning from incidents, incident analyses can be related back to the barriers in the bowties, giving key performance indicators for barriers.



During the year, we established and documented new insights for PSM following the COVID-19 pandemic, through development of a dedicated risk management framework and process safety commitments for handling the pandemic situation, based on QAFAC's practices and experiences. This was implemented through the identification of all possible process safety hazards and risks related to the QAFAC facilities. In addition, under the site senior leadership guidance, risk control guidelines were also developed and well implemented in alignment with QP and other state authorities. These risk management control guidelines and practices are also in line with the centre for chemical process safety's (CCPS) process safety risk management approach, and considers the following key objectives: management of process safety hazards and risks within the facilities to an acceptable level as before the pandemic started; continued demand for process safety support resources (however, the availability of those resources may be impacted); understanding the process safety culture within the organization and cultural impact of pandemic.

In 2020, there were no cases of Tier-1 and Tier-2 process safety incidents. Our process safety incident rate (PSTIR) for Tier-1 and Tier-2 remained zero as per the set target. We had five Tier-3 process safety events (PSE). We investigated these PSEs and a root cause analysis was conducted, with identification of recommendations.

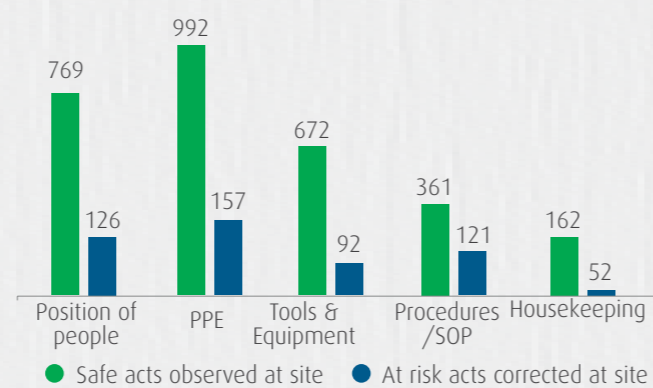
Process Safety Performance



Key Highlights for Process Safety Management

- Initiated the process of detailed process hazard analysis (PHA) of MTBE plant. Execution of the PHA is scheduled in Q3, 2021.
- To enhance the quality of root cause analysis (RCAs), process safety sub-committee for incident investigation evaluated and finalized the RCA tool 'Incident XP'.
- Process safety critical equipment identification was completed for MeOH & MTBE plants. Final list was uploaded to SAP to track their preventive maintenance as per the PM plans.
- Process safety key performance indicators were reviewed and with the addition of few more leading KPIs as per the CCPs & QP KPIs benchmarking study.
- Issuance of process safety beacon on monthly basis to give awareness on key process safety topics and incident learnings.
- Participated in the research project of process safety risk management challenges during COVID-19 led by Texas A&M University Qatar campus.
- Pre start up safety review (PSSR) was conducted prior to start the MTBE plant to ensure safe start up.
- Initiatives were implemented to develop and issue two process safety review series on a quarterly basis – 'chemical reactivity study for safe storage of chemicals' and 'management of process safety during disruptive time of COVID-19'. Based on the chemical reactivity study, chemical storage facilities including gas cylinder storage practices were strengthened & designated HAZMAT containers were commissioned.
- Behavioral based safety program remained live even during disruptive time of COVID-19.

BBS Safe Acts v/s Unsafe Acts Corrected in 2020



In addition, our Behavioral-Based Safety (BBS) program drives the overall safety culture at QAFAC by motivating employees to work safely, correcting unsafe acts and behaviors, encouraging employees on safer ways to do a job and finding ways to improve the safety system and culture within the organization. In light of the same, we have a dedicated BBS observations procedure in place that creates a systematic approach to address unsafe acts in the workplace. As part of the procedure, a designated observer will conduct a BBS observation of a personnel carrying out a task and will engage with that personnel to discuss the safe or unsafe acts, practices or conditions, which could be planned or unplanned. In 2020, we observed 2,956 safe acts in comparison to 548 unsafe acts. To ease the process of reporting any safety observations for our employees, we have also created a mobile-supported BBS platform in addition to our computer system based accessible BBS forms.

Emergency Preparedness

Having an effective framework for emergency preparedness is an integral component of protecting our workforce, the environment and our business operations from external factors such as natural disasters or accidents resulting from activities such as hydrocarbon spills. Therefore, we at QAFAC seek to mitigate our risks wherever possible and ensure that we can respond to them effectively through our dynamic emergency response plans.

As part of our approach to emergency response management, whenever there are major changes in work processes or equipment, we update our emergency plans or develop new plans to retain our state of readiness to respond to any critical situation. In 2020, we revised our emergency response plan based on the existing emergency procedures of MIC. We also revised our pre-plan considering the current risk profile of the organization and started implementing them through different impromptu exercises conducted on a monthly basis.

We further endorse our responsibility and leadership towards emergency preparedness management, through our effective participation in several relevant committees. We are part of QP's emergency preparedness committee, which provides mutual aid assistance for emergencies that affect any industries in MIC. As members of the committee, we are required to share information about resources, equipment and fire engines to ensure readiness of all the members in case of an emergency. Along with our membership in QP's emergency preparedness committee, we are members of the MIC Emergency Response Forum, which meets quarterly to strategically plan for the emergency response within the MIC community and industrial areas.

In addition to the aid assistance for emergencies provided by MIC and QP, we recognize the key role of having skilled emergency responders at QAFAC to manage incidents. In 2020, we performed 12 fire safety exercises, based on the revised pre-plan to ensure that our emergency response team is prepared to diligently respond towards any such unforeseen situations. These exercises covered different scenarios and provided sufficient opportunity for the team members to implement the learnings acquired during the theoretical and practical emergency response training sessions. Specifically, one session was conducted with the crisis management team to ensure that the top management is familiar with their roles in line with the emergency response procedures.

We also train our Fire and Safety Operators (FSO) and Emergency Response Team (ERT) that comprises of auxiliary members from the operations and maintenance departments to ensure that we respond effectively to any emergency. We

also have a crisis management team, which is headed by the CEO and includes members from the top management who assemble in case of Tier-2 or Tier-3 emergency incidents.

In addition, in 2020, we completed two projects as part of our QAFAC Support Services Amenities (QSSA) initiative. The QSSA project encompasses the extension of fire water network hydrants, commissioning of an eco-friendly security/ amenity building for staff and visitors and the development of a petrochemical laboratory building.

The purpose of the Firewater Network Extension project is to provide the firewater coverage to the QAFAC warehouses, scrap yard, cylinder yard, contractors' area and the entire support services area through provision of hydrants, firehose boxes and complete cathodic protection (CP) system. The project was successfully completed in 2020 and includes an extended fire water line for a total length of 1,198 meters. The project also includes the installation of 14 fire hydrants and fire hose boxes, 8 post indicator valves (PIV) and 21 CP Test Posts (TP).

At our plants, we have toxic and combustible gas detectors strategically placed throughout our plants to ensure the detection of any leaks. If any of the detectors are activated, the panel will indicate the exact location of the activated detector so that our fire-fighting team can respond effectively. We also have cameras on site that enable any of the emergency responders to see the area that needs support and comprehend the emergency faster. In addition, we have manual call points throughout the plants that any person can activate physically. Along with these manual call points, all operators and technicians also carry radios to alert the control room personnel in case of an emergency.

As part of our extensive measures for emergency preparedness, besides our plants, we also extend our emergency controls to our nearby buildings. We have gas detectors at our buildings, which are inspected quarterly by an external third party to ensure their functionality. In 2020, we also conducted third-party inspections on lifting tools, rescue equipments, breathing apparatus and air compressors amongst others.

As we move forward, we shall continue to remain committed to evolve and strengthen our health and safety practices. In addition, in alignment with our strategic direction, we shall also leverage the use of digital transformation as a key enabler to operate in a socially responsible manner, achieve world-class health and safety performance with an incident free and secure environment, so as to accelerate our efforts towards global HSSE excellence.





















07

Caring for Our People

- Workforce Leadership
- Workforce Management and Diversity
- Employee Engagement, Attraction and Retention
- Qatarization
- Supporting Our Local Communities



Aligning our Material Topics To Our Strategic Priorities and to Global and National Reporting Frameworks, Goals and Targets

Material Topic	Key enabler to our strategic priority "Prepare for long term SUSTAINABILITY"	GRI	UN SDGs	QSE	QNV 2030
Employee Engagement, Attraction and Retention	<ul style="list-style-type: none"> • High Performing Organization, focus on talent management, Qatarization and succession planning • Boost 'digitalization' to become a reference in our industry • Strengthen stakeholder alignment 	GRI 404	 	QSE S 10, 11, 12	Human Development
Qatarization		-	  	QSE S 20	
Diversity and Equal Opportunity		GRI 405	   	QSE S 19	
Learning and Development		GRI 404	  	QSE S 13	
Community Engagement and Investment		GRI 413	       	QSE S 22	Social Development

Amidst the COVID-19 pandemic, we were obliged to adjust the way we conduct our business. Our day-to-day operations shifted to virtual platforms along with the delivery of some of our learning and development programs. Albeit, our commitments to our people remained unchanged.

At QAFAC, we believe that our people are our greatest asset and are essential for our business continuity, success, and growth. Therefore, we are invested in fostering a culture of inclusive growth, diversity, and continuous learning to ensure every QAFAC employee is valued, supported, and encouraged to make their fullest contributions to the organization and Qatar at large.

To that effect, a commitment to promote trust, respect, empowerment, and teamwork is engrained in our corporate values and guides the way we work. We are also guided by our commitment to contribute to the achievement of Qatar National Vision (QNV) 2030's social development goals, which include developing a capable and motivated workforce in Qatar. In addition, we comply with Qatar's Labor Law and the Ministry of Administrative Development, Labor and Social Affairs' requirements which govern our relationship with our employees and ensure our compliance with the minimum requirements that concern our employees' rights at work.

