

OUR PEOPLE FUTURE

Sustainability Report 2010 - 2011

About Gulf Petrochemical Industries Company (GPIC)

Gulf Petrochemical Industries Company (GPIC) is a leading joint venture setup and owned by the Government of the Kingdom of Bahrain, represented by the Oil and Gas Holding Company (Nogaholding), Saudi Basic Industries Corporation (SABIC) of Saudi Arabia and Petrochemical Industries Company (PIC) of the State of Kuwait. GPIC was setup for the purposes of manufacturing fertilizers and petrochemicals. Being a major manufacturer within the Kingdom of Bahrain, GPIC is also a proactive stakeholder within the Kingdom and the region with some of our activities being represented by natural gas purchases, training and employment of Bahraini nationals, utilization of local contractors and suppliers, energy consumption and other financial, commercial, environmental and social activities that arise as a part of our core operations within the Kingdom.

For the purpose of clarity throughout this Report, 'GPIC', 'we', 'us', and 'our' refer to the Gulf Petrochemical Industries Company; 'SABIC' refers to the Saudi Basic Industries Corporation; 'PIC' refers to the Petrochemical Industries Company, Kuwait; 'Nogaholding' refers to the Oil and Gas Holding Company, Kingdom of Bahrain; and 'Board' refers to the representative group formed by Nogaholding, SABIC and PIC.



GPIC attains a GRI verified application level of B for its Sustainability Report 2010-2011, 'Our People Our Future'.



GPIC is a Responsible Care Company certified for RC 14001 since July 2010. We are committed to the safe, ethical and environmentally sound management of the petrochemicals and fertilizers we make and export. Stakeholders' well-being is always a key priority at GPIC.

GPIC's Achievements, Challenges and Goals

Achievements 2010 - 2011

- A remarkable safety record with over 14 million person hours without a Lost Time Accident.
- In 2011 GPIC achieved a combined production record for Ammonia, Urea and Methanol of 1,575,018 tonnes, highlighting business continuity and efficiency.
- GPIC became the first company in the Middle East to be accredited to the Responsible Care RC-14001 management system in July 2010.
- Her Majesty Queen Margrethe II of Denmark visited GPIC whilst on a state visit to the Kingdom of Bahrain, the first monarch to visit a petrochemical complex on such a visit.
- Finalisation of future projects Strategic Plan 2020 which identifies the Ammonia II/Urea II mega project to be the first expansion project for GPIC, to be undertaken in 2012 depending on government gas allocation.
- Record profitability of US\$265 million in 2011, the second highest since inception.

Challenges 2010 - 2011

- Maintaining business continuity during the challenging period faced by Bahrain during the first quarter of 2011.
- Early retirement for the first time in the history of GPIC, which was both a challenge and an opportunity to induct young Bahraini people into GPIC's workforce.

Strategic Initiatives 2012

- Continue GPIC's Corporate Social Responsibility initiatives.
- Be a role model for empowering women in the private sector in general and industry specifically.
- Enhance GPIC's Succession Plan to maintain our sustainability and Bahrainisation level above 85%.
- Maintain GPIC's excellent international and regional relationships and continue to exchange knowledge.

Challenges 2012 and Beyond

- Further enhance GPIC's Safety, Health, Environment, Efficiency and Quality parameters and programmes.
- Further enhance management systems and procedures by registering for:
 - o ISO 26000: Guidance on Social Responsibility standard
 - o ISO 22301: Societal Security – Business Continuity Management System
 - o ISO 50001: Energy Management System
 - o ISO 31000: Risk Management – Principle and Guidelines
 - o ISO 17025: General requirements for the Competence of Testing and Calibration Laboratories
- Safe, on time and within budget execution of Turnaround 2012 and beyond.
- Finalisation of GPIC Ammonia II/Urea II expansion project after obtaining all government approvals.
- Continue to maintain competitiveness in the international markets whilst absorbing increases in the variable cost.
- Encouraging qualified Bahrainis to join GPIC as their company of choice.

High Profile Visits

GPIC was graced and honoured by several high profile visits during 2010 - 2011. We highly value these visits as they highlight the outstanding support we receive from the country's leadership. It also shows their trust in our people. These visits are an example of our remarkable regional and international relations and a platform for sharing our commitment towards the planet and its people.



GPIC leadership express their sincere thanks and appreciation to his **Majesty King Hamad bin Isa Al Khalifa**, King of the Kingdom of Bahrain, **HRH Prince Khalifa bin Salman Al Khalifa**, Prime Minister and **HRH Prince Salman bin Hamad Al Khalifa**, Crown Prince and Deputy Supreme Commander for their continuous support of the Company's operations and activities.



Marking the launch of the National Initiative for Development of the Agricultural Sector by **HRH Princess Sabeeka bint Ebrahim Al Khalifa**, wife of His Majesty the King and Chairperson of the Supreme Council for Women and as a contribution from GPIC to this initiative, the Company published the 'Urea Fertiliser Use Manual'.

"The Company continues to provide support and backing to farmers and gardeners to promote the culture of using fertilizers. This publication underlines the role that can be played by industry in increasing the local production of agricultural crops to better improve the agricultural output in the Kingdom of Bahrain." Abdulrahman Jawahery, GPIC President



HH Shaikh Nasser bin Hamad Al Khalifa, President of the Supreme Council for Youth and Sport (SCYS) and Chairman of the Bahrain Olympic Committee visited GPIC on 13 February 2011. His highness praised the significant role played by GPIC in supporting sports events and local and regional competitions supervised by SCYS, and underlined that such support reflected positively on the youth sector for the good image of the Kingdom.



HM Queen Margrethe II of Denmark, accompanied by **HRH Prince Henrik**, visited GPIC on 5 February, 2011. During her visit the Queen of Denmark opened the Olive Tree Oasis named the "Queen Margrethe II Olive Oasis" in commemoration of the Queen's visit to GPIC.

"This day is considered as an historic day for the Company, for Gulf industry in general and Bahraini industry in particular. This day will remain as a memorable landmark in the history of the Company and will motivate us to continue our contributions to the Kingdom and our efforts to preserve the environment" **Shaikh Isa bin Ali Al Khalifa, GPIC Chairman**

High Profile Visits (continued)



HE Shaikh Isa bin Ali Al Khalifa, GPIC Chairman inaugurated the CDR project on 24 December 2009. GPIC is one of the first Companies in the Middle East to install a Carbon Dioxide Recovery (CDR) Unit. This initiative highlights our commitment to combating Global Climate Change by cutting greenhouse gas (GHG) emissions and to improving our overall efficiency of natural resources by enhancing the production of Methanol and Urea.




HE Dr. Abdul Hussain bin Ali Mirza, Minister of Energy and President of the National Oil and Gas Authority (NOGA), inaugurated the Academy of Leadership and Learning at GPIC. The Academy will play a pivotal role in developing our indigenous talent into leaders of tomorrow.



HE Mr. Yousef bin Abdulrahman Al Zamil, Vice President of the Saudi Basic Industries Corporation (SABIC) and Deputy Chairman of the Board of Directors of GPIC and **HE Mr. Anwar Bin Salamah**, Deputy Managing Director of Kuwait Petrochemical Industries Company (PIC) and Managing Director of the GPIC Board of Directors, congratulated GPIC's leadership and its employees on winning the Arab Social Responsibility Award for 2011.

"GPIC is one of the most important companies operating in Bahrain and is therefore a role model and an example in fulfilling its social responsibility, which has become key to both the public and private sectors in helping to improve the social welfare of citizens." Abdulrahman Jawahery, GPIC President



On the Occasion of the visit
by
Her Majesty Queen Margrethe II
of Denmark and
His Royal Highness The Prince Consort
to
Gulf Petrochemical Industries Company

The Royal Couple Inaugurate
"H.M. Queen Margrethe II of
Denmark Olive Oasis"
on
Saturday the
5th of February 2011

جيسك
GPIC



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Introduction





AT GPIC, SUSTAINABILITY IS DEFINED AS THE CAPACITY TO ENDURE AND PERSEVERE AS AN ORGANIZATION WITHIN HIGHLY DYNAMIC AND DEMANDING MARKET CONDITIONS. WE DO THAT BY STRATEGICALLY RENEWING OUR ASSETS; CREATING AND DELIVERING QUALITY PRODUCTS THAT MEET THE EVOLVING NEEDS OF SOCIETY; DEVISING NEW STRATEGIES TO ATTRACT AND RETAIN NEW AND EXISTING TALENT WITHIN OUR ORGANISATION; CONSTANTLY MONITORING, MANAGING AND TAKING RESPONSIBILITY FOR OUR IMPACT ON THE ENVIRONMENT, AND PROACTIVELY INVESTING IN PROJECTS THAT HELP NURTURE A MORE SUSTAINABLE ENVIRONMENT. WE PRESERVE AND STRENGTHEN THE TRUST AND SUPPORT OF OUR CLIENTS, SHAREHOLDERS AND THE COMMUNITIES IN WHICH WE LIVE AND OPERATE.

Our initial sustainability report "30 years of excellence", published in 2009, was issued to commemorate our 30th anniversary since inception. As a way forward, and to further enhance our transparency and diligence in our approach to monitoring, measuring and reporting our economic, environmental and social performance, we have taken an initiative to align our sustainability reporting with the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines.

Along with measuring and communicating our economic, environmental and social performance as per the guidelines, we are also aiming to create a solid alignment with other key initiatives like the **UN Global Compact**, **Responsible Care**, and even highlight key areas / initiatives which are aligned to support the 8 **UN Millennium Development Goals**.

This report also includes information on the various corporate social responsibility and sustainability initiatives we have invested in, in the financial years 2010 and 2011 (period ending December 31, 2011).

The GRI frame work, a pioneering approach developed by an independent network-based organization, provides a standardized approach for sustainability reporting that helps organizations transparently measure and communicate economic, environmental and social performance.

This is the first year that GPIC's Sustainability Report 2010-2011 has been prepared, assessed and reported against the GRI G3.1 guidelines. We will continue to refine our sustainability reporting and will work to further enhance our commitment, targeting full compliance with the GRI report's 'A' level in future years. Furthermore, as part of our sustainability governance, we have plans to develop a formal sustainability road map/(target(s), which we aim to put in place before the next report.

"WITH OUR LEADERSHIP IN SUSTAINABILITY COMES A RESPONSIBILITY TO OUR EMPLOYEES, CUSTOMERS, LOCAL COMMUNITIES, SHAREHOLDERS AND INDUSTRY PARTNERS AROUND THE WORLD."

Leadership Commitment

- Chairman's Message
- Managing Director's Message
- President's Message





“OUR COMMITMENT TO SUSTAINABILITY IS AN INTEGRAL PART OF EVERYTHING WE DO AND IS A KEY CONTRIBUTOR TO OUR LEADERSHIP POSITION IN THE PETROCHEMICAL AND FERTILIZER INDUSTRY.”

Chairman's Message



Our sustainability is based on our pro-active approach, driven by the desire to create a strong relationship between our business practices, the stakeholders we directly impact, our country and the planet we live on.”

2010-2011 was a remarkable period from all aspects of our business including SHE excellence, business continuity, record production and profitability. One of our biggest challenges was to maintain our work force and business continuity during the turbulent period and political crisis in Bahrain in 2011. We met this challenge with success through our loyal and dedicated Labour Union and the employees.

At GPIC, our foundations have been built on the pillars of sustainability- People, Planet and Profit. Our sustainability is based on our pro-active approach, driven by the desire to create a strong relationship between our business practices, the stakeholders we directly impact, our country and the planet we live on.

As one of the leading organizations in the fertilizer and petrochemical sector, GPIC has enhanced the level of engagement with all stakeholders, ranging from our employees to our suppliers, from regulators to our shareholders and extending beyond into the communities in which we operate.

At GPIC, corporate social responsibility is all about how we manage our business processes to produce an overall positive impact on society. Becoming the first company in the Middle East to be certified to Responsible Care RC 14001 Management System in 2010 was a remarkable addition to our voluntary initiatives to enhance SHE excellence and corporate social responsibility.

We went a step further by embracing the guidance on corporate social responsibility, ISO 26000, and finally winning the Arabia Corporate Social Responsibility Award 2011.

GPIC's commitment to corporate social responsibility is a value that permeates at all levels of our business, impressed by a supporting culture that has been conscientiously developed across the organization. We are privileged to introduce this report, which is a reflection of our culture, of our engagement to our stakeholders, of our successes and of the challenges to our sustainability efforts.

We value feedback and we hope that you see in this report evidence of our determination to make GPIC a sustainable business that contributes to the world's sustainability.

Best regards,

A handwritten signature in black ink, appearing to be 'Isa bin Ali Al Khalifa'. The signature is stylized and written in a cursive script.

Isa bin Ali Al Khalifa
Chairman



Managing Director's Message



To ensure we lead the path towards responsible business, transparency and accountability, and to ensure we remain leaders in this within our industry, we are taking the next step towards monitoring and reporting excellence.”

From the very beginning, we have learned that the cutting edge competitive advantage can only result from weaving social and environmental considerations into business strategy. This ethos, developed by the visionaries of this Company, and consistently mandated by the Board of Directors, has become fundamental to our Sustainability and Corporate Social Responsibility Strategy.

GPIC's engagement with society has extended far beyond the traditional understanding of Corporate philanthropy. It has taken on the form of proactive, hands-on engagement, to assist in meeting the myriad of social sector needs, in education, health, skills development, poverty alleviation, women empowerment and infrastructure improvement.

We are mindful of the fact that the future growth strategy of GPIC relies on how we measure and manage our stakeholder engagement, social responsibility, environmental sustainability, and our overall financial optimization. Hence, in line with this, we benchmark ourselves against the best of the best. We want to learn from others and also share our best practices and provide a leadership role in inspiring Sustainability and Corporate Social Responsibility ethics both at regional and international levels.

To ensure we lead the path towards responsible business, transparency and accountability, and **to ensure we remain leaders** in this within our industry, we are taking the next step towards monitoring and reporting excellence. Our new sustainability report 2010-2011 is in compliance with the **Global Reporting Initiative (GRI)** sustainability guidelines. In this report we have also highlighted our progress on key global initiatives such as the UN Global Compact and the 8 UN Millennium Development Goals.

Best regards,

A handwritten signature in black ink, appearing to be 'Anwar Saeed bin Salamah'.

Anwar Saeed bin Salamah
Managing Director



President's Message



Our Responsible Care and Social Responsibility ethic is seamlessly integrated throughout the cultural fabric of our Company, and is an important contributor to our leadership position.”

For over 30 years, GPIC has been a part of Bahrain's economic landscape. In that time, we have survived the many challenges and shared in some of the triumphs that the country has been through. Our commitment to Bahrain, however, has never wavered and we have served the nation as a company that believes in achieving excellence and even going beyond in every aspect of what we do.

2010-2011 were strong earning years for GPIC, due in a large part to the significant recovery in the global Ammonia, Urea and Methanol market from the 2009 economic downturn. The successful completion of turnaround 2010, that saw continued investments in projects resulting in enhanced reliability, efficiency, productivity and business continuity, along with our close cooperation with our marketers, ensured smooth exports of our products resulting in record profitability. The company was able to make more profits, amounting to US \$138 million by the end of 2010, against US \$105 million in 2009, an increase of 30%, and our profits further increased in 2011 to US \$265 million, an increase of 48% over our 2010 profits. Net profit for the year 2011 is the second highest since the inception of the company.

GPIC's name and reputation today are the result of the loyalty, unity and tireless efforts of our people, who have felt a passionate and personal stake in our success. More than at any time in history, Bahrain needs unity in every section of its society now. This sense of unity has always been the corner stone of our success and it was highlighted furthermore when our Labour Union took a historic and wise decision on 14 March 2011 when they turned down a strike call by the Bahrain Labour Union Federation and chose to continue operations during the period of turmoil and instability in the Country. This helped us in maintaining business continuity during the political crisis in 2011 with the support of our loyal people, enabling us to produce record volumes of quality products.

Our commitment to the well-being of our people is reflected in the Company's outstanding record on safety, which is continuing with over 14 million man hours without a lost time accident. This achievement tops our list of Responsible Care Achievements. To maintain this achievement is one of our biggest challenges for 2012 and beyond. In 2011 we engaged DuPont to carryout a gap assessment of our Process Safety Management (PSM) system. The opportunities that arose as a result of this comprehensive audit are being reviewed and will be implemented in 2012.

Our leadership role in SHE and Corporate social responsibility excellence was further highlighted when GPIC became the first company in the Middle East to become certified for RC 14001 Responsible Care Management Standard in 2010. Our journey to responsible care started in 2008 with our declaration of support and commitment to Gulf Petrochemicals and Chemicals Association's (GPCA) Responsible Care Program. In October 2010, GPCA became a member of the Responsible Care Leadership Group of the International Council of Chemical Associations (ICCA). This milestone was realized by the efforts of the GPCA's Responsible Care Committee, led by GPIC's President. This affiliation acknowledges that the GPCA has a recognized RC program for the Arabian Gulf.

Our Responsible Care and Social Responsibility ethic is seamlessly integrated throughout the cultural fabric of our Company, and is an important contributor to our leadership position. We see this ethic in action throughout GPIC everyday. It is through our proactive initiatives to promote safety, our efforts to share our Responsible Care best practices inside and outside the Company, our support to local communities, and our employees' volunteering in local communities. It is because of this that we were the proud winners of the Arabia Corporate Social Responsibility Award 2011.



Our leadership commitment also drives our resolve to minimize our impact on the environment. In an era of global climate change we have taken several initiatives to reduce our carbon footprint and ensure that GPIC is a greener and a more planet-friendly company every year. Our major investments in this aspect go back to 1996 when we constructed a 1700 MT/day Granular Urea plant, followed by our recent venture, the carbon dioxide recovery unit, commissioned in December 2009. Both these projects have contributed significantly to reducing greenhouse gas emissions.

We believe that in order to add value to the shareholders and to remain competitive and sustainable in this ever evolving and challenging global market, we have to grow. In line with this outlook we have developed a strategic plan ranging till the year 2020, and very soon we are also looking towards a major expansion project to build a multi-billion dollar, world-scale ammonia and granular urea plant adjacent to our existing facilities. We have received the preliminary approval and once the final approval is attained the project will kick off. One of our biggest challenges for 2012 and beyond is the safe, on time, within budget completion of the project.

In line with our strategy of continued investments in reliability-related projects, we started two main projects that are in the construction phase. A) Construction of a new HP steam boiler, which once completed in 2013, will enable the comprehensive inspection of the existing HP steam boilers. B) A new Hypochlorite unit of higher capacity, which will phase out the existing chlorination process for sea water conditioning.

We continued our focus on maintaining our excellent regional and international relations with our stakeholders. The Queen of Denmark visited GPIC in 2011, the first monarch to visit a petrochemical complex on a state visit. During the visit the Queen inaugurated an olive tree oasis. This was followed by another high profile visit, that of H.H Sheikh Nasser bin Hamad al Khalifa. During the visit he honoured GPIC sports personalities for their achievements at Company / national levels.

At GPIC we are mindful that our success relies very heavily on our ability to attract, recruit, and retain the highest quality of human talent. A number of Bahraini employees opted for the early retirement package, which was both a challenge and an opportunity to induct young talent into our workforce. GPIC transformed its Training Centre into an Academy of Leadership and Learning with the objective of using this academy for developing of our talented staff into future leaders. We have started a Bridging Programme to groom identified in-house talent for supervisory positions in the Company. The programme is launched in partnership with Bahrain Polytechnic. Recruitment of female employees is also on the increase, highlighting our strong commitment towards the empowerment of women.

As a way forward, we are passionately committed to playing a leadership role in sustainability, and hence we are also aiming to create a solid alignment with other key initiatives like the **UN Global Compact, Responsible Care**, and even key areas/initiatives which are aligned to support the 8 **UN Millennium Development Goals**.

In our Sustainability Report which is based on GRI 3.1 guidelines, you can learn more about our achievements, our challenges and our future. Looking ahead, our challenge is to maintain and improve upon these standards of excellence. This report is part of GPIC's commitment to transparency as well as engagement with our stakeholders. It is part of the process by which we solicit feedback on the successes and failures of our sustainability efforts.

Best regards,

Abdulrahman Jawahery
President

Organization Overview

- Organizational Profile
- Corporate Governance
- Our Values



Gulf Petrochemical Industries Company

OVERVIEW

Shareholders	<ul style="list-style-type: none">• The Oil and Gas Holding Company (Nogaholding) of Bahrain, Saudi Basic Industries Corp.(SABIC) of KSA and Petrochemical Industries Co.(PIC) of Kuwait
Date Incorporated	<ul style="list-style-type: none">• December 1979
Number of Employees	<ul style="list-style-type: none">• 567 including trainees (>90% Bahrainis)
Principal Place of Business	<ul style="list-style-type: none">• Manama, Kingdom of Bahrain
Number of Operations	<ul style="list-style-type: none">• Manufacturing complex with three plants, Ammonia, Urea, Methanol and associated utilities
Core Products	<ul style="list-style-type: none">• 1200MT/D Ammonia, 1200MT/D Methanol, 1700 MT/D Granular Urea
Key Markets	<ul style="list-style-type: none">• USA, India, China, South Korea, Australia.
Scale of the Organisation	<ul style="list-style-type: none">• Medium
Total Capitalisation	<ul style="list-style-type: none">• US \$159 million (100% equity)
Sales 2010	<ul style="list-style-type: none">• US \$321 million
Sales 2011	<ul style="list-style-type: none">• US \$459 million
Total Assets 2010	<ul style="list-style-type: none">• US \$509 million
Total Assets 2011	<ul style="list-style-type: none">• US \$561 million
Net Profit 2010	<ul style="list-style-type: none">• US \$138 million
Net Profit 2011	<ul style="list-style-type: none">• US \$265 million
Total Products	<ul style="list-style-type: none">• 2010 - 1,475,892 metric tonnes• 2011 - 1,575,018 metric tonnes
Certifications	<ul style="list-style-type: none">• ISO9001:2008; ISO14001:2004 OHSAS18001:2007; PAS99:2006; RC14001; ISO27001; PSM OSHA standard 29CFR1910; CSR ISO26000
Memberships in Key International Organisations	<ul style="list-style-type: none">• National Safety Council (NSC -USA), Royal Society for the Prevention of Accidents (RoSPA-UK), International Fertilizers Association (IFA), Arab Fertilizers Association (AFA), Gulf Petrochemicals and Chemicals Association (GPCA)
Key Awards 2010-2011	<ul style="list-style-type: none">• The International Safety Award from the British Safety Council (Fourth consecutive year)• The Chemical Sector Award from the Royal Society for the Prevention of Accidents (RoSPA, UK)• First organization in the Middle East to obtain Responsible Care RC14001:2008 certification by the DNV• The Kingdom of Bahrain, Ministry of Labour Award for Outstanding Companies in Training and Human Resources Development - First Place• GCC Labour Ministers Council Award for Outstanding GCC Companies for Localization of Jobs for the second successive year.• Winner of GCC Sustainable Projects of the Year 2011 (Carbon Dioxide Recovery Plant) - The Meed Awards• Arabia Corporate Social Responsibility Award - 2011

Organisational Profile

Sustainability is strongly embedded in the Company's mission, which is 'to grow and add value to our customers and shareholders by meeting their expectations whilst: producing high quality products; focusing on customers; optimising business in a cost effective, safe, environmentally friendly and socially responsible way; embracing knowledge, creativity and best practices.'

Gulf Petrochemical Industries Company (GPIC) was established in the Kingdom of Bahrain in December 1979 as a joint venture between GCC member states for the manufacture of fertilizers and petrochemicals. The joint venture is equally owned by the Oil and Gas Holding Company (Nogaholding) of the Kingdom of Bahrain, Saudi Basic Industries Corporation and Petrochemical Industries Company of Kuwait. GPIC uses natural gas (which is readily available in Bahrain) as a feedstock for the production of ammonia, urea and methanol, totalling 1.5 million tonnes each year. In addition to the production plants the GPIC Complex, which was built in Sitra on a reclaimed area of 60 hectares, comprises utilities plants, maintenance workshops, offices, stores and laboratories.

We employ 567 people, including trainees, and over 90% of our workforce are Bahraini nationals. We have a Board of Directors comprising representatives of the three shareholding states. Our Board of Directors is chaired by H.E. Shaikh Isa bin Ali Al Khalifa, Advisor to His Highness the Prime Minister for Industrial and Oil Affairs and GPIC Chairman. Our executive management team is led by our President Mr. Abdulrahman Jawahery.

We consider ourselves as a role model in the protection of the environment and are the first industrial company to use practical demonstration projects to verify our environmental credentials and commitments. A fish farm, a bird sanctuary, palm tree plantations, a herbal and aromatic plants garden and an olive tree oasis have been established within our facilities. The challenges of regional and global climate change have always been taken seriously at GPIC, and in order to manage our greenhouse gas emissions we commissioned the Middle East's first carbon dioxide recovery plant in 2009. The unit, which captures 450 metric tonnes of carbon dioxide per day from the methanol plant reformer flue gases and recycles them to produce more methanol and urea, has significantly reduced our carbon footprint.

At GPIC we have a robust and internationally recognized Safety, Health and Environmental Management System. We have won many accolades, including the prestigious Sir George Earle

Trophy from RoSPA, UK in 2005 and the R.W.Campbell award from the National Safety Council, USA in 2008 for excellence in HSE management systems. We have effective management systems in place, and some of our accreditations include ISO 9001, ISO 14001, and OHSAS 18001. These three management systems have been integrated. We are also ISO 27001 certified, which deals with information security and have voluntarily embraced Process Safety Management (PSM) at our facilities. Our recent accreditations include Responsible Care RC14001 and the voluntary implementation of ISO 26000 guidance on Corporate Social Responsibility.

We are a significant contributor to the national economy of Bahrain. Having been established with a paid up capital of US \$159 million (100% equity), our cumulative profits have exceeded a billion dollars. Our activities, represented by natural gas purchases, employment and training of Bahraini nationals, utilisation of local contractors, power consumption and other financial and commercial operations, inject around US \$100 million annually into the national economy.

Our Corporate Board (Board of Directors) has a top-down view as the representative of shareholders' interest, and works with our senior management in deciding the overall strategic vision and direction of the company."

BOARD OF DIRECTORS



HE Shaikh Isa bin Ali Al Khalifa - Chairman (Centre), HE Yousef A.Rahman Al Zamel - Deputy Chairman (4th from left), HE Anwar Saeed bin Salamah - Managing Director (4th from right), HE Ahmed Ali Al Sharyan - Board Member (3rd from left), HE Mohammed bin Ali Al Yemni - Board Member (3rd from right), HE Sa'ad Mohammed Al Ajmi - Board Member (2nd from left), HE Hamad Dakheel Al Sebaie - Board Member (2nd from right), HE Fahad Hamad Al Dubayan - Board Member (Far left), HE Shaikh Fahad bin Salman Al Khalifa - Board Member (Far right).

EXECUTIVE MANAGEMENT TEAM



Sitting (from left), Fadhel Al Ansari (General Manager, Manufacturing), Ahmed Nuruddin (General Manager, Special Projects), Abdulrahman Jawahery (President), Adel Malik, (Finance Manager) and Yousuf Fakhroo (HR Manager). **Standing (from left)**, Yasser A. Rahim (Technical Services Manager), Ahmed Mahmood (Marketing Manager), Adnan Al Mahmood (IT and Knowledge Manager), Ahmed Ghuloom (Maintenance Manager), Zuhair Taufiqi (Public Relations Manager), Jassim Darwish (Safety, Health and Environment Manager).

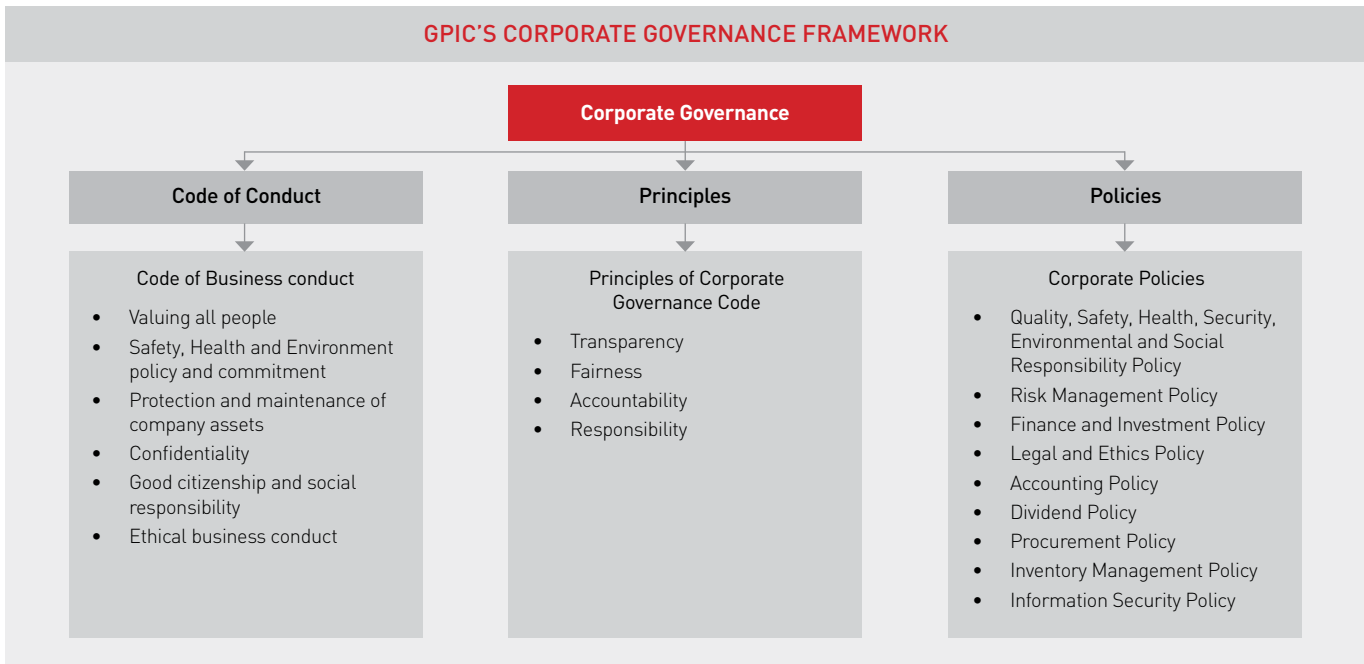
GPIC's Corporate Governance



Our governance strategy relies on creating mechanisms designed to ensure that we live up to our commitments and responsibilities to everyone with whom we interact, whether it be our shareholders, customers, suppliers, employees, host communities or the government.”

Sound corporate governance is the foundation of our long-term success and the sustainability of our operations. Our corporate governance policies ensure that we have strong management and clear direction for all of our business affairs.

The core of GPIC's governance structure revolves around the thorough and frequent audits of every department from management to functional levels.



Our Governance Strategy

GPIC's vision is 'to be a global, dynamic world-class petrochemical and fertiliser company of choice recognized for excellence.' Sustainability is strongly embedded in the Company's mission, which is 'to grow and add value to our customers and shareholders by meeting their expectations whilst: producing high quality products; focusing on customers; optimising business in a cost effective, safe, environmentally friendly and socially responsible way; embracing knowledge, creativity and best practices.'

Our corporate governance is the system by which our Company is directed and controlled. Our Board of Directors is responsible for the governance of GPIC. Our shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include setting the

Company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The board's actions are subject to laws, regulations and the shareholders in general meetings.

Our governance strategy relies on creating mechanisms designed to ensure that we live up to our commitments and responsibilities to everyone with whom we interact, whether it be our shareholders, customers, suppliers, employees, host communities or the government.

When it comes to governance, our first objective is to ensure that we remain compliant with all laws and regulations that govern our activities. All of our governance policies, whether they relate to human resources, safety, health and environment or our financial reporting, first and foremost ensure that they are in line with the laws of Bahrain.



GPIC's Vision, Mission & Corporate Values

VISION

To be a global, dynamic world-class petrochemical and fertiliser company of choice recognised for excellence.

MISSION

To grow and add value to our customers and shareholders by meeting their expectations whilst:

Producing high quality products | Focusing on customers | Optimising business in a cost effective, safe, environmentally friendly and socially responsible way | Embracing knowledge, creativity and best practices

CORPORATE VALUES

Excellence

Integrity & Fairness

Respect

Transparency

Safety

Professionalism

Social Responsibility

Creativity

Teamwork

Yet in keeping with our traditions of enabling excellence and even going beyond, the Company aims to raise the industry benchmark rather than merely be legally compliant.

In essence, our governance strategy is designed to ensure that we live up to its core values and principles, enabling excellence in everything we do.

Our Corporate Governance system is based on three fundamental components, namely:

- Principles,
- Code of Conduct
- Policies.

The system has been based on our shareholders' aspirations to conduct our business within the acceptable international/local guidelines and standards to ensure full protection of the interests of all our stakeholders. We also follow all the relevant anti-competitive behavior laws and no incidence of non-compliance with laws or regulations concerning the provision and use of products and services have been identified till date.

Principles

Our Corporate Governance principles have been developed based on the principles held within our Memorandum and Articles of Association and the principles of the Bahrain Commercial Companies Law. These Corporate Governance Principles are responsible for providing a basis for a system of principled goal setting, effective decision making, and ethical standards, with the objective of establishing a fundamental corporate entity that adds long term value to our shareholders, and which is in compliance with our Articles of Association. Our Board of Directors is fully entrusted with the responsibility and custody of the corporate governance within the organization. The objectives of this Corporate Governance Code include:

- Optimizing the financial returns for the shareholders;
- Improving the performance of the company;
- Facilitating the obtainment of necessary credit at acceptable and reasonable cost;
- Contributing to the long term continuity of the company as going concern.

The basic principles of this Corporate Governance Code are:

- Transparency
- Fairness
- Accountability
- Responsibility

Code of Business Conduct

The Code of Conduct developed by GPIC sets the standards for corporate governance and ethical behaviour within the Company, which must be followed and respected by Directors of the Board, senior management and our people. All our people are requested to sign a copy of this code upon joining, which is placed in their respective personnel file under the custodianship of the HR Department. The purpose of developing a GPIC Code of Conduct is to provide our staff with a set of standards meant to assist them in avoiding any wrongdoing and promote honest and ethical behaviour in conducting business, while at the same time laying down a process for reporting suspected violations of the Code. The intent of this Code is to provide a set of guidelines to all our people on the conduct of their business and professional activities and when dealing with colleagues, vendors, customers, contractors, government agencies and the public. This document serves as a reminder to all our people that it is important for them to uphold the highest standards of integrity and personal conduct in all matters that involve their work. They should also be aware that breaches of these values may result in disciplinary action against violators and those who conceal or hide information against the Company's interests. References to disciplinary action in this Code are in accordance with locally applicable rules and regulations; such action may extend to termination of employment in appropriate cases. In addition to such disciplinary action, one might be subject to legal action in case of any violation of public law.