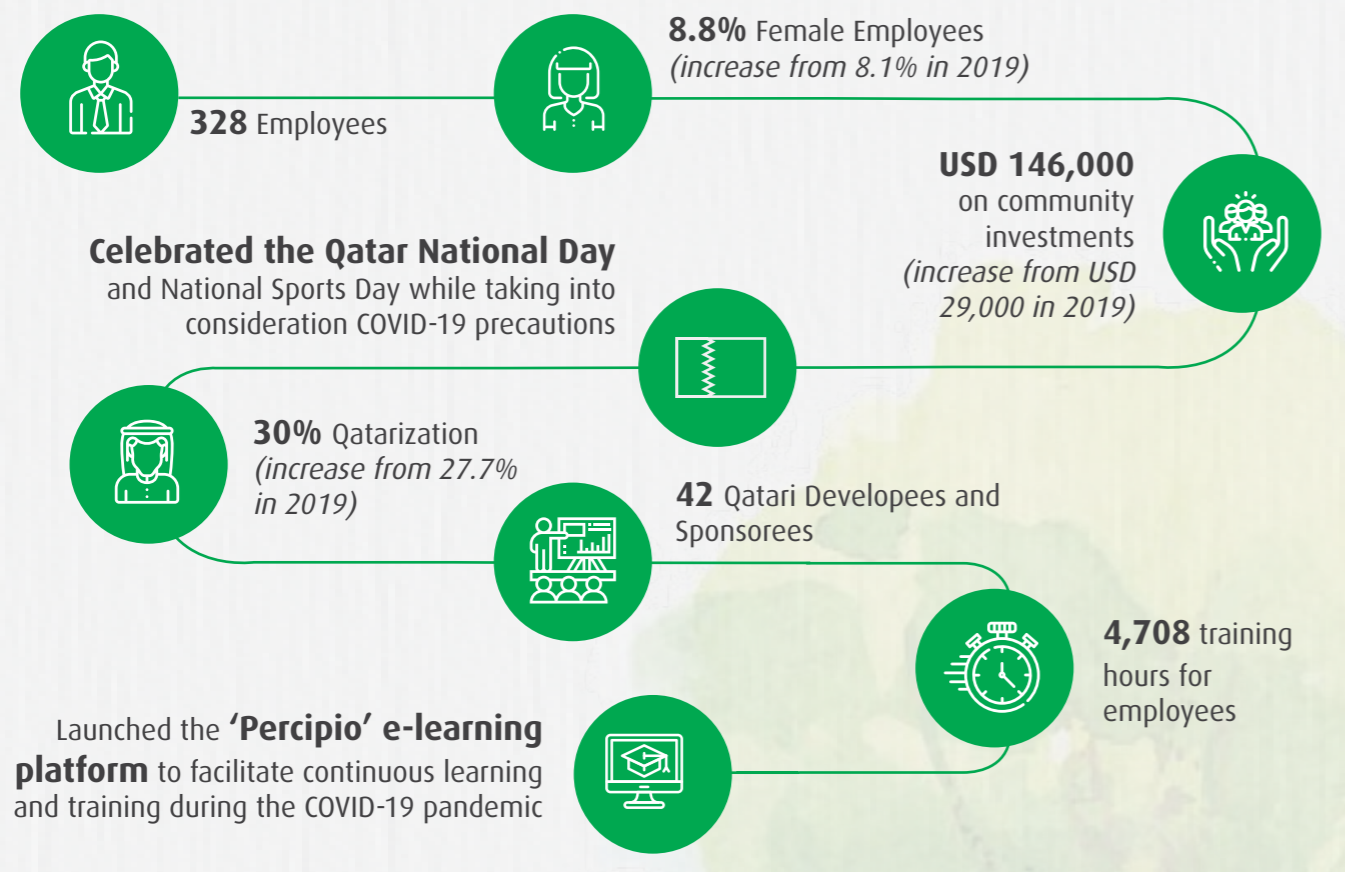
In addition, we take it upon ourselves to protect and promote human rights by complying with a number of international frameworks such as the International Labor Organization (ILO) and the United Nations, which promote decent work for all women and men.

Imperative to caring for our employees, we also focus on positively impacting and contributing to the local communities in which we operate. This is derived from our belief that giving back to the Qatari society not only strengthens the community but also deepens our relationships and their loyalties. This is also embedded in our Corporate Values under Responsibility, where we commit to operate in a sustainable and socially responsible manner, while caring for all the communities we impact.

In 2020, we continued to be one of the leading employers in Qatar and an employer of choice by recruiting and retaining exceptional talent, promoting Qatarization and supporting gender diversity.

This section discloses our efforts to support our people in 2020 and highlights our performance on employee engagement, attraction and retention, Qatarization, diversity and equal opportunity, learning and development and community engagement and investment. These topics, which are aligned with the GRI Standards, have been identified as material for QAFAC and its stakeholders during our Materiality Assessment in 2020.

Key Performance Highlights



Workforce Leadership

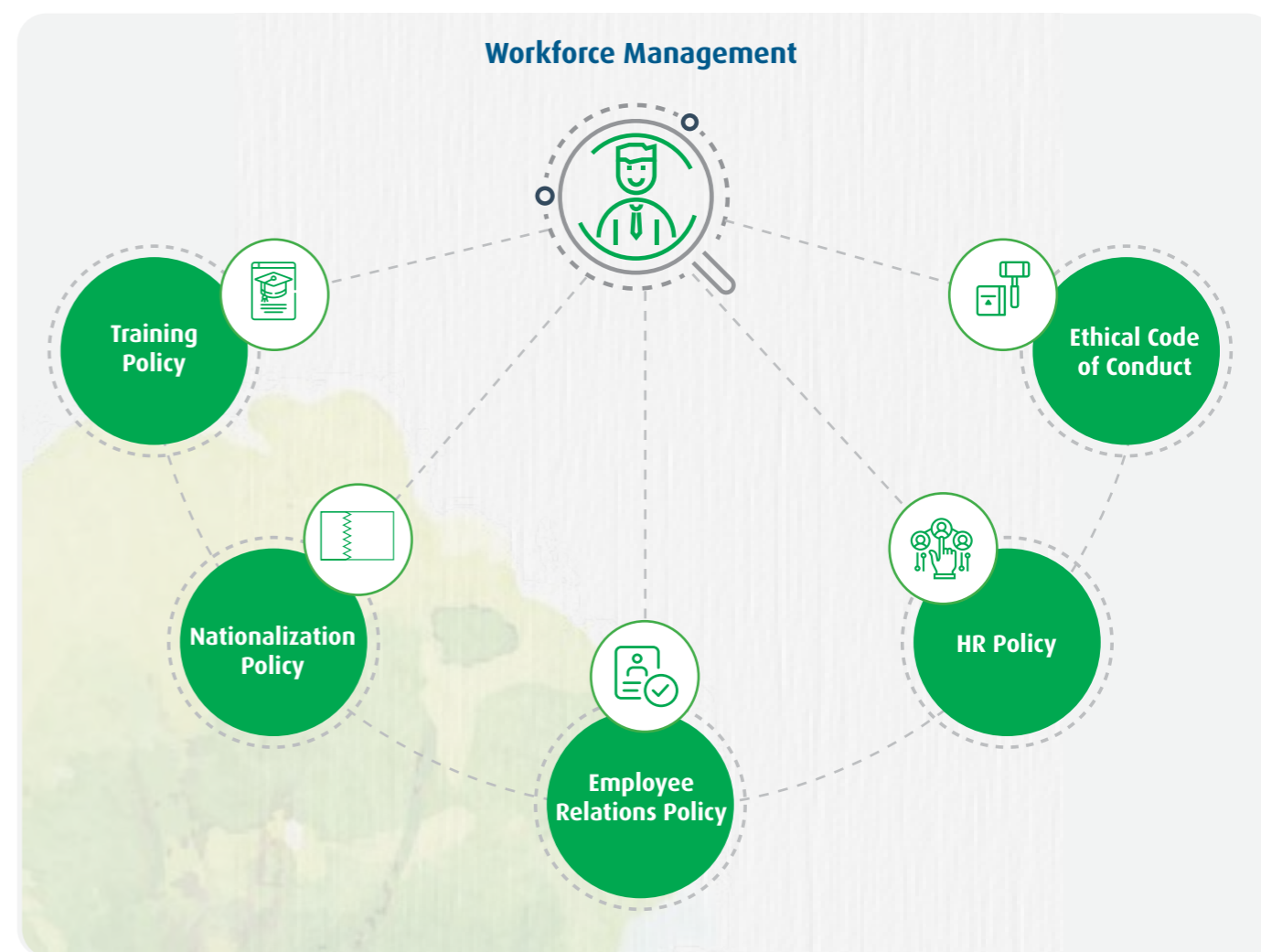
QAFAC's efforts and commitment to creating a workplace that fosters collaboration, inclusion, diversity, continuous learning and well-being for all employees are fully supported by QAFAC's leadership. Only with this support, we are able to set the right culture for a successful and high performing organization where every QAFAC employee is respected, valued, and encouraged to make their fullest contribution.

We have a number of policies that are approved by QAFAC leadership, which govern our workplace management practices and set out our commitments and expectations. For example, the Ethical Code of Conduct is applicable to and provides clear guidance to all employees on what it means to act ethically, professionally, and with integrity. It also provides QAFAC's position on a wide array of topics including anti-bribery, conflict of interest, fraud, corruption, and compliance. All QAFAC employees are expected to understand and certify

compliance with the Ethical Code of Conduct annually. Any failures to comply with the Ethical Code of Conduct are investigated by QAFAC Disciplinary Committee and disciplinary action is taken as appropriate and in accordance with our established disciplinary procedures. In 2020, there were no cases of non-compliance with our Ethical Code of Conduct.