- **Valuing all people**
Respect for Religious Beliefs
Respect for the Law
Harassment free work environment
Rights of Individual
- **Safety, Health and Environment**
Policy and commitment
- **Protection and Maintenance of Company Assets**
Protection of all Company assets and facilities
Prevent misuse



- **Confidentiality**
Information and Knowledge Management
Requests for Employee Information
Information Technology - Privacy, Security and Copyrights
Confidential Information
- **Good Citizenship and Social Responsibility**
Substance Abuse
Social and Political Relations:
- **Ethical Business Conduct**
Business Ethics
Conflict of Interest
Bribery and Corrupt Practices
Gifts, Gratuities and Entertainment
Outside Employment
Preventing Fraud and Thefts
Representing or Speaking on Behalf of GPIC

Corporate Policies

Our Board of Directors provides a plan of action to guide decisions and achieve rational and desired outcomes. This is communicated through the Board resolutions and/or Corporate Policies. Currently, the GPIC Board of Directors have approved specific policies covering various aspects of the Company's operations such as:

- HR Policy
- Legal and Ethics Policy
- Accounting Policy
- Finance and Investment Policy
- Dividend Policy
- Procurement Policy
- Inventory Management Policy
- IT Policy
- Integrated Quality, Safety, Health and Environment Policy
- Vehicle Policy
- Credit Card Policy
- Risk Management Policy

We ensure that all legal and regulatory requirements are fulfilled at all times and we endeavour to comply with the prevailing globally accepted accounting, engineering, safety, environment and other standards. Our procurement and contracting policies ensure the legal and easy dealing with suppliers and helps us

in avoiding any potential conflicts of interest. Based thereon, appropriate detailed and documented procedures are developed to cover every significant process within the organisation. These are validated and certified through independent accreditation bodies to cover all aspects of quality, occupational hazards and safety, health, environment and IT security, preferably under the umbrella of an appropriate Integrated Management System. Adequate audit systems are also be put in place to validate compliance as well as ensure that necessary controls and checks are in place. The master copy of the corporate policies is kept in the custody of the Secretary to the Board of Directors. Our President distributes a copy of these policies to various department managers to ensure compliance. Our Board of Directors may also amend these policies or issue new policies from time to time to meet the business requirements of the Company based on the prevailing business/corporate environment at the time.

Our Corporate Governance Structure

Our governance approach is multi-faceted; we have in place a system of audits and reporting, both external and internal, designed to capture any irregularities in time.

Shareholders

The Company is equally owned by the following three shareholders:

- Government of the Kingdom of Bahrain represented by the Oil and Gas Holding Company.
- Saudi Basic Industries Corporation (SABIC), Kingdom of Saudi Arabia.
- Petrochemical Industries Company (PIC), Kuwait.

Board of Directors

Our governance structure starts with our Board of Directors. Our Board of Directors includes nine members, equally nominated by the three shareholders, who share the collective responsibility of ensuring that the affairs of our organization are managed competently and with integrity. As per the Memorandum and Articles of Association of GPIC, the duration of membership to the Board of Directors is for three years and members can be reappointed for the same duration or other durations.

The Chairman of the Board will always be elected from amongst the Bahraini Board Members, while the Deputy Chairman is to be elected from amongst either the Saudi or Kuwaiti Board members. The Chairman and the Deputy Chairman will be elected for a period of three years.

We ensure that all legal and regulatory requirements are fulfilled at all times and we endeavour to comply with the prevailing globally accepted accounting, engineering, safety, environment and other standards.”



The key responsibility of the Chairman is to monitor and evaluate the performance of the Board and senior management to ensure compliance with the Company's code of corporate governance.

The Board of Directors appoints a Managing Director from amongst the Board Members representing Saudi Arabia or Kuwaiti Board Members and shall determine his/ her level of authority. The selection will be alternated between the Saudi and Kuwaiti shareholders. The appointment shall be for a period of three years.

The Managing Director is elected by the Board of Directors as per the Company's corporate governance, with the prime task of being the link between the Board of Directors and the Executive Management.

Executive Management

The Managing Director is responsible for ensuring full implementation of the approved policies and strategies set by the Board through the Executive Management. His / her authorities are defined in the Approval Authority Scheduled (AAS) written by the Board of Directors. The Board of Directors shall appoint a President for the Company and shall determine his/her authority, responsibilities and remuneration. Under the stewardship of the President, the Executive Management is responsible for the day-to-day operations and activities of the Company. These are based on the overview, guidelines and directives provided by the Board of Directors and/or the Managing Director.

Board Committees

The Board is assisted by committees that are responsible for monitoring and ensuring compliance with all of the Country's laws and the Company's policies and procedures.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee is one of the most critical governing bodies of the company. The committee is chaired by the Managing Director and two other Directors nominated by the Board representing the other two shareholders. The Committee assists the Board in fulfilling its oversight responsibility relating to: the integrity of the company's financial statements; the financial reporting process; the systems of internal accounting and financial controls; independence and performance of the external auditors; risk management processes; financing plans; pension plans; and

compliance by the Company with ethics policies and legal and regulatory requirements.

Major Projects Committee

The Major Projects Committee is chaired by the Chairman of the Board and includes the Deputy Chairman and the Managing Director along with the President. The Major Projects Committee is responsible for reviewing and making recommendations to the Board of Directors regarding important policy matters and essential projects that have a significant impact on our organisation.

Strategic Plans

The Board has the responsibility of overseeing, understanding, reviewing and monitoring our short, medium and long term strategic plans from their inception through to their development and execution by management.

External Auditors

The external auditors for the Company are appointed by the shareholders in the General Assembly Meeting. The auditors with respect to their authority, responsibility and conduct will be subject to the provisions of the of the Bahrain Commercial Law. The auditors will submit to the General Assembly Meeting of the shareholders a report, indicating whether the balance sheet and profit and loss accounts are in agreement with the facts and that they give a true and fair view of the Company's financial state: whether the Company maintains regular accounts; whether the stock taking has been carried out in a proper manner; whether the particulars, data and information stated in the report to the Board of Directors are in conformity with those contained in the books of the company; whether there has been any breach of any rules of the Memorandum and Articles of Association of the Company during the financial year in question. The Auditors (acting as the agent of the shareholders) are responsible for the accuracy of the particulars stated in the report to the shareholders. Each shareholder will have the right at the General Meeting to discuss the auditors' report and to seek clarification in respect of its contents. The auditors will be liable to the Company for compensation of damages sustained by reason of errors committed by them in the course of carrying out their duties.

Periodic Review and Assessment

GPIC engaged KPMG to independently assess GPIC's current governance practices against the Bahrain Corporate Governance

GPIC engaged KPMG to independently assess GPIC's current governance practices against the Bahrain Corporate Governance Code issued in March 2010."



Code issued in March 2010. The Code is based on 'Comply or Explain' framework and is applied to all joint stock companies incorporated under Bahrain Commercial Companies Law. However it should be used by all other companies to the extent that it applies to their circumstances.

The Code became effective from 1 January 2011. All companies to which the Code applies are to be in full compliance by the end of 2011.

As a result of gap analysis and bench marking of our existing Corporate Governance vis-a-vis the Corporate Governance Code of the Kingdom of Bahrain, a number of opportunities for improvement and recommendations were put forward by KPMG that include:

Phase 1: Opportunities for Improvement

Principle 1: The Company shall be headed by an effective, collegial and informed Board

- GPIC to issue letters of appointment to each Director.
- A Board charter outlining the Directors' roles and responsibilities to be documented which should include: Clear demarcation of roles and responsibilities of Directors and Management.
- Schedule of matters reserved for Board decision.
- Time commitment review.
- Specific procedures for effective management of conflicts of interest and Register of interests.
- Authority of Directors to obtain independent legal and, other professional advice.
- Authority for Directors to obtain independent advice for any unresolved concerns and requirement of documenting the same.
- Authority for Directors to have direct access to Management.
- Annual review requirement for President's succession plan.
- Performance assessment framework for Board and Board Committee members.

Principle 2: The Directors and Officers shall have full loyalty to the Company

- Directors' Code of Conduct

Principle 3: The Board shall have rigorous controls for financial audit reporting, internal control, and compliance with law

- The Audit, Finance and Risk Committee Charters should specify the financial literacy requirements of its members.

- "Whistleblower" programme and supporting policy to be put in place.

Principle 4: The Company shall have rigorous procedures for appointing, training, and evaluation of the Board

- Board Charter to include need for formal and tailored Directors' induction and, on- going educational programme
- Board Charter to include corporate governance oversight responsibilities.

Principle 5: The Company shall remunerate Directors and officers fairly and responsibly

- Board Charter to include Board of Directors duties with regard to the remuneration of the Directors and Officers of GPIC.

Principle 6: The Board shall establish a clear and efficient management structure.

- Board Charter to include requirement to perform annual review of Presidents' Succession Plan and, such reviews to be minuted accordingly.

Principle 7: The Company shall communicate with shareholders, encourage their participation and respect their rights

- GPIC to consider that shareholder representatives should also attend the Annual General Meeting (AGM) in addition to the nominated Directors.

Principle 8: The Company shall disclose its corporate governance framework

- To develop Corporate Governance Disclosure statement
- At annual shareholders' meetings, the Board to report the GPIC's compliance with its guidelines and the Code, and explain the extent and justification for any exceptions.

Phase 2: Next Steps for GPIC:

To develop the following;

- A Written appointment letters template for Directors
- A Board Charter
- A Directors' Code of Conduct
- A Policy on Conflicts of Interest and Register of Interests
- An Update on the Audit, Finance and Risk Committee Charter
- A Whistle Blowing Programme

Our Values

CORPORATE VALUES



“GPIC’s Core values are the nine pillars that define every aspect of our way of doing business”

They control our behaviour and guide the way in which we implement our business processes.

- Excellence
- Integrity and Fairness
- Respect
- Transparency
- Safety
- Professionalism
- Social Responsibility
- Creativity
- Teamwork

Excellence

We strive for excellence in all we do and in all we achieve. This is reflected in all aspects of our activities. We believe that excellence can be achieved by doing quality work and having a relentless commitment to continuous improvement.

GPIC is passionately committed to not just attaining excellence in business but also serving the communities that host us.

Our motto is, “Excellence in all we do”

Integrity and Fairness

We do care how results are achieved and will demonstrate honest and ethical behaviour based on integrity and fairness in all our activities.

Choosing the course of highest integrity is our intent and we will establish and maintain the highest professional and personal standards.

Respect

At GPIC all employees are expected to undertake their activities with due regard to the feelings and rights of others. The development of strong moral principles and ethical behaviour will ensure that we give due respect to everyone. We must consistently treat each other with respect and strive to create an organizational environment in which individuals are encouraged and empowered to not only contribute, but also help to grow and develop themselves and help to develop each other.

Transparency

At GPIC all employees are expected to carry out their business activities in a clear and transparent manner. The intent behind our actions should be obvious or evident and should be open to scrutiny.

Safety

At GPIC, we manage and utilize resources and operations in a RESPONSIBLE way such that the safety of our employees, our neighbours, our customers and our visitors is ensured. We believe our safety, health and environmental responsibilities extend beyond protection and enhancement of our own facilities, and we are concerned about the society in whole.

We always aim for ZERO harm when it comes to safety, health and environmental management.

Professionalism

At GPIC, all employees are expected to undertake their activities in a skilled and competent manner. Careless or substandard work will result in sub-standard product which is unacceptable to our ethic of excellence.

Social Responsibility

GPIC believes that society must have industrial organizations that it can trust. Trust and confidence are earned by our performance, by open and direct communication and by the active involvement in the communities where we live and conduct our business.

All employees must be aware of the impact of their actions on society both inside and outside the company. Social responsibility includes a commitment to protecting the environment, and all who depend on it for their health and safety.

Creativity

GPIC believes innovation and creativity are crucial to business success. To achieve this success, our employees are required to continually strive to produce break through ideas that result in improved solutions and services to customers.

We encourage challenges to the status quo and seek organizational environments in which ideas are generated, nurtured and developed.

Teamwork

GPIC believes that high-performing teams can achieve what individuals alone cannot. At GPIC all employees belong to one team called the GPIC TEAM.

Teamwork will encompass the values of individual Excellence, Integrity and Fairness, Respect for each other, Transparency in all our relationships, Safe working methods, Professional work ethics coupled with a Socially Responsible attitude and a Creative approach.

Sustainability Overview

- Sustainability Strategy
- Sustainable Framework
- Stakeholders Engagement
- Our Committees
- Our memberships in key organizations
- GPIC in 2010 / 2011... Highlights
- Corporate Objectives 2012
- Enterprise Risk Management





“AT GPIC WE DEDICATE OURSELVES AND OUR BUSINESS PRACTICES TO SUSTAINABILITY – THE BETTERMENT OF SOCIETY, THE ENVIRONMENT AND THE ECONOMY.”

Sustainability Strategy

“Responsible Care is our Commitment to Sustainability.”



GPIC's sustainability strategy is centered on the three pillars for sustainable development, namely People, Planet and Profit; whereby we measure our success on social responsibility, care for the environment and profitability.

Our business model is based on conforming with the sustainable development for the fact that all our operations and activities have an impact directly or indirectly, not just on the welfare of the shareholders and employees, but also on the lives of the people in the host communities in which we operate, as well as the environment.

In developing our sustainability strategy, we ensure a close-knit integration between the stakeholders' interest, the environmental aspects and the core business.

First and foremost we consider ourselves as a corporate citizen of Bahrain. It ensures that our business model is geared towards Bahrain's economic needs. We create an opportunity for a far wider community than the direct suppliers and customers; it helps us fulfill the economic promise of the nation as a whole.

We believe that the real key to profitability is being reliable and open for business when the market is good. To achieve this, we have crafted our strategies, prioritised our investments, maintained our assets and developed our human talent to ensure responsible operations and business continuity.

We believe that in order to add value to the shareholders and to remain competitive and sustainable in this ever-evolving and challenging global market, we have to grow. In line with this outlook, we have developed a strategic plan ranging until the year 2020 and very soon we are also looking towards a major expansion project to build a multi-billion dollar, world-scale ammonia and granular urea plant adjacent to our existing facilities.

At GPIC we are mindful that our success relies very heavily on our ability to attract, recruit, and retain the highest quality of human talent. This is why, as part of our commitment to people, the first group of stakeholders we identified consists of our own people. Simply put, without our people, our reputation would not be what it is today, so we focus on nurturing them and developing them throughout our careers.

Another set of stakeholders we have identified are the communities that host our business and our people. We are aware of the fact that our business and/or negligence may be equally damaging to these communities. We view this as part of our core responsibility to cater to their needs and be aware of

their interests. At the same time, the safety of all our employees, contractors and host communities is also paramount.

At GPIC, corporate social responsibility is all about how we manage our core business processes to produce an overall positive impact on society.

Our social investment strategy is crafted with a commitment to the idea that our stakeholders include a much broader category than only our people, shareholders or financial investors. We have an unwavering commitment to invest in helping address the social needs firstly of our neighbouring communities, but also of Bahrain as a whole.

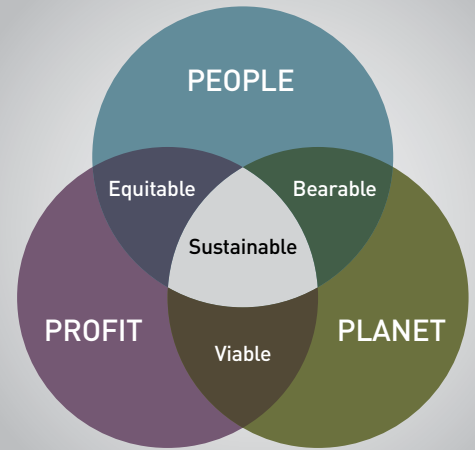
At GPIC we believe in giving back to communities, addressing not just their immediate needs but also their long term ability to lead healthy and productive lives. This is why we have invested heavily in providing and supporting education, technical /vocational training, and health care. Furthermore, we ensure that our social investments reach every segment of the Bahraini society in need.

As the world's climate begins to change, no company can afford to ignore the impact it has on the environment any longer. We have committed ourselves to some of the most stringent standards when it comes to environmental management because we believe that the way any organisation manages environmental issues is a crucial measure of their standards of corporate social responsibility, competitiveness and vision. As part of our continual improvement, and in addition to taking responsibility of our own environmental footprint, we have been accredited to ISO 14001 and Responsible Care management system RC 14001.