Similarly, our HR Policy regulates all human resources matters within the company and contains the full components of policies and procedures of the company in relation to human resources' management, such as the Employee Relations Policy.

To assist our leadership, oversee our workforce management practices and activities, we also have multiple departments, divisions and committees, with specific responsibilities, that work harmoniously to ensure our policies are constantly applied and our commitments are carried out.



Workforce Management and Diversity

GRI 102-8 GRI 102-41 GRI 405-1

We, at QAFAC, believe in the worth of our people, and in the value of their differing experiences, backgrounds and perspectives in driving QAFAC towards continued success. We consider sound workforce and diversity management to be a key competitive driver for us, especially in an increasingly competitive global business environment. Therefore, we continuously work on fostering trust, respect, empowerment and teamwork within our workforce, and promoting diversity and equal opportunity in order to offer an inclusive work atmosphere regardless of one's gender, ethnicity, or age.

Our workforce management practices are embedded in our Employee Relations Policy which is in line with Qatar Labor Law and provides direction on employee management related practices and the expectations and rights of all QAFAC employees. The policy aims to establish and maintain cooperative and harmonious working relationships between QAFAC management and employees, based upon mutual respect and understanding and upon common interest in achieving the company's objectives. The policy includes interdependent set of policies including a Work Schedule Policy and a Diversity Policy. In addition, it includes discipline and scheme for rapid reporting and resolution of grievances.

Our Work Schedule Policy is in line with Qatar's Labor Law and regulates our working hours which are segregated into two shift types; the general shift of 8 hours over a consecutive period of 5 days a week and the shift schedule of three shifts of 8 hours over a consecutive period of 6 days a week. In 2020, we optimized our employees' shift schedules in order to cope with the COVID-19 pandemic challenges and the ensuing government requirements. We initially revised our working cycles to become seven-days work/seven-days off cycle and then to a four-days' work/four-days off cycle. In 2021, we plan to further revise our work schedule patterns to switch our shift schedule from three shifts of 8 hours over a consecutive period of 6 days a week to two shifts of 12 hours, over the period of four consecutive days a week.

Our Diversity Policy details our direction of being an equal opportunity employer, fostering diversity and building an inclusive corporate culture where employees can reach their potential regardless of gender or ethnicity. The policy dictates our efforts at promoting equal employment during the recruitment phase, training and career development opportunities for women and seek to help address the challenge of youth unemployment through the different initiatives we have put in place.

In 2020, we applied QP's Travel Policy to our workforce management practices in order to help us manage the unprecedented circumstances ensuing from the travel of our employees outside of Qatar during the COVID-19 pandemic. The policy guides the administration of our employees who were trapped outside of Qatar due to travel restrictions, and those who opted to travel outside of Qatar on their own.

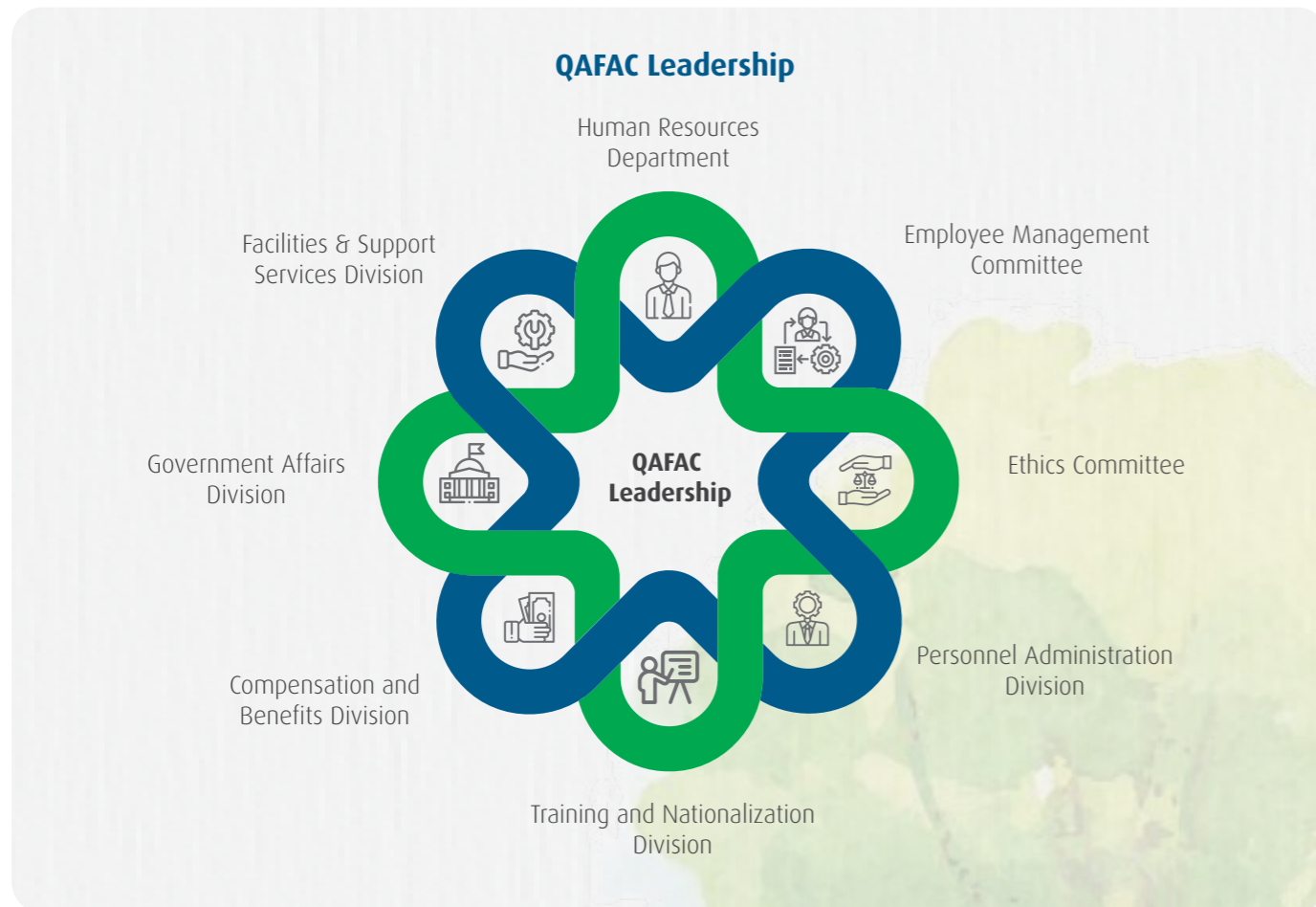
We also published an Employee Travel Guide to inform our employees of the requirements and risks of travelling in and out of Qatar. This guide has been developed considering advice from the Ministry of Public Health (MoPH), the World Health Organization (WHO) and QP's Healthcare Department. The guide applies to all QAFAC employees.

In order to give our employees the confidence to speak up, to ensure we are living our values and commitments in relation to workforce management and diversity, we have an employee grievance mechanism and a progressive problem resolution procedure as portrayed in our Personnel Policy Manual, which support QAFAC employees in raising any issues, concerns or complaints without fear of reprisal. Such issues include unjust treatment over the course of their employment, unethical recruitment, workplace discrimination, sexual harassment, in addition to concerns about wages.

The problem resolution procedure offers employees the ability to raise any issues with their direct manager, and if the issue is not resolved, employees are given the right to escalate the issue with the department head. Most of the issues raised at QAFAC are resolved at this level, nevertheless, employees have the liberty to further escalate the issue with the HR manager or CEO if not resolved. In 2020, QAFAC did not report any concerns or complaints from employees.



At QAFAC, the management of our workforce performance data is systematically accomplished using a robust digital system which enables the Personnel Administration division to monitor and manage our workforce performance and metrics. For example, our SAP Fiori mobile application allows access to SAP applications such as leave applications, Pay Slips, Employee Lookup and Team Calendar. In 2020, we bolstered our Fiori mobile application to accommodate the new challenges arising from our employees working from home. Through allowing employees access to some of QAFAC's internal systems through their mobile phones, they can apply leaves, check e-mails and other work items as if they are using their desktops.



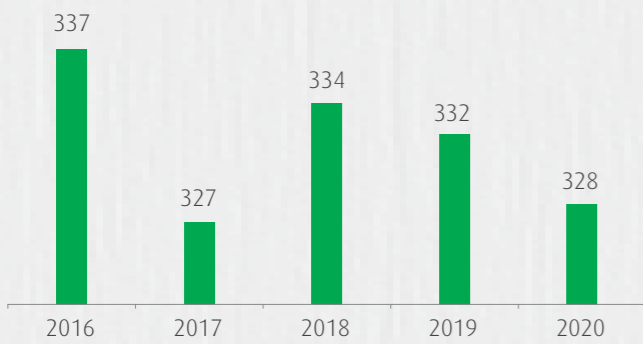
We also have the Manarah2 application which serves as the company intranet and contains our policies and procedures, our employees' profiles, and the latest events and happening in the company. It is user-friendly, accessible to all employees, runs on real-time data and features tools to effectively enhance communication and collaboration and improve business processes.

Additionally, our SAP Human Capital Management (HCM) Module, which the Personnel Administration division has exclusive access to, maintains employee data management - including salaries, grades and personal details. The system serves as the main source in coming up with manpower demographics, reports and employee-related performance trends.

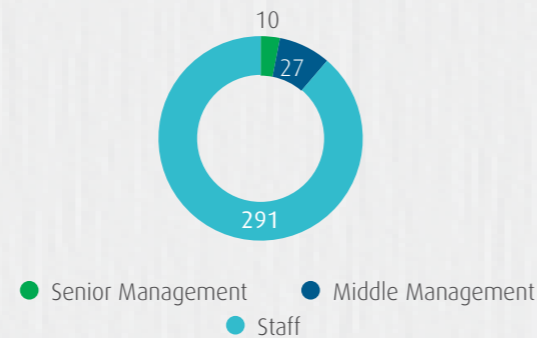
Our Personnel Administration division also manages other vital functions in relation to workforce management, such as talent acquisition, onboarding, employee relations, labor law compliance, record keeping, compensation and handling specific performance issues.