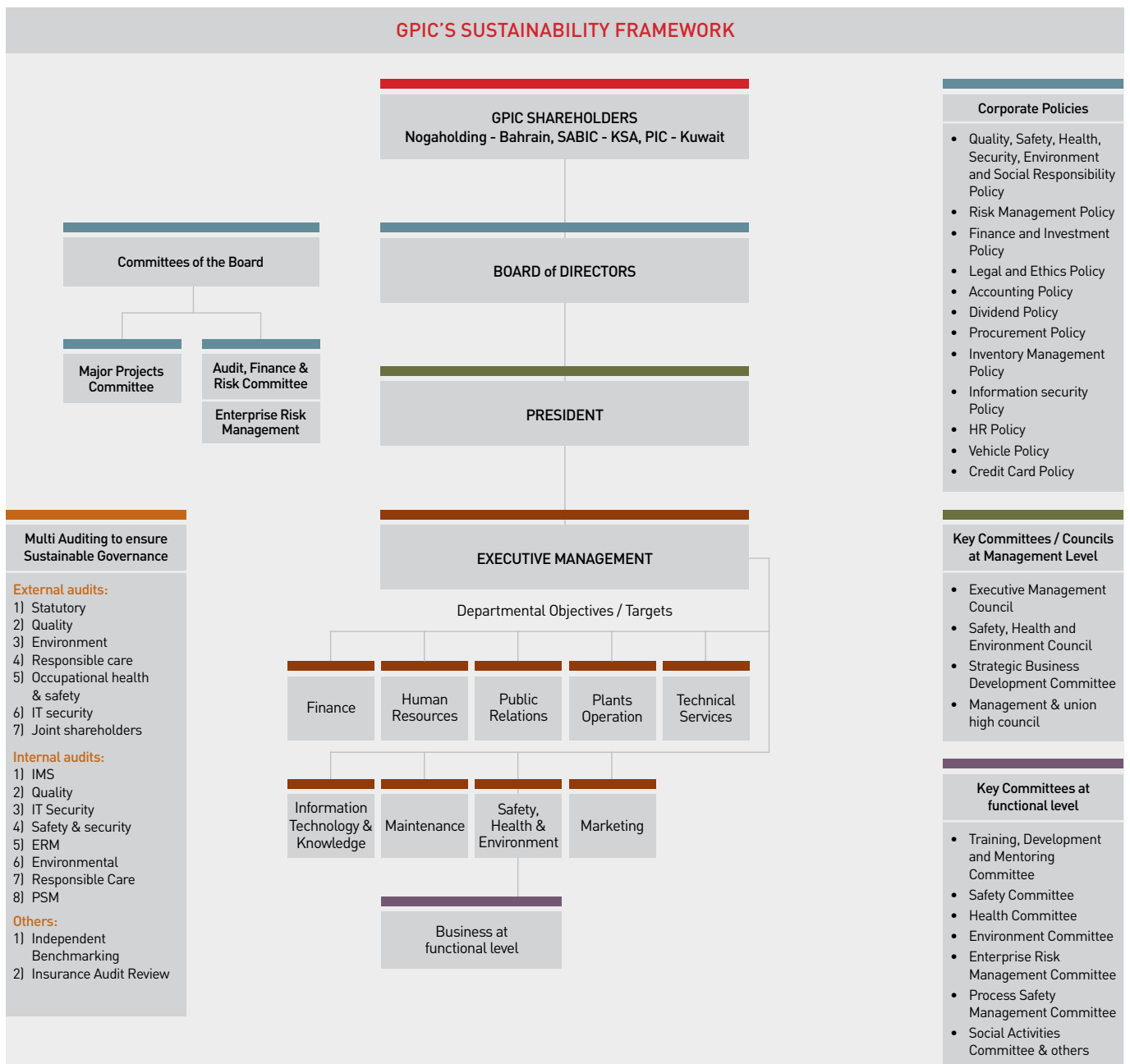
In essence, our sustainability strategy highlights the commitment to manage the entire business in a manner that does not focus only on profits, but also the social responsibility factors. We believe being successful is about sharing opportunities. It is about trying to be successful in making the world a little bit better, by creating 'win-win-win' situations for us, our stakeholders and the planet.

Sustainability Framework

“In developing our sustainability strategy, we ensure a close knit integration between the stakeholders’ interest, the environmental aspects and the core business.”



GPIC'S SUSTAINABILITY FRAMEWORK



Crafting strategies for tomorrow
in an annual strategic meeting



The following framework outlines our approach towards implementing our sustainability strategy. The framework follows the 'Plan-Do-Check-Act' cycle.

(Please refer to the GPIC's Sustainability framework chart) - Page 31

Plan: Management and Direction

Our Corporate Board (Board of Directors) has a top-down view as the representative of shareholders' interest, and works with our senior management in deciding the overall strategic vision and direction of the company.

They ensure that the corporate policies, including the policies governing quality, safety, security, health, environment and social responsibility, are aligned with our Board requirements and our business strategy.

Our Board is assisted by a number of Board Committees, such as the Major Projects Committee, and the Audit, Finance & Risk Committee. These committees provide assistance to the Board in making decisions related to important policy matters, fulfilling its oversight responsibility relating to the integrity of Company financial statements, the financial reporting process, systems of internal accounting and financial controls, independence and performance of the external auditors, the risk management process, financial plans, and compliance by the Company with our ethics policy and legal and regulatory requirements.

Our Board of Directors provides a plan of action to guide decisions to achieve rational and desired outcomes. This is communicated through Board resolutions and/or corporate policies. Based thereon, appropriately detailed and documented procedures are developed to cover every significant process within the organization.

Do: From Strategy to Results

Our business, at an operational level, is governed by the Executive Management led by the President, who is responsible for translating the direction set by the Board into results. Our corporate level objectives and targets are set for each financial year, covering the entire business. These Corporate objectives and targets form the basis of setting objectives and targets at functional level, followed by management programmes and action plans. Key performance indicators are selected to track, measure, monitor, report and review on a regular basis and monitor performance.

A number of committees at the operational and functional level provide recommendations to ensure sustainability in business areas such as health, safety and environment, business investments, operational excellence, social responsibility, budgetary

matters, training and development, compensation and benefit plans and other core areas.

Check: Monitoring, Auditing & Reporting

We have a number of monitoring and reporting mechanisms including multi-auditing (both internal and external) in place at every level of the organization, to provide a robust process of planning and measuring results. These mechanisms provide a bottom-up and top-down approach to review and measure the achievement of objectives and to decide our future actions.

The multi-auditing mechanisms ensure effective governance within the organization.

Salient External Audits:

- External Statutory Audit
- External Quality Audit – ISO 9001
- External Environmental Audit – ISO 14001
- External Occupational Health & Safety Audit - OHSAS 18001
- External IT security Audit – ISO 27001
- Responsible Care Audit – RC 14001
- Joint Shareholders Audit – Sabic and PIC

Salient Internal Audits:

- Internal Management Systems Audit
- Internal Quality Audit
- Internal Environmental Audit
- Internal IT security Audit
- Security and Safety Audit
- Enterprise Risk Audit

Others:

- Independent Benchmarking
- Insurance Audit Review
- PSM
- AQIS (Australian Quarantine Inspection Services)
- ISPS (Port security audit)

Act: Opportunities for Improvement

Opportunities for improvement identified in the 'Check' stage of the cycle are developed into actions for immediate attention or for inclusion in the 'Plan' stage of the management cycle. The overall governance is maintained by an internal reporting chain, through which the function manager reports to a member of senior management who then reports to the Board's committees. The performance at all levels is reviewed periodically to ensure sustainability and business excellence.

Stakeholder's Engagement

"We strongly believe in the importance of engaging meaningfully and transparently with our stakeholders."



GPIC believes that being a responsible producer of petrochemicals and fertilizers means, among many other things, respecting the interests of our stakeholders, so we take their needs and input seriously. We also believe that sustainable solutions to the pressing issues we face can only be resolved if all groups of society work together for one goal.

Therefore, we continually seek dialogue at the local, national, regional and international levels with representatives from government, industry and society, as well as our own people, shareholders, customers and suppliers, and strive to build long-term relationships with them. Only in this way can

we hope to increase our responsiveness to their concerns, find new ways to reduce our impacts, balance business efficiency with economic success and, ultimately, continue to make a more competitive, profitable and sustainable enterprise.

GPIC engages with a wide cross-section of stakeholders. Our local communities are particularly important to us because our facilities are located close to residential areas. Our commitment to all our stakeholders is strong, deep and multi-faceted. Not only do we support our shareholders and our people but also our host communities and the nation that has given us the opportunity to thrive amidst the challenges it faces.



Women empowerment - one of our key priorities

We have identified nine key stakeholder groups on which our continued success is dependent, to some degree, and here we outline some of the ways we have engaged with them during 2010 and 2011. Although the mode of engagement is yet to be formalized and customized for sustainable development at some levels, most of our direct engagement activities are generating fruitful ideas, thoughts and concerns that have made GPIC more focused in building strong and win-win relationships with its stakeholders and provided tangible benefits to the community.

We followed a systematic approach for identifying and selecting our key stakeholders. The process included listing all the stakeholders that may have an impact on the Company's sustainability performance in one way or other, selecting the key stakeholders based on their current and long-term impact on performance. The identification and selection process included a ranking system for the potential stakeholders followed by group discussions with line managers.

We value our stakeholders feedback and consider it an important aspect of our sustainability engagement. The examples of engagement highlighted against each category of our stakeholder[s] also indicate the various modes through which we seek feedback from them. The feedback from our stakeholders is taken up seriously and is evaluated and implemented on case to case basis.

1. Shareholders

Why identified as a stakeholder?

Our shareholders are also co-owners of the business. They have a share in its success and have a say in how the business is run. They also have an 'external voice' as advocates for our business and all that we do. By engaging with them, we can create a working environment in which everyone can feel valued and reach their potential.

Key interests

- Corporate governance
- Long term future of the company and its impact and sustainability
- Enterprise risk management
- Overall sustainability performance: Economic, Environment, Social
- Corporate strategic plans and progress
- Corporate level audits
- Human talent development, employee satisfaction
- Corporate objectives and progress

Examples of engagement (Frequency)

- Regular Board meetings and other meetings (quarterly)
- Councils, forums and committees at local and regional levels (held according to the committee's charter)
- On-line communication tools such as e-mails, websites (dynamic channel of close and routine communication)

2. Our People

Why identified as a stakeholder?

Our people are the basis of our glory. Our success relies very heavily on our ability to attract, recruit and retain the highest quality of talent. We realize that our success depends on the degree to which we can keep our people engaged to continue performing at their full potential. We have multiple policies in place to ensure the highest motivation and productivity levels.

Key interests

- Recruiting the right people at the right time for the right position
- Employee satisfaction and motivation
- Employee development and competency review and enhancement
- Safety and Health care
- Employee retention
- Employee benefits
- Work ethics

Examples of engagement (Frequency)

- Multiple forums throughout the year in which employees are encouraged to share their views with executives about a variety of issues within the Company (as and when required)
- Strategic Executive Management and Management meeting once a year during first quarter to discuss and share Company performance, future strategies and challenges. The attendees include Managers, Superintendents, potential employees, Labour Union members
- Regular meetings right from the shop floor to top-tier management level
- Involvement in functional committees and councils (meetings from daily to once a year)
- Printed publications, such as the Company magazine (at least once a quarter or special editions covering special occasions)

Our people are the basis of our glory. Our success relies very heavily on our ability to attract, recruit and retain the highest quality of talent.”

Honouring
Outstanding Students



- On-line communication tools such as e-mails, websites, intranet (as and when required)
 - Regular Labour Union meetings with employees and Management (from twice a year to four times a year)
 - Open face-to-face discussions (as and when required)
 - Conferences, forums, presentations
 - Suggestion schemes (open online throughout the year)
 - Regular sectional meetings (monthly to twice a year depends on sections/department objectives)
 - Regular shift talks (on monthly basis per shift group per plant)

3. Our local communities

Why identified as a stakeholder?

The safety of our employees and the communities in which we operate is paramount. Our local communities are particularly important to us because our facilities are located close to populated residential neighbourhoods. We actively communicate with local communities to share, understand and manage the social, economic and environmental impact of our operations.

Key interests

- Support for their community needs
- Education and awareness on environmental issues

Examples of engagement (Frequency)

- Open to visits by community members to our industrial areas (minimum of 45 visits per year)
- Environmental awareness lectures imparted by GPIC employees to Bahrain schools at various levels (minimum 30 lectures per year)
- Media (electronic and press) (throughout the year)
- Social investment (financial support)

4. Government and Regulators

Why identified as a stakeholder?

We aim to meet the spirit as well as the letter of the law. We engage actively with the government and all relevant regulators to discuss and raise awareness of our business and to provide a view on issues that impact on our shareholders, customers and the communities in which we operate.

Key interests

- Legal, legislative and regulatory compliance
- Information sharing
- Skills, economic development and employment opportunities

- Labour standards and employee rights
- Minimising environmental impact
- Alignment with the Kingdom of Bahrain's Vision 2030
- Sustainability of raw materials
- Waste management, effluents and recycling activities
- Security

Examples of engagement (Frequency)

- Conferences and speaking engagements (periodic)
- Presence at various business leader forums and policy advisory groups (as and when invited)
- Working closely with local authorities during the planning and construction of new projects (as and when required)
- Working closely with regulators related to environment, safety and health to ensure legal compliance (according to the committee charter with minimum once per year)
- Regular audits by government officials (minimum one visit per year)
- GPIC representation and participation in governmental entities, committees and task groups (periodic)
- The GPIC President's representation as member of Shura Council and other governmental entities (weekly meeting at the Shura)

5. Suppliers

Why identified as a stakeholder?

We aim to build long-term relationships with our suppliers based on honesty and fairness.

Key interests

- Long-term relationships
- Equal opportunity, fair treatment and competitive pricing
- Sustainability of their products and services
- Sustainability of raw materials
- Social responsibility, with a focus on the human rights of the work force

Examples of engagement (Frequency)

- Supplier conferences, forums and workshops
- Day-to-day communications between suppliers, vendors, buying teams and technologists
- Meetings with suppliers (minimum one kick off meeting)
- Formal feedback from contractors, vendors (after major activities such as biennial turnarounds)

We continue to work proactively with NGOs on issues that are relevant and material to our business operations or fit with our business principles.”

GPIC employees attend GPCA forum



6. Media

Why identified as a stakeholder?

We engage with the media to ensure that the public perception of us is as closely aligned to reality as possible. It is our aim to enhance and protect our image and reputation as a responsible business within the community.

Key interests

- Our progress on sustainability and corporate social responsibility
- Sharing GPIC's achievements and best practices regionally and internationally
- Enhancing GPIC's reputation
- Value addition to catalyze unity amongst the people of Bahrain

Examples of engagement (Frequency)

- Responding to media requests for information and interviews (as and when requested)
- Conferences and speaking engagements (periodic)
- GPIC's official website (available 24 hours)
- GPIC's engagement of media to cover most of its official events held internally and externally (as and when required)
- GPIC's publications and newsletters (periodic - minimum one release every quarter)
- Press releases in key newspapers (as and when required)
- TV and Radio interviews of GPIC's President (as and when required or requested)

7. Non-governmental organisations (NGOs)

Why identified as a stakeholder?

We recognize the benefits and importance of proactively engaging with NGOs to understand their views on a range of issues. We continue to work proactively with NGOs on issues that are relevant and material to our business operations, or that fit with our business principles. We also understand that we have a responsibility to help capacity- build these organization to ensure that their outreach within the communities is enhanced.

Key interests

- Environmental protection, social and economic development
- Establishment of mutually beneficial relationships

Examples of engagement (Frequency)

- Conferences and speaking engagements (periodic)
- Correspondence (as and when required)
- Face-to-face discussions (as and when required)
- Communicating our position on a range of social and environmental issues (as and when requested/required)
- Responding to information requests and surveys (as and when requested)
- Bench-marking surveys (periodic/ as and when requested)

8. Customers

Why identified as a stakeholder?

We aim to deal honestly with our customers and secure their loyalty and trust through the supply of high quality products. Only by gathering feedback on our performance from our customers can we address their concerns and needs to ensure that they remain satisfied.

Key interests

- Customer satisfaction
- Quality and competitive benefits
- Sustainable products

Examples of engagement (Frequency)

- Feedback through marketing and online feedback forms (online feedback is dynamic (GPIC website and with every product shipment there is a customer feedback form)
- Audits via buyer surveys (annual meetings with surveyors)
- Customer feedback evaluation forms (as and when required-for every consignment)
- Customer invitational and group meetings (quarterly meetings with marketers Sabic and PIC)

GPIC Committees



One of the main reasons for our success over the past decade has been our “ONE TEAM” approach to all our business processes. One of the pillars of this concept is the cross-functional committees or task teams covering various segments and addressing the related issues within the company.”

One of the main reasons for our success over the past decade has been our “ONE TEAM” approach to all our business processes. One of the pillars of this concept is the cross-functional committees or task teams covering various segments and addressing the related issues within the company.

Committees play a pivotal role, not only in the day to day running of our business, but also as a focal point in the innovation process. So much so that effective from the beginning of 2011, we

created a dedicated “Innovation and Patent” Committee that we believe will give further impetus to innovation and put us on par with the best in the world.

We have over thirty committees, councils and teams which are instrumental in enabling business excellence across our organization. The objectives and charter of some of the key committees and councils are listed below.

Committee	Objective	Charter	Chair
The Executive Management Council (EMC) Committee	Overall planning implementation and follow-up of the Company's strategies, objectives and goals.	<p>Review the Company's mission, vision, strategic and corporate objectives and business planning.</p> <ul style="list-style-type: none"> Review/Develop all management systems and standards. Develop the Annual Company Business Plan & Budget. Finalise the year's operating budget before presenting it to the Board of Directors for approval. Review the implementation and status of the approved operating budget. Developing the Company Succession Plan. 	President
Strategic Business Development Committee (SBDC)	Explore opportunities for the future growth of the Company.	<ul style="list-style-type: none"> Develop strategies and plans for future company expansions and growth. Implementation of Strategy 2020. Preparation of project proposals for Executive Management & Board of directors approval. Preparation of feasibility studies. Coordination with external organisations in relation to business development 	President
Safety, Health and Environment Council (SHEC)	Establish and oversee company policies and strategies for Safety, Health, Environment and Responsible Care in the complex.	<ul style="list-style-type: none"> Set SHE Objectives Oversee PSM implementation and effectiveness Review SHE and housekeeping audits and actions Review SHE activities and training Monitor SHE KPI's Review the Complex Accidents/Incidents Approve SHE programs and plans Introduce new SHE procedures and review existing ones Oversee the implementation of responsible care initiatives 	President
Training Development and Mentoring Committee (TDMC)	Oversee all issues related to Training and Development	<ul style="list-style-type: none"> Set the training and development strategies and policies. Monitor all training, development and mentoring programs. Be responsible for recruitment of senior staff graduates and be responsible for engineers and monitoring their progress. Set the criteria for promotion of supervisory staff. Manage the Succession Plan for the company. 	GMM-General Manager Manufacturing

GPIC Committees (continued)



GPIC SHE WEEK
Responsible Care stall

Committee	Objective	Charter	Chair
Management and Union High Council (MUHC)	Strengthen the relationship between the Company Management and Labour Union in order to achieve both parties' interests.	<ul style="list-style-type: none"> Discuss issues with GPIC Labour Union and agree strategies that affect GPIC employees. Agree plans for efficiency enhancement, cost reduction, safety, security etc. Enhance employee participation in decision making and promote employee engagement. 	President
Accident Investigation Committee (AIC)	Ensure all major accidents are addressed properly and lessons learned to prevent recurrence.	Investigate accidents/ incidents of a serious or potentially serious nature that have or could have resulted in a major injury	GMM-General Manager Manufacturing
Management / Union Committee (MUC)	Ensure that day-to-day, routine matters are discussed and addressed in a timely manner.	<ul style="list-style-type: none"> Discuss issues with the Labour Union on routine issues. Follow up actions agreed upon. Propose issues to be discussed by the Management and Union High Council. 	GMM-General Manager Manufacturing
Ladies Working Committee (LWC)	Promote the role of women in the company and society.	<ul style="list-style-type: none"> Carry out activities in support of women inside and outside the company. Organise special events for women. Coordinate with external women organisations 	HRS-Human Resources Superintendent
Process Safety Management Committee (PSMC)	Oversee the implementation of Process Safety Management System and ensure its smooth operation	Monitor the effectiveness of the PSM system against the purpose and requirements of the PSM standard.	TSM-Technical Services Manager
Enterprise Risk Management Committee (ERMC)	Identify and analyse all risks at the enterprise level that affect the Company's business and recommend appropriate actions	<ul style="list-style-type: none"> Establish systems and procedures to identify high level risks control and mitigate them. Manage and review the ERM implementation. Promote the system and coordinate activities amongst the Company departments. Update the Executive Management bi-annually on ERM actions and reviews. 	GMM - General Manager Manufacturing



Blood donation organised by GPIC Health Committee

Committee	Objective	Charter	Chair
Safety Committee (SC)	Oversee all safety issues in the Company in coordination with the Safety, Health and Environmental Council	<ul style="list-style-type: none"> • Discuss and recommend issues pertaining to safety in the complex • Promote Safety and Responsible Care awareness and training • Organise and support activities pertaining to GPIC's SHE week • Monitor all storage facilities and records, from safety point of view 	SHEM - Safety, Health and Environment Manager
Environment Committee (EC)	Oversee all Environmental issues and activities in the complex	<ul style="list-style-type: none"> • Promote internal and external environmental awareness • Manage internal and external environmental projects • Discuss and recommend issues pertaining to the environment • Coordinate with external organisations all issues related to the environment 	ES - Electrical Superintendant
Health Committee (HC)	Oversee all Health issues in the Company in coordination with the Safety, Health and Environment Council	<ul style="list-style-type: none"> • Discuss and recommend issues pertaining to Health • Promote and organise health and responsible care awareness activities • Manage the Anti-Smoking Program • Responsible for hygiene and food quality in main canteen and club canteen • Promote health and hygiene awareness amongst employees 	CMO - Chief Medical Officer
Social Activities Committee (SAC)	Oversee all social activities organised by the Company	<ul style="list-style-type: none"> • Propose overall policy, management of the activities and social functions in the GPIC Club and other social activities • Organise GPIC camping activities • Coordination with external organisations for social events • Promote social work 	PRM - Public Relations Manager

بسم الله الرحمن الرحيم
تفضل
سمو الشيخ عبدالله بن حمد آل خليفة
محافظ المحافظة الجنوبية
رئيس الهيئة العامة لحماية الثروة البحرية
والسياحة والحياة الفطرية
بمدينتهم
حديقة النباتات والأشجار الطبية
في شركة الخليج لصناعة البتروكيمياويات
بمدينة الخبر
الجمهورية العربية السورية
2017/11/17



Memberships of associations and advocacy organizations

With the aim to be proactively involved and to contribute towards knowledge sharing and professional networking, we participate in several organizations at a national, regional and international level.”

GPIC President and Dr. Topsoe signing a technical contract.



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International/Regional Associations and Committees

- Gas Processing Association (GPA)
- Gulf Petrochemical and Chemical Association(GPCA)
- Arab Fertilizer Association (AFA)
- International Fertilizer Association (IFA)
- National Safety Council (NSC-USA)
- Royal Society for the Prevention of Accidents (RoSPA-UK)
- Saudi Basic Industries Corporation(SABIC)

Membership in International Associations & Committees

IFA	AFA	GPCA	NSC	RoSPA	SABIC	GPA
Board Abdulrahman Jawahery	Board Abdulrahman Jawahery	Board Abdulrahman Jawahery	Board Abdulrahman Jawahery	NEBOSH	Executive Representative Fadhel Al Ansari	Executive Committee Ahmed Ghuloom
Enlarged Council Abdulrahman Jawahery	Technical Ahmed Nuruddin	Responsible Care Abdulrahman Jawahery Yasser A. Rahim	Strategic Committee Abdulrahman Jawahery	Representative Abdulrahman Jawahery	Maintenance Team 1. Ahmed Ghuloom 2. Nader A. Rahim 3. Salah Ebrahim 4. Haroon Rasheed	Technical Committee Ahmed Ghuloom
Finance Abdulrahman Jawahery	SHE Jassim Darwish	Fertilizer Abdulrahman Jawahery Yasser A. Rahim	Board of Trustees Committee Abdulrahman Jawahery	NEBOSH Ambassador Abdulrahman Jawahery	Operation / Process Team 1. Yasser A. Rahim 2. Abdulmonem Alnajjar 3. Khalid Al Bin Ali 4. Haroon Rasheed	
Technical Fadhel Al Ansari Yasser A. Rahim	Economic Ahmed Mahmood	HR Yusuf Fakhroo	Responsible Care Abdulrahman Jawahery Yasser A. Rahim	Representative Yasser A. Rahim	Standing + AC HOC Committees Individual memos will be issued by President for membership in these committees	
Agriculture Yasser A. Rahim Fadhel Al Ansari		Advocacy Ahmed Al Arabi	Fertilizer Abdulrahman Jawahery Yasser A. Rahim		Environment Committee Yousif Kamal	
Technical Fadhel Al Ansari		Supply Chain Yousif Kamal			Analyzer Committee 1. Salah Ebrahim 2. Eihab Saeed	
					Maintenance & Planning 1. Bader Mansoori 2. Fuad Al Maidan	

Memberships of associations and advocacy organizations (continued)



GPIC President with Regional and International Partners

Bahrain Associations and Committees

- The Oil and Gas Holding Company (Nogaholding) –Bahrain
- InJAz Bahrain
- Crown Prince’s International Scholarship Programme (CPISP)
- Supreme Council for Youth and Sport (SCYS)
- Bahrain Polytechnic
- National Initiative for the Development of Agriculture (NIDA)
- Major Companies Environment Networking Committee (MCENC)
- University of Bahrain (UoB)

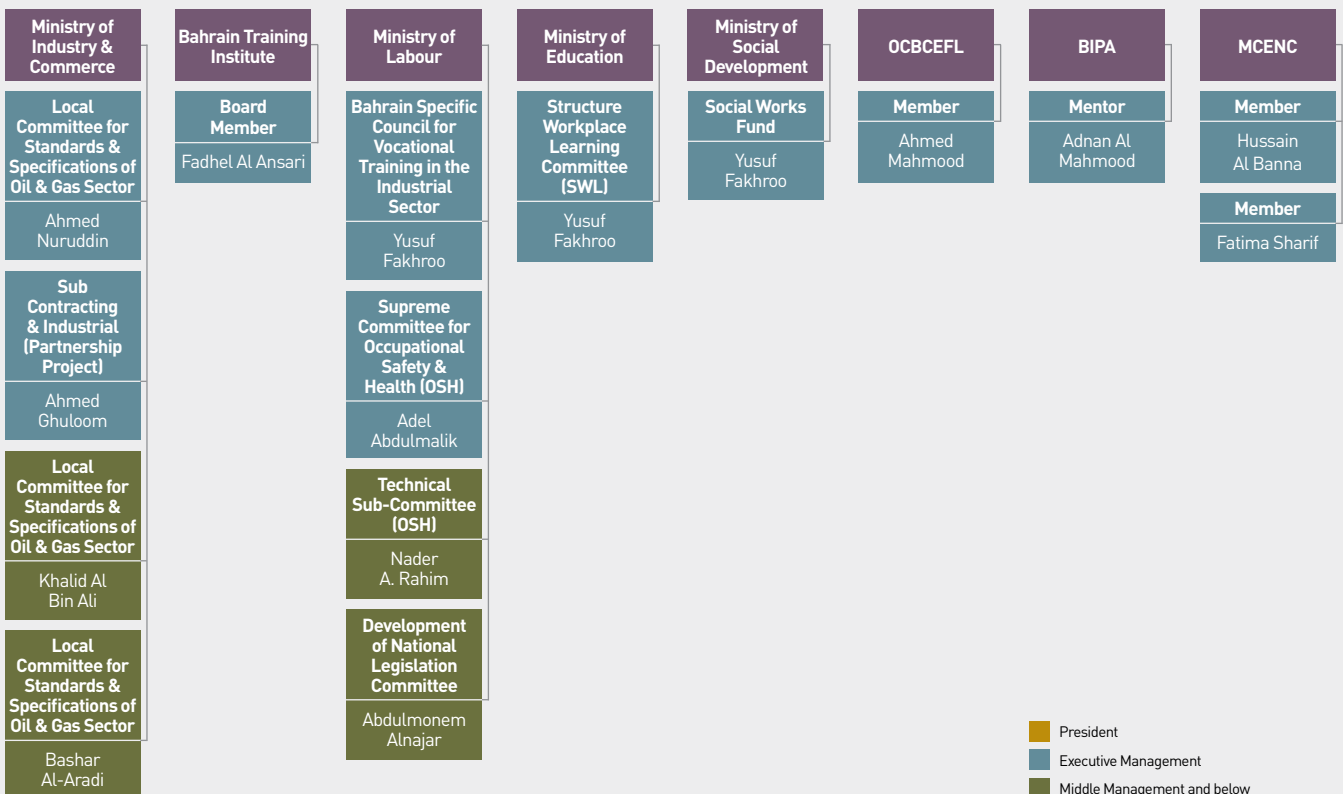
Membership in National Associations & Committees

Nogaholding	inJAz	CPISP	SCYS	Bahrain Polytechnic	NIDA	MCENC	University of Bahrain
Board	Chairman	Sponsor	Member of Supreme Council	Board of Trustees	Consultative Council	Executive Committee	College of Science Advisory Committee
Abdulrahman Jawahery	Abdulrahman Jawahery	Abdulrahman Jawahery	Abdulrahman Jawahery	Abdulrahman Jawahery	Abdulrahman Jawahery	Abdulrahman Jawahery	Ahmed Nuruddin
Chief Executives’ Committee	GPIC Coordinator	GPIC Coordinator		Audit Committee	Planning & Monitoring Committee	HR Committee	Industrial Advisory Committee
Abdulrahman Jawahery	Ameer Al Mulla	Adnan Al Mahmood		Abdulrahman Jawahery	Fadhel Al Ansari	Yusuf Fakhroo	Adnan Al Mahmood
Environment Committee				Audit Committee	Administration & Finance Committee	Executive Networking Committee	Program Industrial Advisory
Abdulrahman Jawahery				Adel Abdulmalik	Adel Abdulmalik	Fadhel Al Ansari	Ahmed Ghuloom
Nogaholding Headquarters Building Committee				Engineering Curriculum Advisory Committee	Contribution Committee		
Fadhel Al Ansari				Ahmed Ghuloom	Zuhair Tawfiqi		
Environment Committee					PR & Awareness Committee		
Fadhel Al Ansari					Adel Abdulmalik		
Security Committee							
Yasser A. Rahim Jassim Darwish							

We are very, very lucky to have you as a member of our Board of Directors and as a partner.”

Janet Froetscher
President, National Safety Council, USA

- Ministry of Industry and Commerce
- Bahrain Training Institute (BTI)
- Ministry of Labour
- Ministry of Education
- Ministry of Social Development
- Organising Committee for Bahrain Companies and Establishment Football League (OCBCEFL)
- Bahrain Institute of Public Administration (BIPA)
- Major Companies



GPIC in 2010 / 2011... Initiatives and Achievements



2011 was our best year in safety and we achieved over 14 million man hours without a lost time accident."

Here we summarize some of GPIC's achievements and initiatives during 2010-2011, focusing on those with implications for our sustainability and that of the environment and societies around us.

Regional and International Relations

- We continued our focus on maintaining our excellent regional and international relations with our stakeholders. The Queen of Denmark visited GPIC in 2011, the first monarch to visit a petrochemical complex on a state visit. During the visit the Queen inaugurated an olive tree oasis. This was followed by another high profile visit, that of H.H Sheikh Nasser bin Hamad al Khalifa. During the visit he honoured GPIC sports personalities for their achievements at Company/national levels.

Crisis Management

- GPIC maintained business continuity during the recent political crisis in the country with the support of the GPIC Labour Union and dedicated and loyal employees. On 14 March GPIC's Labour Union took the historic decision of rejecting the strike call from the Bahrain Labour Union Federation.

SHE excellence beyond Compliance

- 2011 was our best year in safety and we achieved over 14 million man hours without a lost-time accident.
- As part of our commitment to sustainability, and in line with our support to Gulf Petrochemicals and Chemicals Association's (GPCA)Responsible Care Programme, GPIC became the first company in the Middle East to be certified for Responsible Care RC-14001 Standard in July 2010.
- We engaged DuPont to carryout an external assessment of our Process Safety Management system in December 2011.
- To further enhance our SHE accident and incident reporting system, we aligned with the National Safety Council, USA, to introduce a custom-built, web-based Navigator.


Environmental Care

- Our focus on environmental care and sustainability continued and we attained achievements and initiated several environmental projects. Salient ones include:
 - The opening of a new olive tree oasis.
 - The expansion and beautification of our fish farm.

- The remote connection of our online Gas Emissions Analyzers to the Environmental Directorate's system, hence providing our emissions quality on a continuous basis to the government regulators'.
- The urea plant's dedicated ammonia flare. Tie-ins will be done in turnaround 2012 and once commissioned it will have a major positive impact on the environment.
- The new ammonia converter basket: the new Topsoe S-200 converter basket will be installed during turnaround 2012 with anticipated benefits of energy savings.
- The carbon dioxide recovery unit commissioned in December 2009 continued to operate, enabling reductions in CO₂ emissions.

Business Excellence

- We attained record volumes of production by producing the highest ever cumulative urea production for the year 2011 since the commissioning of the urea plant in 1996, and also the highest ever combined total production for ammonia, methanol and urea.
- The methanol plant achieved a 100% on-stream factor in 2011 and the plant has been in continuous operation since the restart of the plants after turnaround 2010 in April of that year.
- The safe and successful completion of turnaround 2010 was another milestone. All the turnaround objectives were achieved on time, within budget and safely.
- The methanol plant synthesis converter: GPIC received a trophy from Johnson Matthey for achieving a world record of producing the highest volumes of methanol with a single charge of Johnson Matthey's 51-8 catalyst. The catalyst has been in service since 2003 and will be replaced during the November 2012 turnaround.
- The Business Intelligence project was launched in 2011 and is in its implementation phase. The project is comprised of two phases. Phase one, to review and standardize all the corporate and departmental KPIs in a structured way so that the required data can be linked to Phase two of the project, providing dashboards to provide intelligent information to enhance corporate decision making.
- GPIC reviewed its Corporate Governance. KPMG was engaged by GPIC with the objective to independently



Working towards
a green future

assess GPIC's current governance practices against the Bahrain Corporate Governance Code issued in March 2010. Consultant KPMG did the gap analysis and is currently assisting GPIC in incorporating the recommendations.

- An E-Procurement project was launched to further enhance our procurement processes.
- We successfully achieved recertification of our management systems which include: ISO 14001, OHSAS 18001, ISO 9001, PAS 99.

Strong financial performance

- Profitability: The outstanding performance of our plants with exceptional business continuity, smooth exports and excellent coordination with our marketers Sabic and PIC, and favourable product prices enabled us to make a net profit of US \$265 million in 2011, which is the second highest in the Company's history.

Future Growth

- GPIC received preliminary approval for a US \$2 billion mega project that will triple its production capacities of ammonia and urea. The Invitation to Bid (ITB) document is being prepared and, pending final approval, the project is expected to be launched in the near future.

Reliability Enhancement

- In line with our strategy of continued investments in reliability-related projects, we started two main projects that are in the construction phase. A) Construction of a new HP steam boiler, which, once completed in 2013, will enable the comprehensive inspection of the existing HP steam boilers. B) A new Hypochlorite Unit of higher capacity which will phase out the existing chlorination process for sea water conditioning.