In 2020, our workforce comprised a total of 328 permanent and temporary employees, allowing us to meet our business requirements and operational needs. Our workforce is distributed between our Mesaieed Plant at Mesaieed Industrial City (MIC), where the largest part of our business operations is located, and the remaining are at our head office in Doha.

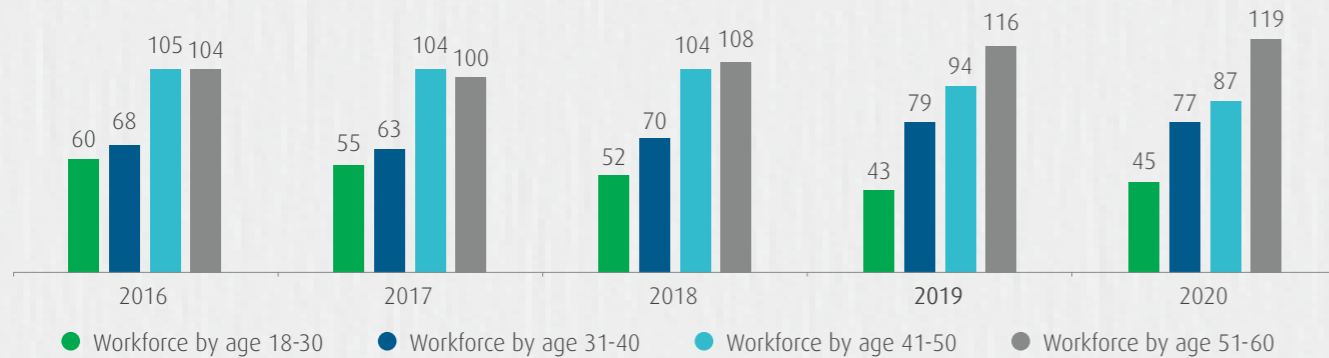
QAFAC's Headcount



Workforce Breakdown by Employment Level



Workforce by Age Group



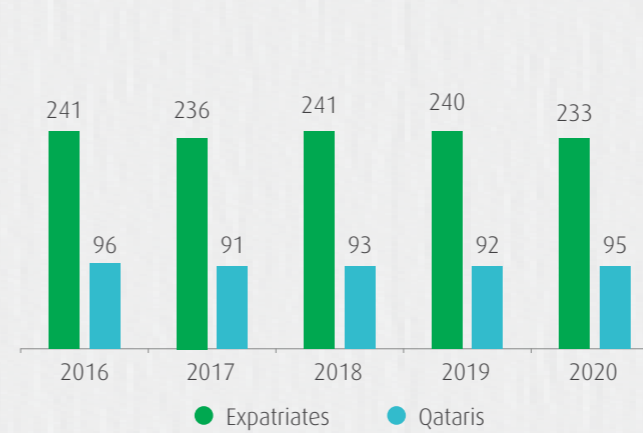
Workforce by Employment Level



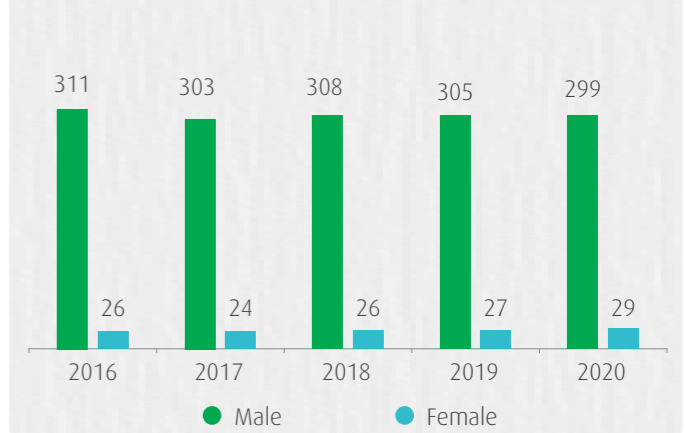
Stemming from our commitment to ensure a diverse and inclusive work environment, our workforce comprises of individuals of varying age groups and nationalities, each bringing their unique perspectives, experiences and knowledge into the organization.

In addition, we place emphasis on empowering our female employees. Currently, female employees account for 8.8%, across the staff and middle management employment categories, which is an increase from 8.1% in 2019.

Workforce by Nationality



Workforce by Gender



Employee Engagement, Attraction and Retention

GRI 401-1 GRI 401-2 GRI 404-1 GRI 404-2

With the belief that a high-performing workforce is fundamental to continuously driving optimal levels of success at QAFAC, we put great emphasis on our efforts to attract, retain and engage high caliber talent. This is demonstrated in our commitment to continuously apply the correct mechanisms for talent acquisition, learning and development, employee engagement, employee retention and talent exit management.

Our Recruitment, Placement and Selection Policy guides our efforts in regard to attracting diverse and qualified candidates to QAFAC's job vacancies, using the most appropriate methods of sourcing, screening, selection, and placement. In addition, our Talent and Career Progression Policy, which was revamped in 2019 to be in line with our Recruitment Policy, ensures the right talent is selected for the right job and that new hires are compensated in a fair manner that maintains the competitive standard of the company.

We also have a set of policies that govern our workplace and employee management practices, such as the Employee Relations Policy and the Allowances and Benefits Policy. These policies mandate that our employees are treated and compensated fairly and equitably and are not exposed to any discriminatory acts or harassment or abuse of any kind. In addition, our End of Service Policy demonstrates our commitment to valuing and appreciating our employees through providing those who are departing QAFAC with a bonus-scheme which is calculated based on the years of service.

Lastly, we have a set of policies under the Learning and Development Department, such as the Training Policy, which govern the ways in which QAFAC supports its employees in their personal and professional development through offering a mix of training and development programs. In 2020, we introduced eight new policies under the Learning and Development Department to address topics such as Grade Progression for Qataris, Internship Programs, Training Processes and Procedures, Succession Planning, Talent Career Progression and Personal Development Program for Qatari Developpees. These policies have been made available to all QAFAC employees through Manarah, QAFAC's internal website.

The Training Policy details the training programs, materials and hours required during the year based on QAFAC's organizational objectives. Employees are encouraged to invest in themselves, and this is reflected in the initiatives we are taking to provide employees with access to development and training resources through an online learning platform that is easily accessible from anywhere and through mobile applications.

In order to track our performance in regard to workplace and employee management, we have an integrated system in place that encompasses all attraction, recruitment and development data, in addition to the performance of employees and candidates.

Attracting and retaining qualified talent is the key to maintaining QAFAC's competitive advantage. We constantly strive to maintain a culture where each employee is valued, respected and encouraged to grow in his or her career.

In 2020, we successfully attracted 11 high-caliber employees who contributed to our total workforce of 328 employees. The majority of our new employee hires are between the ages of 18 and 40 years old, which further illustrates our efforts towards fostering a youthful workforce. We continue to hire both females and males but most of our recruits in 2020 were males.

In line with our efforts to foster a youthful workforce, we implement a graduate engineering program each year, which gives the opportunity for freshly graduated engineers from Qatari universities to join QAFAC and rotate across maintenance and production functions to learn from the finest minds in the industry and be exposed to cutting-edge technologies. This program is not exclusive to Qatari nationals, but applicants must be born and raised in Qatar. Upon completion, graduates may be asked to join QAFAC as permanent employees. During 2020, we were able to confirm 22 of our developpees as fulltime employees.

Once people join QAFAC, it becomes essential to ensure their satisfaction and content of being part of QAFAC. Therefore, we continue to maintain emphasis on employee appreciation, engagement, and career planning and development. This is achieved through the various programs and activities that we implement on a yearly basis, such as the learning and development programs, the appreciation program, the engagement activities, as well as the many rewards and benefits that are offered to our employees. Although our turnover rate has increased to 10% in 2020, most of our employee turnover is amongst the 51-60 years age group, which can be tied to the retirement age of our employees at QAFAC.

GRI 401-1 GRI 401-2

Under our retention programs falls our annual Long Service Awards, which is an appreciation program that aims to appreciate and recognize the loyalty and commitment of our employees. Through the program, we reward our long-lasting employees for completing 5, 10, 15 and 20 years of service with a Long Service Award. In 2020, we awarded a total of 34 employees. 12 of whom have been working with QAFAC for 20 years. 4 employees have been working for 15 years, 8 employees for 10 years and 10 employees for 5 years.

Pursuant to the fact that over one third of our workforce is aged 51 and above, we need clear succession planning for all critical roles to ensure business continuity. Our Succession Planning Program assists us in preparing for the retirement of a large cohort of our workforce over the coming few years through identifying those critical roles that will be difficult to fill quickly through external hire or internal succession. We are continuously working to actively identify junior personnel suitable for development in these areas and equip them with the necessary tools and knowledge for success in a given role.

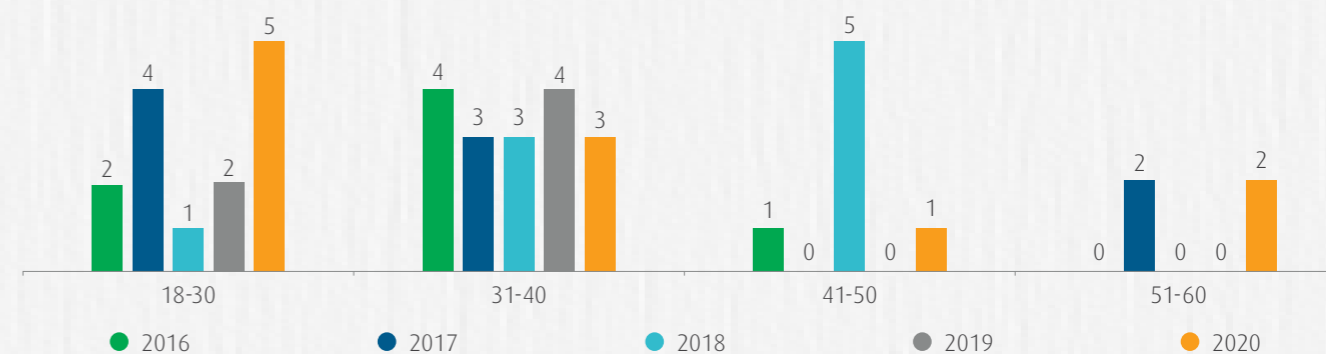
In 2020, we took extra measures to ensure the health and safety of our employees during the COVID-19 pandemic. Effective COVID-19 guidelines and QP protocols were implemented in order to minimize contact and the risk of infection within our workforce. Employees' shift schedules were initially optimized to seven-days work/seven-days

off cycle and then to a four-days work/four-days off cycle. Medical checkups were mandatory for anyone with related symptoms and infected persons or those who have come in close contact with an infected person were put on quarantine as per the guidelines from the Ministry of Public Health (MoPH). We have also made special arrangements with QP to facilitate COVID-19 vaccination of our employees at QP's Medical Clinic.

Additionally, we implemented several workplace-flexibility measures in response to the global pandemic. For example, we introduced two new leave types that aim to regularize attendance in response to the pandemic and government requirements; Work from Home and Force Majeure leaves. Work from Home is intended to minimize the number of employees that are physically present in the office in line with the government's precautionary measures. Force Majeure is applied for employees who are required to quarantine for being suspected or confirmed as COVID-19 virus carriers as per government-issued medical certification. The Force Majeure is different from Sick Leave entitlement in that it is applied without loss of pay or allowances.

Ensuing from our understanding that the COVID-19 pandemic has disrupted not only businesses but also individuals in their personal lives, we made sure that our employees feel appreciated and supported during these difficult times

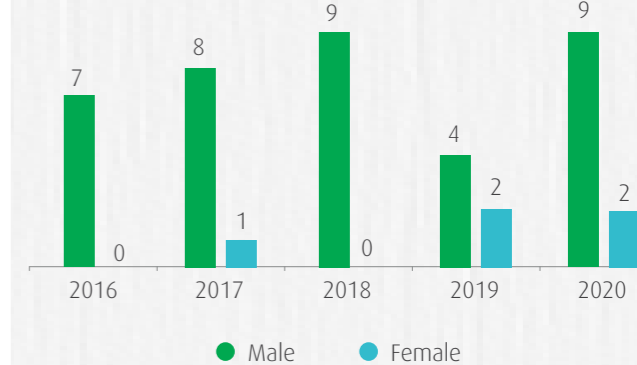
New Employee Hires by Age



New Employee Hires by Employment Level



New Employee Hires by Gender



through various measures, including expanding our paid compassionate leave application- for those requiring to travel outside of Qatar for emergency reasons (hospitalization or death)- to cover not only the travel period but also the quarantine period, if applicable. Additionally, we ensured that the outmost assistance from immigration affairs was available for our expat employees who wish to return to Qatar and acquire a 'return permit'.

To continue to compete and lead, we need to think and act in new ways. A successful future for QAFAC and our employees will be built on learning. Throughout an employee's career, QAFAC supports people in their personal and professional development through providing training, diplomas, and graduation programs.

Our training development process starts with a training needs assessment performed by the Personal Administration



COVID-19 Resilience through Digitalization

With the outbreak of COVID-19, we had to accelerate the digitalization of some of our processes and internal operations and establish a robust technical infrastructure that would enable us to safeguard our productivity during these disastrous times.

Through the efforts of our Information Technology (IT) and Human Resources (HR) departments and the dedication of our innovative employees, we were able to implement various digitalization measures that enabled us to continue our operations and day-to-day-tasks with minimal interruptions or challenges. Such measures included:

- Initiated Virtual Desktop Infrastructure (VDI) mechanism which provides all users with access to QAFAC's SAP applications from any place. This allowed our employees to connect to the server from their homes during the lockdowns.
- Fully implemented Microsoft Teams (MS Teams) which allows QAFAC employees to conduct and attend meetings and trainings virtually. QAFAC also implemented special enhancements and features of MS Teams, such as 'Board Rooms' which provides our employees with the ability to join multiple virtual

discussion rooms at the same time.

- Implemented applications for HR activities to continue without interruptions (e.g. using SAP to fill time sheets or carry out general activities). Users can also log in and perform HR related activities through SAP Fiori application using their mobile phones.
- Provided awareness and training programs on cyber security issues and on the use of some of the newly introduced IT applications/solutions.
- Provided laptops to selected employees in order to sustain their productive outputs while working from home.
- Implemented smart solutions to facilitate our employees' day-to-day work, such as incorporating e-signatures and a digital QAFAC stamp.
- Digitalized the Personal Development Program (PDP) in SAP which focuses on the career development of Qatari nationals within the workforce. We will continue on this project to digitize our quarterly progress reports in the upcoming years.
- Launched the 'management of change' application where users can provide their feedback for continuous improvements.

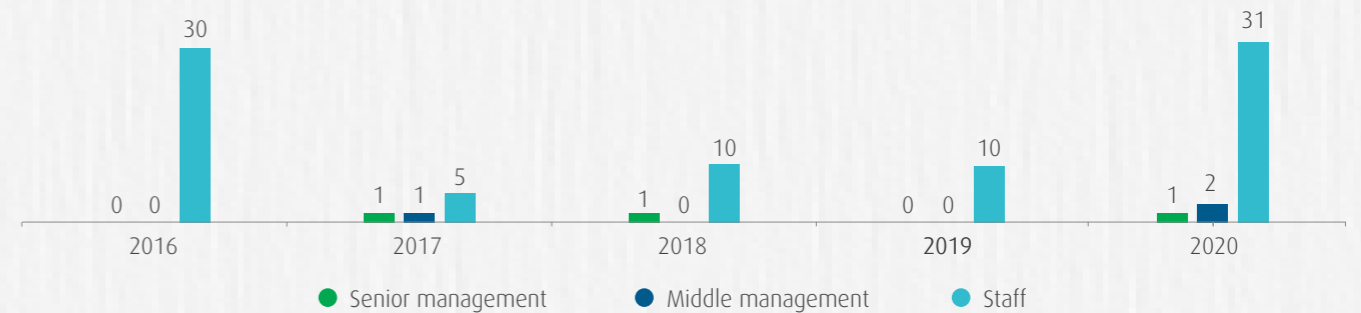
Division to identify any gaps in current training initiatives and employee's skill sets. Ultimately, this process results in the training objectives to bridge the gap between current and desired performance through the development of a training program. The training programs are then monitored and managed by Training and Nationalization Division to ensure our employees complete their designated training on par with their competency development requirements. After employees complete a training, we require them to fill out a Training Feedback Form which assists us in evaluating our training programs and enables us to continually improve our training offerings.

In 2020, we launched our e-learning platform 'Percipio', which is an intelligent learning platform that delivers an intuitive stylish design and consumer-led experience with the

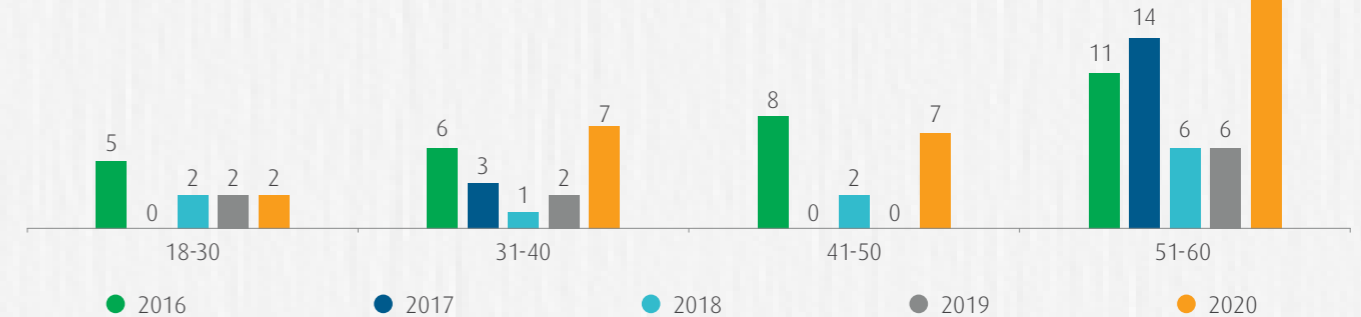
aim of accelerating learning within QAFAC, even during the COVID-19 pandemic. The platform offers the choice of where, when, and how to learn while delivering highly engaging multimodal content. The platform offers learning courses on a wide range of topics, curated into over 2,800 courses, and includes a vast collection of advanced leadership training designed for top management.

To support the career progression of our employees within QAFAC, we have various programs that focus on preparing our employees for future roles. For example, our Talent and Career Progression Program and Shadowing Program aim at preparing nominated employees to take on new roles and higher positions. Additionally, our employees receive performance and career development reviews on a regular basis.