Corporate Social Responsibility

- GPIC won the Arabia CSR award 2011 for its endeavours in social responsibility.

- We implemented ISO 26000 guidance on corporate social responsibility, and an external assessment for the same is planned for 2012. This highlights our commitment and responsibility for the impacts of our decisions and activities on society and the environment through transparent and ethical behaviour that is consistent with our sustainable development and the welfare of our society. This takes into account the expectations of our stakeholders, is in compliance with applicable law, is consistent with international norms of behavior, and is integrated throughout our organisation.

Our People Our future

- GPIC transformed its Training Centre into an Academy of Leadership and Learning with the objective of using this academy for developing of our talented staff into future leaders.
- We started a Bridging Programme to groom identified in-house talent for supervisory positions in the Company. The programme is launched in partnership with Bahrain Polytechnic.
- Recruitment of female employees is on the increase, highlighting our strong commitment towards the empowerment of women.

Corporate Objectives 2012



GPIC's objectives for 2012 are a continuation of our overall strategy to achieve excellence and sustainability in all business areas."

GPIC's objectives for 2012 are a continuation of our overall strategy to achieve excellence and sustainability in all business areas. Our key focus will remain on our sustainable business, aiming for higher efficiencies and cost optimization without compromising the safety and reliability of our plants. We shall continue to maintain our excellent international and regional relationships as

part of our stakeholders' engagement. One of our key initiatives for 2012 will be extending support to women by providing them more opportunities to act as a role model for empowering women in the private sector, plus we shall continue to refine our succession plan to maintain our sustainability and continue our corporate social responsibility for the welfare of society.

Performance Area	Objectives	Measures	Targets
Financial Perspective	Operate the company so as to optimize profits and maximize revenues by minimizing costs and utilizing the resources efficiently	Combined Net backs / Metric ton Total Cost / Metric Ton Total Fixed cost / Metric Ton Total Variable Cost / Metric Ton Liquidity (Quick) Ratio	>= 326.07 US\$/MT <= 182.30 US\$/MT <= 75.297 US\$/MT <= 87.567 US\$/MT >= 2:1
Business Process Excellence	Operate the complex ensuring that all key activities and processes are geared to achieve the optimum production and export levels in a safe, reliable, efficient and manner effective	Total combined production Energy consumption per saleable product ton IT Business Intelligence	>= 1,449,235 MT <= 7.99GCAL / MT 1 Dashboard and 3 Elements
Safety, Health and Environment	Promote SHE culture within GPIC and also amongst surrounding communities by maintaining a zero harm workplace	SHE incidents (injuries) SHE Audits BBS Observations Sick leaves Days (SLD) Safety training	Zero 32 100,000 Reduction by 5% over 2011 (4,500 SLD) 6 hours per employee
Learning and Growth	Enhance internal skills and competencies by providing learning and personal development opportunities to all employees	Bahrainisation levels Total training hours (including safety training) Number of suggestions raised Employee Retention	95% 20,000 10% over 2011 target figure (700 suggestions) 97%
Corporate Social Responsibility	Promote social activities and contribute towards the social welfare of our community	Environment awareness lectures at local schools ISO 26000: Corporate Social Responsibility compliance Training external industrial trainees Contributions, sponsorships to charities/NGOs and other worthy causes. Social and educational visits to GPIC complex	30 Completion of external assessment for compliance 160 90% achievement of donation budget 45



Our risk management policy provides clear guidelines and broadly describes the risk management process within our organization.”



Enterprise Risk Management

Our risk management policy provides clear guidelines and broadly describes the risk management process within our organization. To safeguard our business and protect the interest of the shareholders against potential risks (categories such as strategic risks, financial and market risks, geo-political risks, operational risks, legal and regulatory risks and reputation risks) associated with the nature of our core business, we have a robust risk management system where risks at the enterprise level, as well as at the business process and functional level, are appropriately assessed, evaluated and effectively managed.

GPIC ERM Governance Model

Accountability and reporting at all levels is required to support the ERM process. The roles of various entities in the GPIC ERM governance model include:

Board of Directors

- Audit, Finance & Risk Committee make policy and risk tolerance decisions

Executive Management

- Approve strategies and guidelines to manage risk.

ERM Committee

- Implement strategies
- Communicate guidelines
- Risk analysis and reporting
- Update risk catalogue

Risk Owners/Risk Champions/Risk Auditors

- Functional/operating units

Enterprise Risk Category	ERM Risk
Strategic	Change in shareholders Reduction / Interruption / Limitation of gas / power supply
Operational	Loss of ability to export (damage to ship loading facilities / closure of shipping lanes due to political instability and natural calamities). Operational hazards (plant operational failure, accidents and SHE related issues)
Business	Bank failure jeopardizing company deposits Legal liability to third party and property damage Delay / fault in collection of receivables Volatility in market price Increase in price of gas and power
People	Failure to attract or retain staff
Reputation	Damage to reputation
Information and Data	Loss of electronic data and hard copies
Regulatory	Non-compliance with regulatory / legislative requirements concerning safety, health, environment, process and product handling aspects.

Business Excellence

- GPIC's Best Practices
 - Manufacturing Management Systems
 - Asset Management Systems





“AS A LEADING BAHRAIN-BASED PRODUCER OF AMMONIA, METHANOL AND UREA, WE TEND TO PLAN, STRATEGIZE AND IMPLEMENT INNOVATIVE YET PRAGMATIC PROCESSES AND SOLUTIONS WITHIN OUR BUSINESS.”

GPIC Business Excellence Best Practices

It is not the strongest that will survive, nor the most intelligent, but the one most responsive to change – that means having a dynamic organization and GPIC epitomizes that entirely.”

Abdulrahman Jawahery, GPIC's President

At GPIC our core business practices define best practices within the region. As a leading Bahrain based producer of ammonia, methanol and urea, we tend to plan, strategize and implement innovative yet pragmatic processes and solutions within our business. We anticipate and plan to be able to respond proactively to change and support from our visionary leadership team, which ensures that our business remains accountable and responsible to our commitments to the industry, the market, our people and our communities.

In the following sections of this report, we will discuss the processes established within GPIC which drive our reputation for developing best practices within the industry. We will focus on the processes in the following fields:

- Manufacturing Excellence
- Asset Management

Our best practices in the areas of human resources and corporate social responsibility are covered under the "Our People" section of this report, and our environment management best practices are highlighted under the "Environmental Impact" section.

Manufacturing Excellence

Amidst the other petrochemical giants in the region, GPIC has proved to be the most efficient and cost-effective producer of petrochemicals of the highest quality. In addition to that, we have also set the highest standards of reliability, on-stream factors, capacity utilization and utilization factors which have been recognized and acknowledged not just at a national or regional level, but globally.

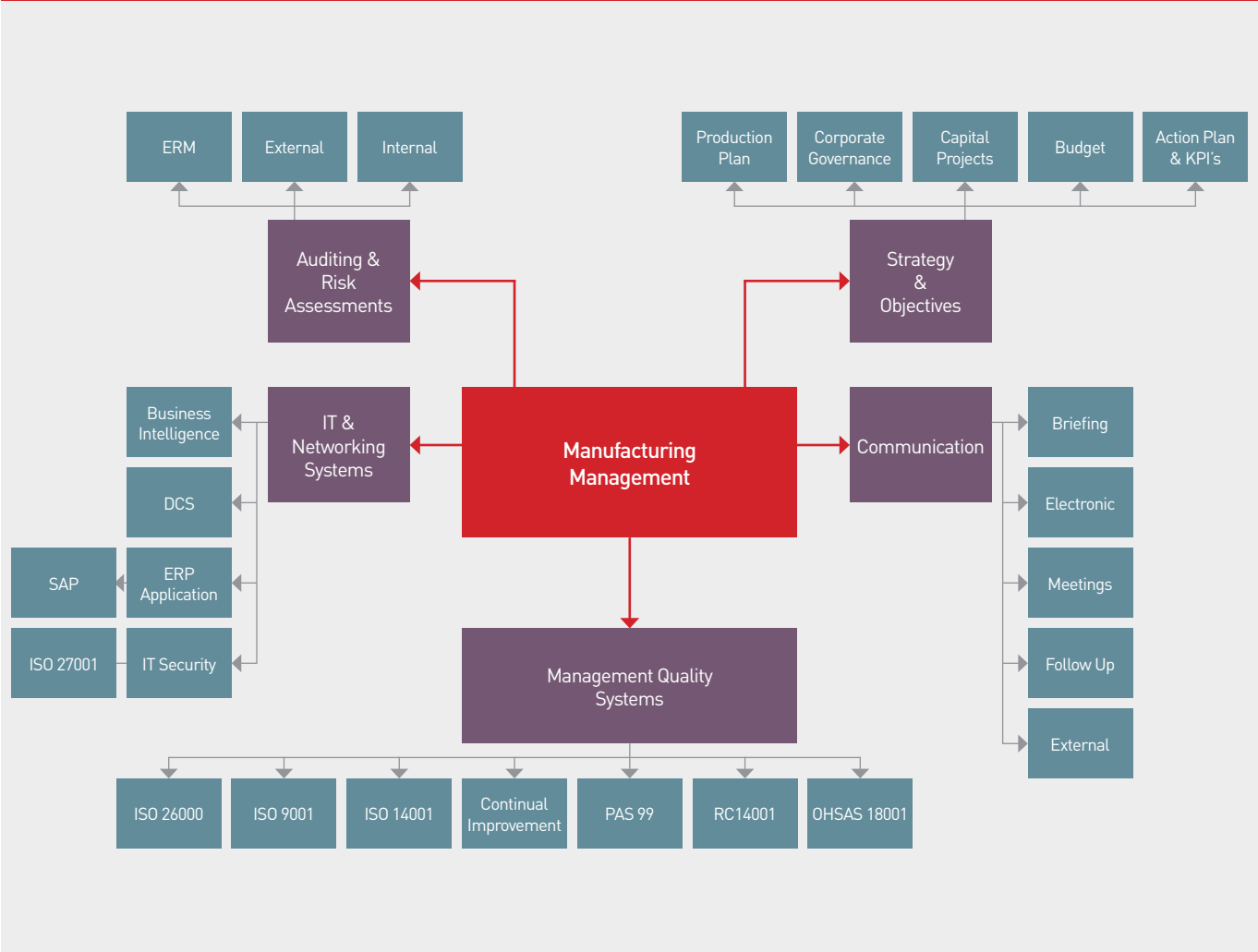
Best Practices on the Road to Manufacturing Excellence

Since the launch of our "Manufacturing Excellence" focus, our strategy has evolved to include five core competency areas:

- Reliability
- Process technology
- Operating continuity
- Workforce practices (innovative initiatives)
- Environment, health and safety



GPIC's Manufacturing Management Model



GPIC is the first company in the world to use Omega Bond HP Urea Stripper



Equipment reliability and integrity remain at a high standard reflecting continuous investment, good preventive and predictive maintenance routines, and effective inspections with regular turnarounds biennially.”

Reliability

Our proactive approach towards continuous improvement in the plants right from inception, and integrated with various modifications and capital projects executed over the years, has resulted in efficient and reliable plant operations, ensuring outstanding safety records and good returns.

Equipment reliability and integrity remain at a high standard reflecting continuous investment, good preventive and predictive maintenance routines, and effective inspections with regular turnarounds biennially.

Over the years we have developed effective systems and procedures that play a critical role in our manufacturing excellence.

Some of the salient best practices are as follows:

- Continuous investment in reliability-based equipment replacement
- Robust and effective inspection, introducing Risk Based Inspection (RBI) and other programs.
- Third party inspection of equipment under manufacture at OEM workshops.
- In addition to third party inspectors, GPIC engineers also follow up the manufacture of key equipment at OEM workshops, including site visits for inspection at key manufacturing stages.
- Quality control facilitators (specialists) to cross check and verify the quality of work on major rotating machines during turnarounds.
- As part of mechanical integrity, critical joints tightening during turnarounds is supervised by specialists.
- Best practices from other facilities are adopted to enhance our systems
- Technical input and advice from vendors are seriously considered for improvements
- A focus on safety and reliability is always a priority and the approach is always to adopt the best solutions in the industry.
- Effective preventive, predictive and corrective maintenance routines enhance reliability
- Effective and regular training and refresher courses for personnel in all disciplines enhance operational excellence and reliability.

Process technology

- GPIC invests in new technologies wherever practical. Equipment is regularly replaced and material upgraded to maintain consistency with current codes and standards.
- A 20 year technology agreement is in place with Uhde and GPIC interacts closely with the process licensors and designers and take their technical advice.
- Catalyst manufacturers like Topsoe and Johnson Mathey carry out performance evaluations on our catalysts periodically.
- With the support of Original Equipment Manufacturer (OEM) like General Electric (GE), Nuovo Pignone (NP), Bentley Nevada (BN) etc. we carry out performance evaluation and troubleshooting of our main machines.

Operating continuity

We achieve outstanding operating continuity through:

- Enhanced reliability of the plants through continuous improvement and investment.
- Safe work practices: well-established operating procedures, robust permit to work system.
- Risk management: risk assessments and hazards analysis.
- A well-trained work force: effective training and refresher programs and competency evaluation procedures. Mock drills of emergency scenarios improve operational competency.
- Audits and reviews: regular checks and audits at all levels to ensure compliance and consistency.
- Process safety enhancement: through transparency and lessons learned from our operational experience, most incidents, including near misses, are reported and discussed.
- Minimizing spurious trips: duplication of single trip transmitters/channels.

Work force Practices

Operator-driven reliability

Like all petrochemical and fertilizer plants, we at GPIC believe that a plant's reliability cannot be enhanced without an ownership mindset, leading to an 'operator-driven reliability' model. Our procedures and systems support this drive.

- Housekeeping of equipment, machines and plants in general is carried out by operators.



- Routine checks like tube metal temperature monitoring of reformer catalyst tubes by pyrometers, fugitive leaks and emissions checks for flanges and glands, including passing valves, are carried out regularly.
- A productive maintenance initiative has been in place since 2003. Plant operators carry out minor maintenance jobs like the top-up of lubricating oils, tightening of gland leaks etc.
- Regular testing of stand-by equipment is carried out to ensure its availability and reliability at all times.

Effective communication

- Plants operation meetings are held on a daily basis. Meetings are chaired by the Plants Operation Manager and are mandatory for senior employees, including Managers and Superintendents, within the technical departments. The meetings are cross-discipline and cover all the major issues in relation to the operation and safety of the plant. The minutes of the meetings are officially recorded on the Company portal for easy accessibility and effective follow-up.
- Shift talks are also held on a regular basis between Operators and Shift Supervisors on topics relating to technical issues, safety, health and the environment. Process incidents and lessons learned are also discussed, in addition to other areas.
- We maintain well-equipped libraries in all our departments at GPIC. Periodicals, journals and magazines are regularly circulated for information. The Academy of Leadership and Learning has a well-stocked library and houses a broad range of books on various subjects for reference. Technical and knowledge-related information is also available on the intranet for easy access. Our people also have access to other interesting sites including the PSM database, knowledge sharing repository, conferences material site, SHE site, Innovation and Best Practices Committee site and many more.
- Log books in electronic and manual form are used to record the plant conditions, major proceedings and issues at Operator/ Supervisor/Senior Supervisor level. The E-log books are also remotely accessible to plant Superintendents and Managers.
- The President, the Executive Management team and Superintendents are appraised of the plants production, exports and key technical issues and maintenance activities on a daily basis through plant status reports issued every morning.

- The performance monitoring of objectives and targets is KPI based, and that are tracked regularly.
- Each section/department issues a monthly, quarterly and yearly performance report.
- Management review meetings are held as per prescribed frequency.

Training and development

- Regular cross-discipline training, cross-unit training, competency checks and refresher programmes take place.
- Mock drills featuring problematic scenarios on the plants are held regularly.
- Operating procedures and emergency response actions are discussed with the Operators on a regular basis.
- Employees are encouraged to attend in-house e-learning courses, study the American Petroleum Institute (API) modules, and attend simulator training.
- Technical visits to neighbouring plants in the region add value to our people's technical know-how.
- Staff are regularly encouraged to attend technical seminars and conferences.
- We have launched the GPIC's Toastmasters club to help enhance our people's communication and leadership skills. It is mandatory for trainees to participate actively in the Toastmasters club.
- Mentoring is a core part of our career development initiative, so staff are mentored by senior personnel.

Audits and controls

At GPIC we tend to be more proactive with our audit and controls procedure and do not necessarily wait for external audits to advise us on corrective measures. We have put in place sound controls and audit systems and we ensure that procedures, routines and schedules are being followed stringently and all targets are being met. Enhanced monitoring processes are carried out to ensure that any problems/anomalies/issues are identified and dealt with at an early stage.

Key internal audit processes include

- Safety and housekeeping audits.
- Trip switches override audits.
- Distributed Control System (DCS) alarm management audits.



Teamwork - celebrating successful completion of turnaround 2010

- Waste disposal storage area audit.
- Permit to work audits.
- PSV isolation valves status, in conformance to relevant standing instructions.
- Turnaround-related audits covering all key stages of turnaround, preparatory, execution and post-turnaround.
- Management systems audits.

Salient External audits

- We also appoint external assessors to conduct regular audits, in order to maintain compliance with our policy, local legislation and the requirements of management system standards. Our third party external auditors include British Standards Institute (BSI), Lloyds Register and DNV.
- Auditors from share holding companies such as NOGA (Bahrain), SABIC (KSA), PIC (Kuwait) are also invited to review our business processes on regular basis.
- Management of insured assets: our insurance policy is aimed at minimizing loss to our shareholders in the event of property loss. For safety risks such as fire and explosion, our emphasis is on a proactive management and improvement measures.
- Reinsurer Risk Survey: every year a risk engineer from an overseas reinsurer company conducts a comprehensive risk survey of our business, and identifies potential risks, for further enhancements.

Process safety and lessons Learned

All process incidents, whether major or minor, even near misses, are captured and analyzed. Corrective measures are then suggested and implemented. The incidents are discussed during our periodic shift talks to avoid recurrence. Periodically, the salient incidents are shared with all the employees through presentations on lessons learned. We also maintain a process incident databank which is easily available on the intranet for all our people.

Innovation

Innovation is an essential ingredient to our sustainability and growth. At GPIC we strive to strengthen our knowledge networks and innovation to be able to tap into the potential we have across the business. Our people are constantly encouraged to develop their ideas and thoughts and are rewarded for their innovative abilities.

Our "Suggestions and Best Practices" programme is one of the platforms through which the employees can put forward their creative ideas and suggestions for review and possible implementation.

Management's Innovative Initiatives

The 'innovation' culture plays a critical role in making our business more sustainable and profitable. This mindset is also encouraged by our Management.

Our Management has introduced several new concepts and programmes over the years. Some of these defining concepts and programmes include:

Tools and models we use

- Continuous improvement through our management systems

GPIC uses various business models to ensure its business runs with the highest level of efficiency.

Accreditation to the following management systems has played a key role in enabling GPIC to benchmark against the leaders in the petrochemical and fertilizer industry.

- ISO 9001:2008 Quality Management System
- ISO 14001:2004 Environmental Management System
- OHSAS 18001 Occupational Health and Safety Management System
- ISO 27001 Information Security Management System
- OSHA 29 CFR 1910.119 Process Safety Management of Hazardous Chemicals (PSM)
- RC-14001 Responsible Care Management System
- PAS 99, the three management systems ISO 9001, ISO14001, OHSAS 18001 are integrated through the application of PAS 99 specification
- ISO 26000 Corporate Social Responsibility Guidance Standard

Enterprise Resource Planning

GPIC runs SAP

To enhance the efficiency and effectiveness of business processes within GPIC, we implemented a 'mySAP' Enterprise Resource Planning suite of applications in 2007. The SAP ERP suite has replaced our previous information system and has also created a more expandable, integrated, supported and flexible solution which allows us to change and evolve processes and structures without technical constraints.



During the last 15 years as a company we have completed RBI study of 36 NH₃ tanks (operated mainly in Europe plus 3 tanks in India and the 2 tanks at GPIC-Bahrain), and the only tanks which are in the Lowest risk category (DARK GREEN in the risk matrix) and giving the max inspection interval of 25 years as per EFMA study is GPIC.

Congratulations! THIS IS GPIC AT ITS BEST.”

Ron Selva
Engineering Director, PP SIMTECH Solutions Ltd

Process Safety Management (PSM)

Safety excellence beyond compliance at GPIC

The Process Safety Management (PSM) of Highly Hazardous Chemicals, OSHA standard 29cfr1910.119, is intended to prevent or minimize any consequences of the release of toxic, reactive, flammable or explosive chemicals from the adopted processes. We have incorporated these requirements into the integrated management system and have also extended the scope of the PSM to cover all process related hazards within the business. Through this programme (PSM), we intend to achieve the main goal of fulfilling our obligation to protect our employees, assets and the local community.

In December 2011, GPIC engaged Dupont to carry out an external assessment and gap analysis of our PSM system.

Succession planning and talent management

Succession planning and talent management is a core focus area for our management. It is vital for us to be able to effectively develop our people and manage their career paths to ensure that we have a high potential and highly skilled talent pool internally. In essence this helps us sustain our leadership culture, and build develop our people to their full potential, hence meeting both the individual's and the organization's requirements.

Risk management

We address the risk management process through a two-tiered mechanism, Enterprise Risk Management (ERM) and Business Process Risk Management.

Our integrated risk management strategy focuses on the control of potential risks in advance. It also helps in optimizing and enhancing our risk management capabilities.

We aim to secure fundamental safety and prevention of losses through effective training and rigorous monitoring and management of change within the organization.

Our leadership believes that every entity exists to realize value for its stake holders. Value is created, preserved or eroded by management decisions in all activities, from the point of setting strategies to operating the enterprise on a day-to-day basis.

With the basic principles emphasizing the need for a more sophisticated risk management system, we implemented an Enterprise Risk Management (ERM) in 2007/2008, covering all our activities. The ERM framework considers activities at all levels of the organization, i.e. Enterprise/Entity, Department, and Process level. In the past our risks were managed through a standalone approach whereby each individual department/project managed

its risks separately. The implementation of the ERM system has provided us with the convenience of managing all our risks in an integrated manner.

Root cause failure analysis (RCFA)

Root cause failure analysis is a structured technique for investigating undesired events.

We use a structured system for conducting RCFA studies and have established a well-trained team that involves people from different disciplines, such as operations, engineering, maintenance and safety.

Risk Based Inspection (RBI)

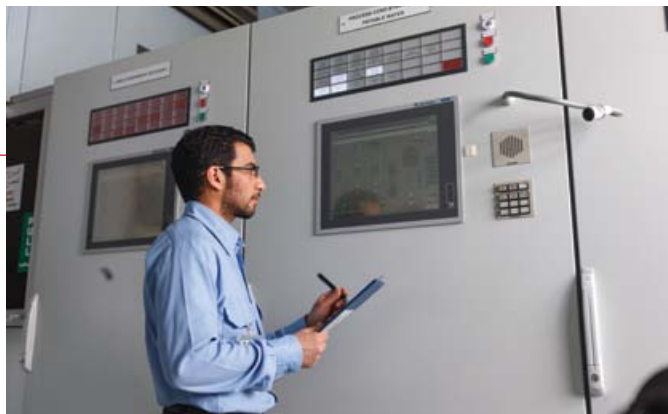
“We have completed the two NH₃ Tanks (T-7101-A/B) RBI study this week. The study also included a separate RBI assessment using the EFMA:2008 guidance, where I was a member of the Technical Committee which drafted the document. The findings/ outcome is excellent using both PP SIMTECH RBI technology and the EFMA RBI process.

During the last 15 years as a company we have completed RBI study of 36 NH₃ tanks (operated mainly in Europe plus 3 tanks in India and the 2 tanks at GPIC-Bahrain), and the only tanks which are in the Lowest risk category (DARK GREEN in the risk matrix) and giving the max inspection interval of 25 years as per EFMA study is GPIC. This is also the case using PP SIMTECH RBI technology, providing the current operating/maintenance practices and RBI defined Integrity Operating Limits (O₂ levels, Water in ammonia, etc and Critical maintenance Activities - e.g. cold insulation/seal) are followed. No doubt this will be the case at GPIC.

I believe this achievement is solely due to the proactive and integrated efforts of GPIC Engineers from Inspection/Integrity assurance, Plant Operations/Process and Maintenance Departments supported by the quality and the scope of inspection/maintenance/improvement activities carried out during 2004 and 2006 Major inspection of the 2 tanks.

Congratulations! THIS IS GPIC AT ITS BEST.”

Ron Selva
Engineering Director
PP SIMTECH Solutions Ltd



The success of the past motivates us to meet future challenges. It inspires us to make GPIC a safer place to work, to enhance the health of our employees and to continually provide the opportunity for them to protect and preserve the environment.”

We have included RBI into our overall inspection programme to enhance equipment reliability. With the intention of concentrating existing inspection resources in the most effective manner to improve plant safety and reliability, we have focused a considerable amount of our attention towards the application of risk management strategies for plant inspections.

RBI examines each item of equipment in our plants, identifies the potential degradation pattern and provides us with a technically justified plan for each item. This plan specifically addresses the degradation pattern identified and describes the best means and mode of inspection to be carried out.

By following the RBI methodology we gain a better understanding of our facility, and the inspection plans that could be used to support management decisions regarding safe plant operation.

Behavioral based safety (BBS)

We implemented a Behavioral Based Safety programme which aims to increase the awareness of our people towards best safety practices and instill these as a part of their mindset.

BBS is one of the leading safety programmes available in the world. Through this programme our people gain an increased awareness of good safety practices and these practices then become a part of their natural behaviour. This in turn ensures that our activities are carried out in an optimized safe environment, thus raising productivity efficiency.

GPIC Committees System

One of the main reasons for our success over the past decade has been our “ONE TEAM” approach to all our business processes. One of the pillars of this concept is the cross-functional committees or task teams covering various segments and addressing the related issues within the company.

Our management places a great deal of importance on the activities of these committees as it encourages and creates opportunities for people’s engagement within the organization. Our staff are also encouraged to contribute to the activities of these committees by offering their suggestions/ideas on a regular basis.

In total, there are over thirty active cross-functional committees that comprise of a cross section of people, ranging from the Executive Management level to the shop floor level, thereby engaging all our people in dialogue. The committees meet on a regular basis and notes from the meetings are posted on a dedicated GPIC Committee System accessible through our intranet.

Best practice through benchmarking

‘Applying best practice means learning from and through the experience of others. One way of doing this is through benchmarking surveys, which allow you to compare your overall business and other associated processes with other successful businesses to highlight potential areas for improvement’

We regularly participate in a number of benchmarking surveys conducted periodically by various consultants focusing on ammonia, methanol and urea manufacturers.

- We are a knowledge-based company and strive to learn from the best in the petrochemical and fertilizer industry through benchmarking our business processes ranging from plants operation to safety, health and environmental management systems.

“We recognized early on that the only way we could compete with these giant firms was to create an institution that not just meets, but exceeds all standards on quality, safety, reliability, and social responsibility. These things will distinguish us from the pack and we’ve created the Rolls Royce of the industry.” Abdulrahman Jawahery, GPIC President.

Strategic long term planning

To remain competitive in this demanding market, companies, in addition to having strategic plans and programs for refining and modernizing the existing systems and equipment, must also be geared for future growth.

Growth and value-add

- To maintain our unique status as a distinguished producer and exporter of high quality petrochemical and fertilizer products we have a 2020 corporate strategy that focuses on our expansion plans.

Five year Production Plan

- The subject plan is prepared in order to complement the long-term turnaround plan and long term CAPEX (capital expenditure) plan. Our 5 year Production Plan provides us with a cash flow forecast, allowing our Management to plan our future business, like upgrading existing systems and expansion. It also provides the basis for a long term marketing strategy that explores new avenues for marketing our products and services.

Five year Capex Project Rolling Plan (CPRP)

- A five year Capex Project Rolling Plan (CPRP) prepared by our

Training and development of our local work force is one of our top priorities



Engineering section lists potential CAPEX projects over the next five years, including the upgrade/replacement of equipment with the same kind, catering for obsolescence of equipment, spare parts or services, and enhancing the safety, reliability and efficiency of the plants. The CPRP will have the following benefits:

- It ensures that the capital expenditure projects are planned well in advance.
- It provides sufficient time to evaluate each proposal and prepare an adequate cost estimate for the project.
- It ensures that critical projects are not missed out.
- It supports the preparation of a rolling 10 year turnaround plan.

Rolling 10 year turnaround plan

The Rolling 10 year turnaround plan is required to:

- Optimize the workload and plan the outage duration for each of the next six turnarounds

- Determine the equipment replacement schedules for each of those turnarounds
- Ensure uninterrupted production by eliminating potential problem

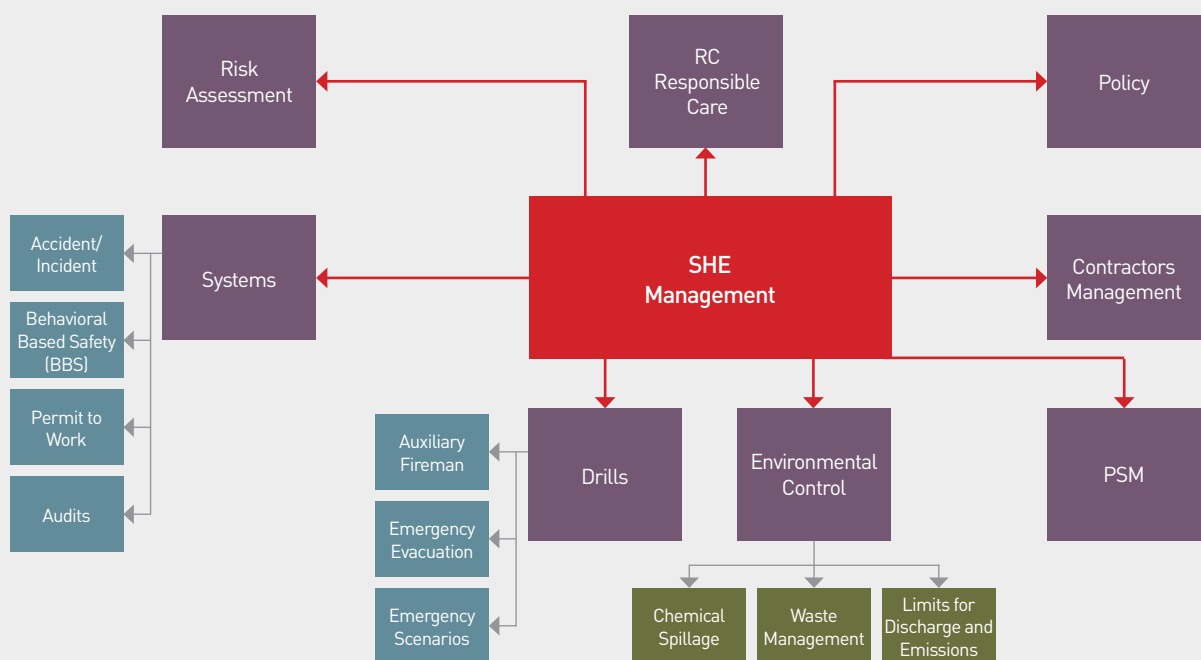
Safety, Health and Environmental Excellence

“The success of the past motivates us to meet future challenges. It inspires us to make GPIC a safer place to work, to enhance the health of our employees and to continually provide the opportunity for them to protect and preserve the environment.” Abdulrahman Jawahery, GPIC President

The application of salient best practices in the field of EHS excellence at GPIC has enabled us to achieve new heights, and these efforts have culminated in winning numerous accolades at local, regional and international levels

In safety we have always believed that all injuries can be prevented, hence our target “ZERO HARM.” We work towards aligning all our processes and behaviors to achieve this target.

GPIC’s SHE Management Model





Safety training is an integral part of our business

GPIC's Leadership and Commitment towards SHE excellence

- Leadership in health, safety and environmental management.
- Adopting the best solutions from across the world in health and safety standards to build a robust risk management system.
- Encourage active engagement from our people and our leadership around our SHE commitments.
- Strong focus on off-the-job safety procedures.
- Strong involvement of our people, their families and the wider community in numerous initiatives to help raise awareness of key health, safety and environmental issues.
- Engaging in active public dialogue to positively contribute towards developing a strong health and safety legislation and culture within Bahrain.
- Our leadership level commitment to help embed EHS related values in the continuing development of Bahrain's society.

Safety Related Best Practices

- Mutual aid agreements with neighbouring companies for assistance during emergencies.
- Well-established procedures related to emergency responses and permit to work.
- Management audits of all work areas, to measure, monitor and manage compliance and safety awareness checks, including the understanding of safe work practices.
- Challenging and incentivizing units to maintain high standards of safety within their operations through an annual inter-section safety competition that is reviewed internally and externally by other companies in Bahrain.
- Behavioural based safety is actively promoted with qualified BBS observers (employees).
- Contractors integrated into our work systems have to undergo safety induction.
- Smoking is not allowed in our buildings /offices and is only permitted in designated smoking shelters. The first Monday of each month is a designated 'No Smoking Day'.
- Safety away from work is also encouraged, and all our people are required to report all the off-the-job safety incidents via a formal report.

Asset Management and Maintenance Best Practices

In line with our maintenance strategies, we have introduced effective practices and systems that have helped us achieve our objectives and goals in relation to enhancing plant equipment reliability and availability.

What we do to minimize outages and maximize the on-stream factor:

Over the years we have adopted practices and procedures that have improved the reliability and continuity of our plants. These practices include:

- Adoption of methodologies like RCM and RBI. RCA is used for investigating failures, and recommendations are implemented after thorough study and with consultation of Original Equipment Manufacturer (OEM). All modifications are routed through the Management of Change Support (MOC) system.
- Instrumentation and controls reliability enhancement to eliminate spurious trips. Implementation of voting trip logic systems ensures minimizing of spurious trips.
- Giving much care to turnarounds, which are done on a regular basis, to minimize downtime.
- Ensuring an uninterrupted supply of raw materials like chemicals, spare parts, natural gas and power.
- In-house power generation, in addition to power supply from the national grid.
- Continual investment in reliability and safety-related equipment including replacement of major equipment in a phased manner.
- For any design or material improvement the licensor's opinion is sought and changes are implemented through MOC study.
- Equipment/piping which requires repair or replacement during turnaround are planned ahead providing a lead time for procurement activities.
- Procurement of all critical equipment through an OEM supplier. If an OEM supplier is not available, an alternate supplier is selected in consultation with the licensor.
- Manufacturing drawings and procedures are reviewed and approved.

In Safety we have always believed that all injuries can be prevented, hence our target is 'ZERO HARM'."