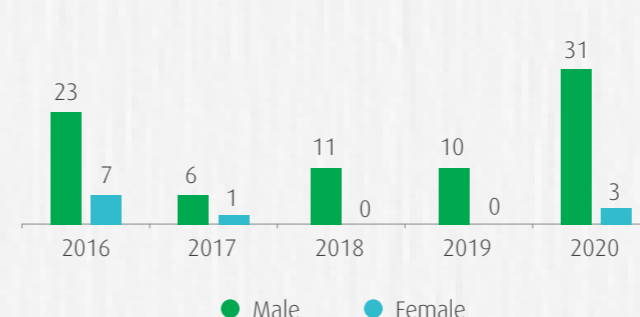
Employee Turnover by Employment Level



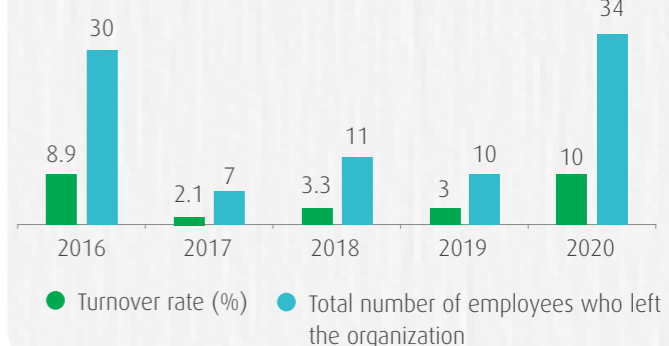
Employee Turnover by Age



Employee Turnover by Gender



Employee Turnover



As a result of our training efforts during the year and despite the challenges faced due to COVID-19, we were able to a total of 4,708 training hours to all QAFAC employees, with an average of 15.1 training hours per employee compared to 99.9 in 2019. The training programs focused on both technical and soft skills.

Our Learning and Development Department received the Alumni Awards Qatar 2020-21, which celebrate the outstanding achievements of alumnus who pursued an education in the UK and showcases the impact and value of a UK higher education. The awards are organized by the patronage of Her Majesty's Foreign Affairs- British Embassy and were presented as a token of appreciation for QAFAC's constant support to the academic community in Qatar.

Percipio: E-Learning Platform

New course designs are based on brain science and how our minds learn. They are shorter, smarter, and more engaging. Some of the features of cutting-edge micro-learning courses include:

- Realistic, interactive, video-based scenarios
- Hosted interviews and panel discussions with thought leaders
- High-motion iconography
- Character animations
- Conversational, informal style



Training Hours



Average Hours of Training per Employee



Total Cost of Training (USD)



Average Cost of Training per Employee (USD)



QAFAC also ensures providing engagement activities for our employees such as celebrating the Qatar National Day, which is also consistent with our aim to continuously promote and contribute to preserving the country's culture and heritage.

The celebration in 2020 was carried out while taking into consideration COVID-19 precautions and guidelines and employees were encouraged to celebrate the National Day at an individual level.

Benefits provided to employees

- Housing and allowances
- Medical insurance with optimum coverage
- Retirement plans

Annual Celebrations

- Qatar National Sports Day
- Qatar National Day

Learning and Development Programs

- Online training platform (Percipio)
- Internal and external trainings
- Diplomas for QAFAC employees
- Graduation programs for students and employees

Appreciation program

- Annual Long Service Award

Online Learning Management System (LMS)

During the year, the COVID-19 pandemic affected our annual training plans and training management procedures and processes. To that effect and to continually improve our talent management procedure in line with best practice, in 2020 we started exploring the implementation a fully-fledged online Learning Management System (LMS) to assist us in better managing employee trainings throughout QAFAC. Through the automation of our entire training and employee development process, this system will enable us to easily assign training programs to employees based on their specific learning and development needs, monitor employees' training hours and their compliance with training materials, and store all training content in one place, reducing the risk of losing important data.

Additionally, we started exploring the implementation of a comprehensive digital learning platform -Adobe Captivate Prime- which has been initiated on a pilot phase in 2020, offering trainings within the HSSE department only. The platform utilizes AI-based recommendations to deliver a hyper-personalized learning experience tailored for every

unique learner at QAFAC, encouraging discovery and continuous learning for all employees. Adobe Captivate Prime will also allow us to manage end-to-end training effectively across employees, customers and partners.

The AI-powered recommendations promote HSSE skill-based learning plans for employees. It also encourages proactive skilling and reskilling initiatives through gamification points, certifications and badges. The platform is also able to generate Skills and Compliance reports and dashboard that can be used by managers to make informed decisions in regard to employees' skills and training plans.

In 2021, we plan to continue our work on the LMS and Adobe Captivate Prime platforms and extend the latter to cover a wide range of training programs and topics that can be available to all QAFAC employees.



QAFAC Support Services Area (QSSA)

QAFAC Support Services Area (QSSA) serves multiple purposes, providing QAFAC with an area to receive outside visitors and conduct HSE inductions to employees and visitors, and encompassing a state-of-the-art laboratory that supports QAFAC in the constant pursuit of innovation and excellence.

The area comprises a security/amenity building which has two stories with the total covered area of 1,175 m² (ground floor 587.5 m² & first floor 587.5 m²). The building includes meeting rooms, amenity facilities for employees and visitors, as well as a multi-purpose hall, in which certain events can take place and safety inductions for employees and visitors can be conducted.

The security/amenity building was designed and constructed with green building design considerations making it an eco-friendly building. The considerations included:

- Energy Efficiency
- Use of renewable energy
- Pollution and waste reduction measures
- High indoor environmental air quality

- Use of materials which are non-toxic, ethical and sustainable
- Consideration of the environment in design, construction and operation
- All required safety considerations as per the Qatar Civil Defense Department's (QCDD) stipulations.

The building is controlled through a Building Management System, which is a centralized and highly automated system that offers certain individuals the capability to control the building's temperature and air flow remotely through the use of their laptops and mobile phones.

QSSA also includes a state-of-the-art laboratory building which comprises of various laboratories: Gas Chromatography, Spectroscopy, Wet Chemistry, Oil testing, Microbiology and Chemical laboratories. In 2020, construction, testing and commissioning of all the systems have been completed except the newly installed laboratory equipment. The entire project is expected to be completed in the first quarter of 2021.



Qatarization

Supporting national objectives through the direct employment of Qataris contributes to our economic growth and development and preserves our cultural identity as a Qatari organization. In line with our commitment to QNV 2030 and the human development pillar, we aim to contribute to the overall goal of 50% Qatarization of the workforce, through targeted efforts and programs that focus on attracting, retaining, and developing the national workforce.

Our Nationalization Policy guides our approach to promoting the employment and advancement of Qatari nationals within our workforce. This is detailed in the various incentives that we have established, such as offering educational and training support, providing scholarship opportunities at national and international educational institutes, and supporting nationals upon their recruitment in QAFAC through the individual development plans in order to foster their career and professional development.

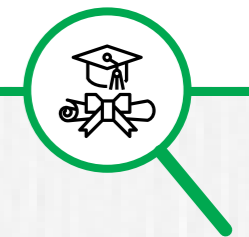
The Training and Nationalization Division is responsible for increasing the participation of Qataris in the workforce through incentive programs to attract Qatari talent, in addition to, Qatari-led development programs to improve the skill-set of our national workforce through training support and education scholarship opportunities provided to employees who wish to continue their education in areas that are consistent with their career development plans.

The newly joined Qataris are supported along their career path by following Personal Development Plans (PDP), which present a detailed set of qualifications tailored specifically to match the career preferences and goals that need to be fulfilled to reach the target jobs. In 2020, we digitalized our PDP allowing us to better manage the personal development of our Qatari employees in a more efficient and effective manner.

Our commitment to Qatarization is also reflected through the career fairs that we organize each year to attract Qatari high school and university students to assume posts in QAFAC.

Our Qatarization committee, which is headed by our CEO, oversees our Qatarization process and progress and is responsible for the implementation and tracking of our Qatarization efforts.

To manage and report our Qatarization metrics, our digital technologies – SAP - help us monitor, manage and report the number of national employees, national trainees and the required Qataris to be employed. The system is managed by our HR department to report progress on our Qatarization objectives.



QAFAC's Scholarship Opportunities

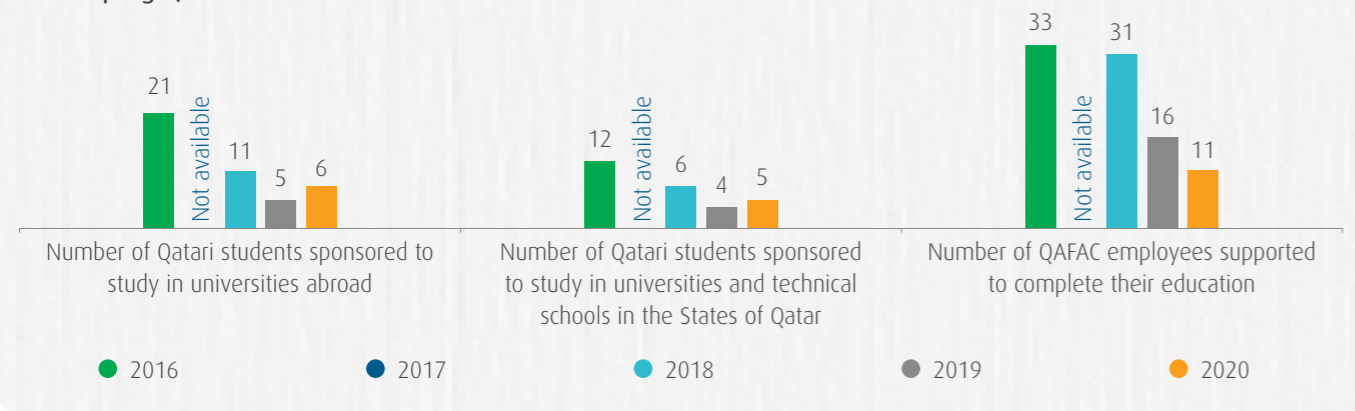
In line with our commitment to contribute to the achievement of QNV 2030, through empowering the people of Qatar to be able to sustain and support their country's growth, we, through collaboration with QP,

provided two Qatari students with two scholarships in overseas universities. The first scholarship was to Lancaster University while the second was to Uclan University- both in the UK.

In 2020, we continued to support young Qatari students with pursuing their diplomas and higher education at national and international educational institutions. We also supported a number of developpees through the Field Development Program by providing students with opportunities to gather vast field experience. This program's objective is to help us identify freshly graduated Qataris with a high potential to build a career at QAFAC.

As a testimony of the effectiveness of our Qatarization efforts, we have witnessed an increase in the Qatarization rate from 27.7% in 2019 to 30% in 2020. Qatari nationals constituted of 95 employees out of our total workforce of 328 employees in 2020, of which, 77% of QAFAC's senior management positions are held by national talents. We target to further increase the Qatarization percentage at QAFAC to 31% in 2021.

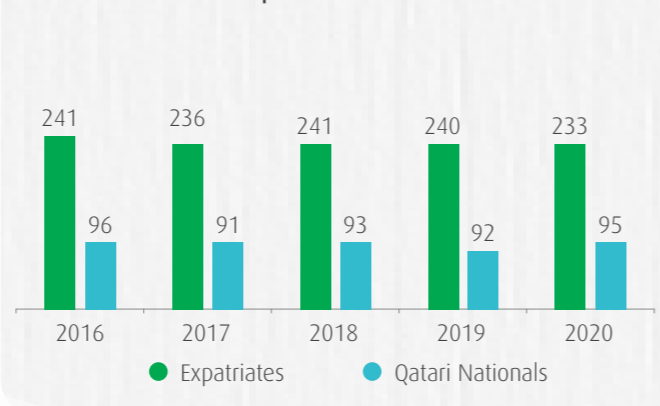
Developing Qatari Talent



Qatarization (%)



Our National and Expatriate Workforce



Supporting Our Local Communities

In addition to caring for our employees, QAFAC believes it is important to play an active role as a community member and fulfil our social responsibility as a good corporate citizen. By leveraging our capacity, we can contribute to the development of the Qatari society in line with QNV 2030 and build a more sustainable and resilient community. This will not only demonstrate our commitment towards the communities we impact -as illustrated in our corporate values-, but also allow us to foster a better business environment and create lasting relationships with our stakeholders.

Our work in the community is guided by our Corporate Social Responsibility (CSR) Policy, which outlines our approach to prioritizing the work we do in the community in order to address society's most pressing challenges. It focuses our work on four main areas where we can offer vital support to the community: Health, Education, Environment, and Safety. All community activity proposals that fall under these specific areas are screened and priority is given to those initiatives and programs that fall within our assigned budget and are aligned with QNV 2030 and the SDGs. Our aim is to address the needs of all segments of society and achieve the biggest impact.

Despite a challenging year in 2020, QAFAC remained committed to supporting the local community and increased its investment in social initiatives by almost 426 thousand Qatari Riyal, which is an equivalent of USD 117 thousands, relative to 2019. Thus, we have increased the share of our social spending in 2020 by almost fivefold, reaching USD 146,000, which shows our deep commitment to the development of the local community. This increase was mainly contributed to by the gifts that we have provided our employees and community members.

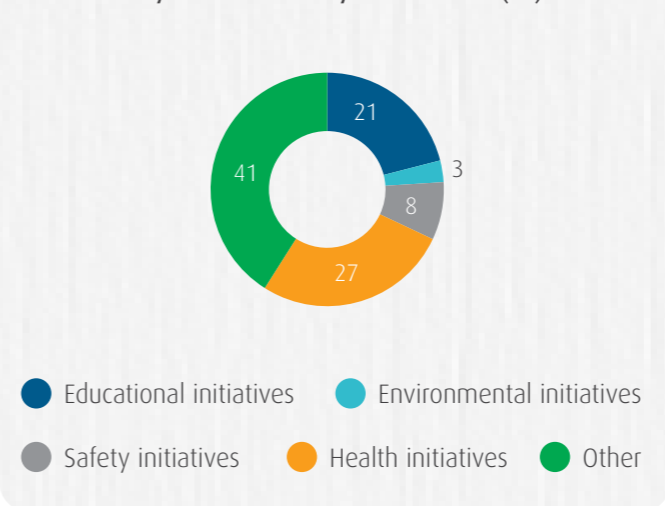
In 2020, we worked with a variety of stakeholders, both governmental and non-governmental, pooling our respective strengths to implement initiatives in line with the community's needs. For example, under the area of education which contributed to 21% of our total community investments, we collaborated with local academic and educational institutions in supporting students with project supervision, curriculum evaluation, and providing academic advice.

QAFAC conducts various environmental protection initiatives to raise local community's awareness on waste management and the various ways one can contribute to a healthier environment. Such initiatives promote a greater sense of responsibility that can be passed to future generations. During the year, we participated in the 'Waste Free Environment' Campaign to clean-up Al Wakra Family Beach to promote daily recycling efforts, encouraging people to ardently follow the 3R's: Reuse-Reduce- Recycle.

We also celebrated Qatar National Sports Day, which was held on February 2020, in order to raise awareness and promote a healthy lifestyle among Qatar's population. The celebration was conducted while taking into consideration COVID-19 precautions and guidelines. Employees were also encouraged to celebrate this day at an individual level.

To stay true to our commitment towards supporting the local community and to ensure a continuous impact, we have set a target of USD 99 thousands to be invested in social initiatives in 2021. With the dedication of our leadership and staff to creating the most value for Qatari society, we hope to continue to contribute positively to the community and exceed our target.

Community Investment by Focus Area (%)



GRI Content Index



GRI 102-55

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The Materiality Disclosure Service was performed on the English version of the report.

GRI Standard	Disclosure	Page and/or direct answers	Sustainable Development Goal
GRI 101: Foundation 2016	GRI 101 does not include any disclosures		
General Disclosures			
GRI 102: General Disclosures 2016	102-1 Name of the organization	14	
	102-2 Activities, brands, products and services	14, 16-17, 49, 53	
	102-3 Location of headquarters	14	
	102-4 Location of operations	14	
	102-5 Ownership and legal form	14	
	102-6 Markets served	4, 53-54	
	102-7 Scale of the organization	14	
	102-8 Information on employees and other workers	95-97	SDG 8
	102-9 Supply chain	51	
	102-10 Significant changes to the organization and its supply chain	51-52	
	102-11 Precautionary Principle or approach	27	
	102-12 External initiatives	QNV 2030, UN SDGs	
	102-13 Memberships of associations	18	
	102-14 Statement from senior decision-maker	6-9	
	102-15 Key impacts, risks and opportunities	23, 27	
	102-16 Values, principles, standards, and norms of behavior	23, 27, 29, 30	SDG 16
	102-17 Mechanisms for advice and concerns about ethics	29	SDG 16
	102-18 Governance structure	25-26	
	102-40 List of stakeholder groups	32	
	102-41 Collective bargaining agreements	95	
	102-42 Identifying and selecting stakeholders	32	
	102-43 Approach to stakeholder engagement	32	
	102-44 Key topics and concerns raised	32	
	102-45 Entities included in the consolidated financial statements	46-47	
	102-46 Defining report content and topic Boundaries	4	
	102-47 List of material topics	33-38	
102-48 Restatements of information	49, 66, 71		
102-49 Changes in reporting	4		
102-50 Reporting period	4		
102-51 Date of most recent report	4		

GRI 102-55

GRI Standard	Disclosure	Page and/or direct answers	Sustainable Development Goal
GRI 102: General Disclosures 2016	102-52 Reporting cycle	4	
	102-53 Contact point for questions regarding the report	4	
	102-54 Claims of reporting in accordance with GRI Standards	4	
	102-55 GRI content index	108-112	
	102-56 External assurance	4	
Material Topics			
Our Financial Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	46-47	
	103-2 The management approach and its components	46-47	
	103-3 Evaluation of the management approach	46-47	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	46	SDG 8, SDG 9
Sustainable Supply Chain Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	51-52	
	103-2 The management approach and its components	51-52	
	103-3 Evaluation of the management approach	51-52	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	51-52	SDG 8
Anti-Corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	29	
	103-2 The management approach and its components	29	
	103-3 Evaluation of the management approach	29	
GRI 205: Anti-Corruption 2016	205-3: Confirmed incidents of corruption and actions taken	29	SDG 16
Operational Reliability			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	48-50	
	103-2 The management approach and its components	48-50	
	103-3 Evaluation of the management approach	48-50	
Disclosure: KPI	Plant Reliability of Methanol and MTBE	48-49	SDG 8, SDG 9
Business Continuity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	39-40	
	103-2 The management approach and its components	39-40	
	103-3 Evaluation of the management approach	39-40	
Disclosure: KPI	Development of a BCM strategy including De-escalation and Re-escalation plan	39-40	SDG 8, SDG 9
Direct and Indirect Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	61, 65	
	103-2 The management approach and its components	61, 65	
	103-3 Evaluation of the management approach	61, 65	

GRI Standard	Disclosure	Page and/or direct answers	Sustainable Development Goal
GRI 302: Energy 2016	302-1 Energy consumption within the organization	65	SDG 7, SDG 8, SDG 12, SDG 13
	302-3 Energy intensity	65	SDG 7, SDG 8, SDG 12, SDG 13
Water and Wastewater			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	61, 69	
	103-2 The management approach and its components	61, 69	
	103-3 Evaluation of the management approach	61, 69	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	69-70	SDG 6, SDG 12
	303-2 Management of water discharge related impacts	69-70	SDG 6
	303-3 Water withdrawal	69-70	SDG 6
	303-4 Water discharge	69-70	SDG 6
	303-5 Water consumption	69-70	SDG 6
Greenhouse Gas (GHG) and Air Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	61, 66-67	
	103-2 The management approach and its components	61, 66-67	
	103-3 Evaluation of the management approach	61, 66-67	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	66	SDG 3, SDG 12, SDG 13, SDG 14, SDG 15
	305-2 Energy indirect (Scope 2) GHG emissions	66	SDG 3, SDG 7, SDG 12, SDG 13, SDG 14, SDG 15
	305-4 GHG emissions intensity	66	SDG 13, SDG 14, SDG 15
	305-7 Nitrogen oxides (NOx), Sulfur Oxides (SOX), and other significant air emissions	67	SDG 3, SDG 12, SDG 14, SDG 15
Hazardous and Non-Hazardous Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	61, 71-72	
	103-2 The management approach and its components	61, 71-72	
	103-3 Evaluation of the management approach	61, 71-72	
GRI 306: Waste 2020	306-1: Waste generation and significant waste-related impacts	71	SDG 3, SDG 6, SDG 12
	306-2: Management of significant waste-related impacts	71-72	SDG 3, SDG 6, SDG 12
	306-3 Waste generated	71	SDG 3, SDG 6, SDG 12, SDG 15
	306-4: Waste diverted from disposal	71-72	SDG 3, SDG 12
	306-5: Waste directed to disposal	71	SDG 3, SDG 6, SDG 12, SDG 15

GRI Standard	Disclosure	Page and/or direct answers	Sustainable Development Goal
Employee Engagement, Attraction and Retention			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	98-101	
	103-2 The management approach and its components	98-101	
	103-3 Evaluation of the management approach	98-101	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	99, 101	SDG 5, SDG 8, SDG 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	99, 101, 103	SDG 3, SDG 5, SDG 8
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	78-85	
	103-2 The management approach and its components	78-85	
	103-3 Evaluation of the management approach	78-85	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	83-85	SDG 3, SDG 8
	403-2 Hazard identification, risk assessment, and incident investigation	83-85	SDG 8
	403-3 Occupational health services	83-85, 89	SDG 8
	403-4 Worker participation, consultation and communication on occupational health and safety	83-85, 89	SDG 8, SDG 16
	403-5 Worker training on occupational health and safety	83-85, 89	SDG 8
	403-6 Promotion of worker health	83-85	SDG 3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	83-85	SDG 8
	403-9 Work-related injuries	85	SDG 3, SDG 8, SDG 16
Process Safety Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	78-82, 86-88	
	103-2 The management approach and its components	78-82, 86-88	
	103-3 Evaluation of the management approach	78-82, 86-88	
GRI Oil & Gas Sector Disclosure	OG-13 Number of Tier-1 process safety events	88	SDG 3
	OG-13 Number of Tier-2 process safety events	88	SDG 3
Learning and Development			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	98-103	
	103-2 The management approach and its components	98-103	
	103-3 Evaluation of the management approach	98-103	
GRI 404: Training and Education 2016	404-1 Average hours of training that the organization's employees have undertaken by gender and employee category	102	
	404-2 Programs for upgrading employee skills and transition assistance programs	100-103	SDG 8

GRI Standard	Disclosure	Page and/or direct answers	Sustainable Development Goal
Labor Standards			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	76-85	
	103-2 The management approach and its components	76-85	
	103-3 Evaluation of the management approach	76-85	
GRI 412: Human Rights Assessment 2016	412-1 Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments	81-85	
Product Responsibility			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	53-55	
	103-2 The management approach and its components	53-55	
	103-3 Evaluation of the management approach	53-55	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	53	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	54	SDG 16
Workforce Management and Diversity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	95-97	
	103-2 The management approach and its components	95-97	
	103-3 Evaluation of the management approach	95-97	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	96-97	SDG 5, SDG 8

Glossary of Abbreviations

Abbreviations	Long Form	Abbreviations	Long Form
A&M	Texas A&M University	EU	European Union
A&R	Accounting and Reporting	FSO	Fire and Safety Operators
ACFA	Asian Clean Fuels Association	GDP	Gross Domestic Product
AEF	Alberta Envirofuels Inc	GHG	Greenhouse Gas
AGT	Authorized Gas Tester	GHS	Globally Harmonized System of classification and labelling of chemicals
AI	Artificial Intelligence	GJ	Giga Joule
APC	Advanced Process Control	GPCA	The Gulf Petrochemicals and Chemicals Association
API	American Petroleum Institute	GRI	Global Reporting Initiative
AR	Accounting and Reporting	GWP	Global Warming Potential
BA	Breathing Apparatus	HCM	Human Capital Management
BBS	Behavioral Based Safety	HIRA	Hazard Identification and Risk Analysis
BMI	Body Mass Index	HPO	High Performance Organization
CA	Competent Authority	HR	Human Resources
CAER	Community Awareness and Emergency Response	HSE	Health, Safety, and Environment
CAM	Center of Advanced Materials	HSSE	Health, Safety, Security and Environment
CAO	Chief Administration Officer	IASB	International Accounting Standards Board
CDR	Carbon Dioxide Recovery	IFRS	International Financial Reporting Standards
CEO	Chief Executive Officer	IGSMC	Integrated Gas Supply to Meseiaed Consumers
CFO	Chief Financial Officer	ILO	International Labour Organization
CH ₃ OH	Methanol	IMO	International Maritime Organization
COO	Chief Operating Officer	IOLLC	International Octane LLC
COSO	The Committee of Sponsoring Organizations of the Treadway Commission	IOT	Internet of Things
CPC	Chinese Petroleum Corporation	IPCC	Intergovernmental Panel on Climate Change
CPO	Chief Procurement Officer	IPIECA	International Petroleum Industry Environmental Conservation Association
CSE	Confined Space Entry	IQ	Industries Qatar
CSR	Corporate Social Responsibility	ISMS	Information Security Management System
CV	Curriculum Vitae	ISO	International Organization for Standardization
DCS	Distributed Control System	IT	Information Technology
DIFOTIC	Delivered in Full and On Time, and Invoiced Correctly	ITB	Invitation to Bid
EHS	Environment, Health and Safety	JHA	Job Hazard Analysis
EMS	Environmental Management System	JV	Joint Venture
EnMS	Energy Management System	KAHRAMAA	Qatar General Electricity and Water Corporation
EPC	Engineering, Procurement and Construction	KPI	Key Performance Indicators
EPCA	The European Petrochemical Association	L&D	Learning and Development
ERM	Enterprise Risk Management	LCA	Life Cycle Assessment
ERP	Enterprise Resource Planning	L.L.C	Limited Liability Company
ERT	Emergency Response Team	LCYMEC	LCY Middle East Corp.
ESG	Environmental, Social, and Governance	LDAR	Leak Detection and Repair

Abbreviations	Long Form
LIMS	Lab Information Management Systems
LMS	Learning Management System
LOPC	Loss of Primary Containment
LTA	Lost-Time Accident
LTI	Lost time injuries
LTIF	Lost Time Injury Frequency
MERI	Minimum Essential Receiving Inspection
MESD	Maritime Energy and Sustainable Development
MI	Methanol Institute
MIC	Mesaieed Industrial City
MIQA	Mechanical Integrity and Quality Assurance
MKOPSC	Mary Kay O'Connor Process Safety Center
MMA	Methyl methacrylate
MME	Ministry of Municipality and Environment
MMSCM	Million Metric Standard Cubic Meters
MOPH	Ministry of Public Health
MRR	Monitoring and Reporting Regulation
MSDS	Material Safety Data Sheets
MT	Metric Ton
MTBE	Methyl-Tertiary-Butyl-Ether
MTPD	Metric Tons Per Day
N/A	Not Applicable (Not Available)
NIA	National Information Assurance
NFPA	National Fire Protection Association
NZLD	Near Zero Liquid Discharge
O&G	Oil and Gas
OE	Operational Excellence
OECD	Organisation for Economic Co-operation and Development
OEE	Overall Equipment Efficiency
OGI	Optical Gas Imaging
OHS	Occupational Health and Safety
OMEC	OPIC Middle East Corp.
OPIC	OPIC Middle East Corp.
OSHA	Occupational Safety and Health Administration
OTS	Operator Training Simulator
PAGA	Public Address and General Announcement
PCIC	Procurement, Construction, Installation and Commissioning
PDP	Personal Development Program
PHA	Process Hazard Analysis
PHD	Uniformance Process History Database
PII	Process Safety Institute
PHS	Process Hazard Analysis
PI	Plant Information

Abbreviations	Long Form
PLC	Programmable Logic Controller
PM	Particulate Matter
PMC	Periodic Medical Check-Ups
PMS	Performance management system
PPE	Personal Protective Equipment
PPM	Parts Per Million
PSA	Pressure Swing Adsorption
PSM	Process Safety Management
PSTIR	Process Safety Total Incident Rate
PTW	Permit To Work
QCDD	Qatar Civil Defense Department
Q.P.J.S.C.	Qatar Chemical and Petrochemical Marketing and Distribution Company
QAFAC	Qatar Fuel Additives Company
QAFCO	Qatar Fertiliser Company
QAPCO	Qatar Petrochemical Company
QHSE	Quality, Health, Safety and Environmental
QNV	Qatar National Vision
QP	Qatar Petroleum
QSE	Qatar Stock Exchange
QSSA	QAFAC Support Services Area
RCA	Root Cause Analysis
RGS	Regenerate Gas Scrubbing
SAP	Systems, Applications, and Products
SASB	Sustainability Accounting Standrads Board
SCE	Safety Critical Equipment
SDG	Sustainable Development Goals
SNCR	Selective Non-Catalytic Reduction
TA	Turnaround
TAMUQ	Texas A&M University at Qatar
TRCF	Total Recordable Case Frequency
TVA	Toxic Vapor Analyzer
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UOP	Universal Oil Products
US	United States
US EPA	United States Environmental Protection Agency
USD	United States Dollar
VDI	Virtual Desktop Infrastructure
VOC	Volatile Organic Compounds
WAH	Work At Height
WHB	Waste Heat Boilers
WHO	World Health Organization





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