- A reputed independent third party inspection company is appointed to control the quality of the activities during manufacturing of the equipment. A Company representative attends the kick off meeting and witnesses critical milestone inspection.
- Lifting equipment and tools are inspected by a third party inspection agency.
- A lift plan is prepared for all major lifts for equipment replacement.
- Hydraulic hoses connected to equipment are inspected periodically.
- In-coming material is inspected on receipt at the Warehouse to confirm it meets the purchase order/specification requirements.
- Insurance spares for compressors and turbine rotors and critical motors and pumps are maintained to meet any contingency.

Maintenance Management Practices

Our maintenance strategy revolves around routine or preventative maintenance, corrective maintenance, shutdown and turnaround maintenance. An automated (SAP) work flow process provides the interface between Operations and Maintenance. The workflow covers all the aspects of life cycle of asset maintenance, including work authorization, planning and execution. Engineering modifications are raised by the requester and implementation is planned by maintenance planning.

Our maintenance practices are based on predictive and preventative strategies to support a major turnaround every two years. Turnaround maintenance is carefully planned and systematically implemented, and so is considered the most effective way of preventing breakdowns.

It is of great importance to optimize the workload and the duration of plant outages at each turnaround, to determine an equipment replacement schedule and to effectively enforce the periodic overhauling of items covered under preventative maintenance is of a great importance. Therefore, the need for long term planning of turnarounds is essential and a 10 year rolling turnaround plan is in place.

Successful Turnaround Practices

To have a turnaround that is safe, on time and within budget requires meticulous planning, comprehensive preparation and

effective management. Through our experience and continuous investment, we have developed and fine-tuned several practices that support our successful turnarounds:

- Pre-turnaround checks on main rotating machines, critical spare parts, physical inspection and clearance checks.
- Third party inspection: quality controllers for rotating and stationary equipment.
- Critical joints tightening: a dedicated team with a specialist supervisor.
- Vendors recommendation tracking system.
- Blind control and management.
- Detailed risk assessments.
- Certified scaffolders and riggers.
- Established procedures for manpower trade tests.
- Review of all integrated management procedures prior to turnaround.
- Awareness presentation by Maintenance Superintendents prior to turnaround.
- Early appointment of area leaders.
- Presentations by area leaders to operations, inspection, and technicians.
- Workshops, arranging technical meetings with contractors.
- Early arrangement of visas and legal documents for contractors and vendors.
- Turnkey project management and supervision by GPIC maintenance area leaders.
- Contingency maintenance team to take care of unforeseen issues.
- Early mobilization of resources.
- Immaculate preparation and detailed planning for critical path jobs.
- Acoustic valve leak test.
- Computerized relay testing unit for the calibration of protection relays.
- Modern electrical testing techniques: thermography/Motor Circuit Evaluator.
- Effective use of pre-startup safety reviews of significant modifications and new installations.

Robust quality control checks to ensure minimum re-work.



- Comprehensive Permit to Work audits during the turnaround.
- Safety audits during the preparatory phase and implementation phase of turnaround.
- Periodic audits at all stages of turnaround: planning, preparatory, implementation and post-turnaround phase.
- Mechanisms in place to record all process-related incidents in addition to general safety incidents, which is used to share 'lessons learned' across the company.
- All suggestions and recommendations related to turnarounds are recorded as 'lessons learned' for implementation.
- A Root Cause Failure analysis team dedicated to turnarounds with the objective of analyzing in detail significant issues to prevent repetitive failures.
- Involvement of trainees and graduate engineers, with specific roles and responsibilities during the turnaround. Each trainee has to make a presentation on turnaround-related assignments after every turnaround.
- Post-turnaround debriefing forum with all the sections providing a summary of achievements, issues and recommendations based on their experience. The forum is attended by Executive Management, Superintendents, Supervisors and Trainees and is an effective platform for knowledge sharing.
- All the jobs, even during the turnaround, are through the 'permit to work' system and no blanket permits are issued to ensure safety.
- Effective turnaround management uses both ERP and PRIMAVERA Software solutions.
- Condition monitoring includes lube oil systems that are checked regularly with oil analysis both in-house and at outside labs.
- In-house manufacturing of spare parts: the cost of spare parts, timelines required for replenishment, procurement and also lead time requirements for some orders drive high production costs and risk on plant reliability and equipment availability. The in-house manufacturing of spare parts is visualized as an alternative means to reduce these impacts.
- Condition monitoring of electrical circuit breakers is carried out through on line thermography.
- On-line leak sealing is practiced. The clamp design is verified by engineering prior to installation.

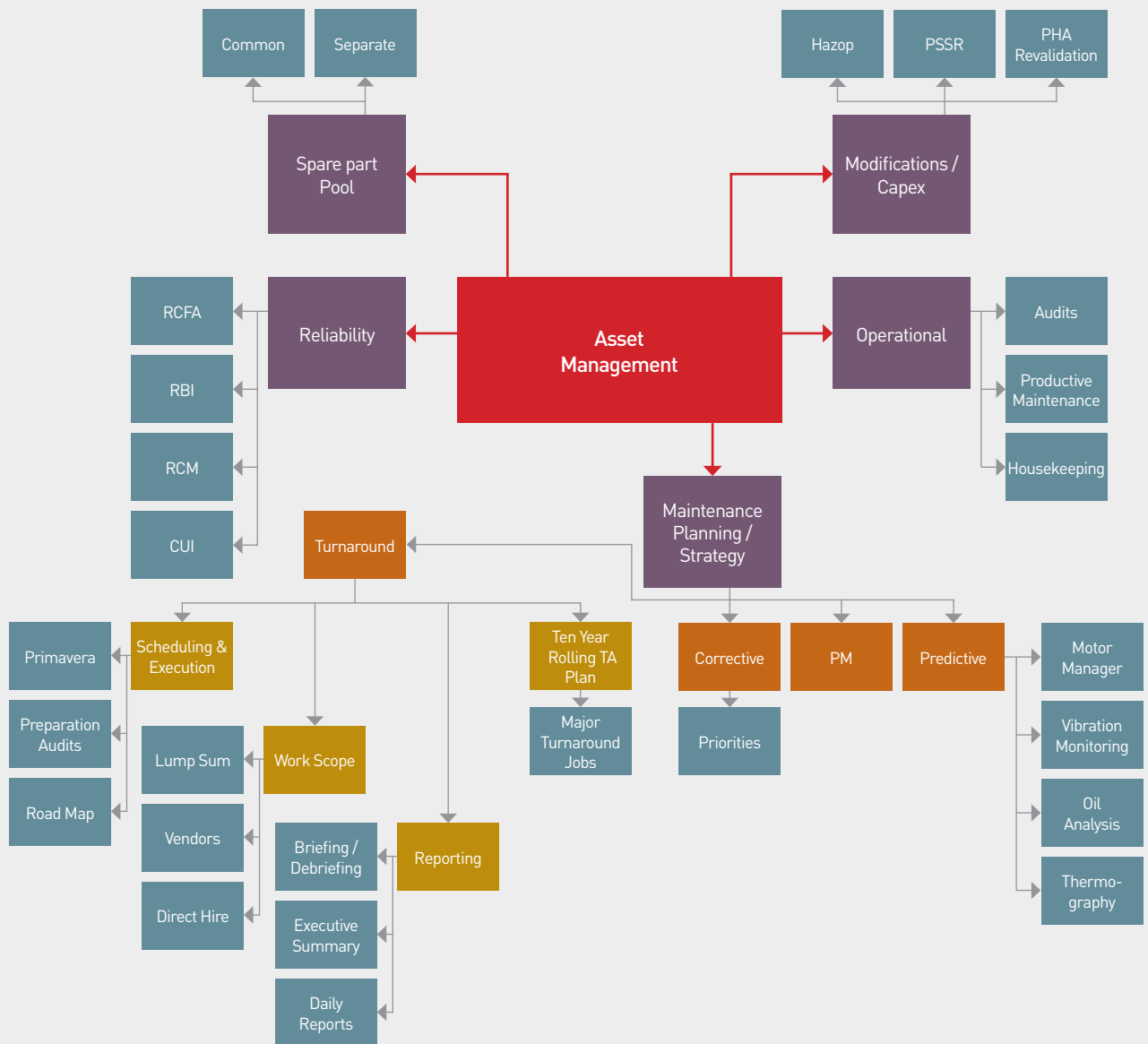
Routine maintenance Practices

- An effective preventative, predictive and corrective maintenance programme is in place covering all sections.
- Rotating equipment vibrations are monitored using hand-held monitors on a weekly basis. This is in addition to the online vibration monitoring system in place for all major machines.
- Critical joints are identified and listed. Special attention is given to these flanges during tightening.
- A productive maintenance concept is in place to allow Operators to carry out minor maintenance activities.

“To have a turnaround that is safe, on time and within budget requires meticulous planning, comprehensive preparation and effective management.”



GPIC's Asset Management Model



Economic Impact

- Economic Performance
- Production Performance
- Safety and Health Performance





“OUR FINANCIAL STATEMENTS NOT ONLY PROVIDE A LOOK AT THE CURRENT STATE OF THE COMPANY, BUT ALSO AT FUTURE GROWTH POTENTIAL. THEY ALSO PROVIDE INFORMATION ON THE ECONOMIC IMPACT FOR OUR STAKEHOLDERS.”

Economic Performance



As a prime producer of Ammonia, Methanol and granular Urea, GPIC's business growth and financial performance are essential to its continued sustainability."

"Our financial statements not only provide a look at the current state of the Company, but also at future growth potential. They also provide information on the economic impact for our stakeholders. One of our challenges for 2012 and beyond is the increased fixed cost, hence to remain competitive and sustainable we have to maintain business continuity in a safe and reliable way with higher efficiencies and cost optimisation."

As a prime producer of ammonia, methanol and granular urea, GPIC's business growth and financial performance are essential to its continued sustainability. Creating long term value for our shareholders is a key focus for the Company.

2010 - 2011 were strong earnings years for GPIC, due in large part to the significant recovery in the global ammonia, urea and methanol market from the 2009 economic downturn. The

continued investment in projects resulting in enhanced reliability, efficiency, productivity and business continuity, along with our close cooperation with our marketers, ensured smooth exports of our products, thus resulting in record profitability. The company was able to make profits amounting to US \$138 million by the end of 2010, against US \$105 million in 2009, an increase of 30%, and our profits further increased in 2011 to US\$ 265 million, an increase of 48% over our 2010 profits. Net profit for the year 2011 is the second highest since the inception of the company.

The future of our industry looks positive and we are well-positioned for continued earnings growth in 2012 and beyond. For a full account of GPIC's financial performance, please see the 2010 and 2011 GPIC Annual Reports

Financial Statement Ratios

Ratios	2011	2010	2009	2008	2007	2006
Current Ratio	12.27	8.22	9.57	11.20	14.93	20.69
Debt/Equity Ratio	0.07	0.08	0.08	0.07	0.05	0.03
Debt Ratio	0.07	0.07	0.07	0.07	0.05	0.03
Operating Cash Flow/Assets	22.10%	26.40%	27.66%	69.61%	41.98%	32.28%
Net operating margin percentage	58.70%	43.80%	39.98%	64.61%	60.16%	55.95%
Net Profit margin	40.54%	43.04%	39.65%	64.41%	60.02%	55.85%
Return on Total Assets (ROA)	48.25%	28.25%	21.99%	55.46%	37.24%	32.64%
Return on Equity (ROE)	53.30%	47.40%	40.77%	65.42%	56.72%	50.55%
Account Receivable Turnover	5.14	4.55	5.00	7.05	4.58	4.68
Inventory Turnover	8.80	10.15	5.25	4.61	4.57	3.97

2010 Performance

Performance Area	Objectives	Target Planned	Performance 2010
Financial Perspective	Operate the company so as to optimize profits and maximize revenues by minimizing costs and utilizing the resources efficiently	Debt to Equity Ratio (1:13)	1:13
		Return on Equity (>=25%)	82%
		Liquidity (Quick) Ratio (3.0:1.0)	3.08
		Total Cost / Metric ton (Target <=148.98 US\$/MT)	161.09 US\$/MT Higher than planned. Board approved figure



2011 Performance

Performance Area	Objectives	Target Planned	Performance 2011
Financial Perspective	Operate the company so as to optimize profits and maximize revenues by minimizing costs and utilizing resources efficiently	Combined Netbacks Target \geq 243.27 US\$/MT	378.29 US\$/MT
		Total cost / Metric ton Target \leq 148.17 US\$/MT	156.82 US\$/MT Higher than planned. Board approved figure
		Total fixed cost / Metric ton Target \leq 68.15 US\$/MT	80.015 US\$/MT Higher than planned. Board approved figure
		Total variable cost / Metric ton Target \leq 61.91 US\$/MT	59 US\$/MT Below planned.
		Liquidity (Quick) Ratio Target 3:0:1:0	4.56:1.0 Higher than planned.

Balance Sheets (Expressed in thousands of US\$)

Assets	2011	2010	2009	2008	2007	2006
Non-Current Assets						
Property, plant & equipment	352,850	352,031	333,100	300,091	315,811	288,989
Total Non-Current Assets	352,850	352,031	333,100	300,091	315,811	288,989
Current Assets						
Inventories	12,474	9,391.6	10,433	23,251	16,828	23,932
Trade and other receivables	92,440	84,829	56,148	52,163	75,191	74,107
Cash and cash equivalents	103,125	62,445	73,121	147,451	155,635	127,219
Total Current Assets	208,038	156,665	139,703	222,865	247,653	226,258
Total Assets	560,888	508,697	472,802	522,956	563,464	515,247
Equity						
Capital and Reserves						
Share Capital	159,000	159,000	159,000	159,000	159,000	159,000
Statutory Reserve	79,500	79,500	79,500	79,500	79,500	79,500
Retained Earnings	94,828	94,814	94,613	99,050	98,281	98,281
Proposed Dividends	189,989	137,999	105,001	150,000	200,857	162,000
Total Equity	523,317	471,313	438,114	487,550	537,637	498,780
Liabilities						
Non-current Liabilities						
Employee Benefits***	20,477	18,317	19,451	15,510	9,238	5,618
Current Liabilities						
Trade and Other Payables	17,095	19,067	15,238	19,896	16,589	10,849
Total Liabilities	37,572	37,384	34,689	35,406	25,827	16,467
Total Equity and Liabilities	560,888	508,697	472,802	522,956	563,464	515,247

*** Employee benefits cover mostly the post-retirement benefits. 2010 shows a decrease in the amount as a number of employees opted for early retirement package and hence a decrease in the liability to the company.

Economic Performance (continued)

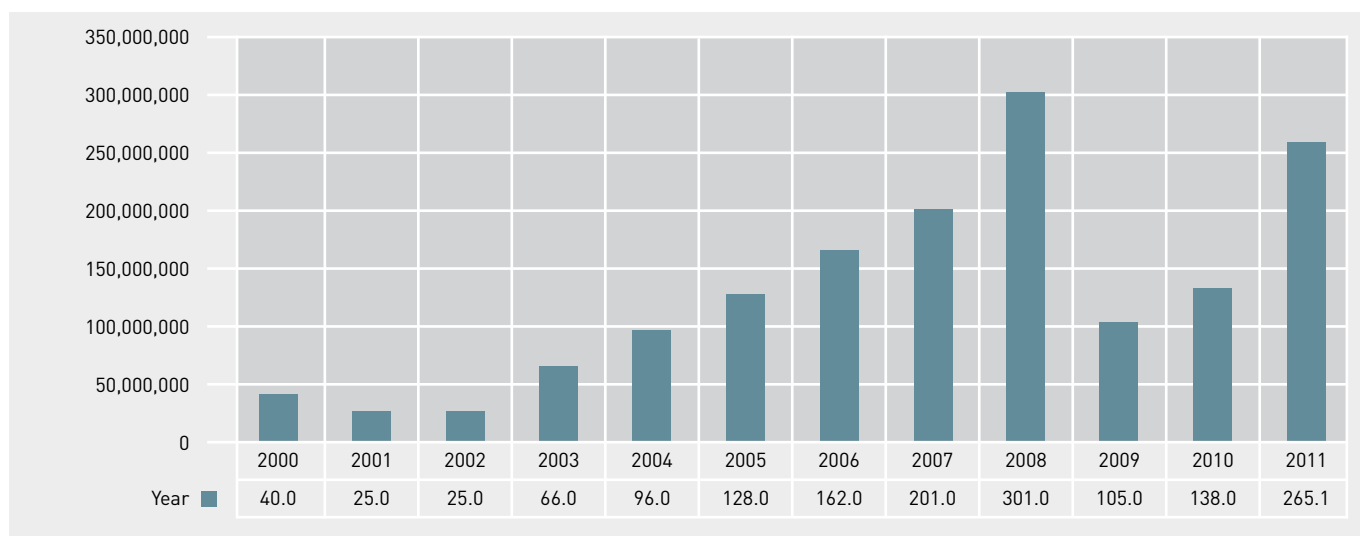


Well trained staff

Net Profit

Ratios	Net profit (US\$)	Dividends to Shareholders (US\$)
1998	1,000,000	15,000,000
1999	9,000,000	9,000,000
2000	40,000,000	36,000,000
2001	25,000,000	21,000,000
2002	25,000,000	21,000,000
2003	66,000,000	60,000,000
2004	96,000,000	96,000,000
2005	128,000,000	129,000,000
2006	162,000,000	162,000,000
2007	201,000,000	201,000,000
2008	301,000,000	300,000,000
2009	105,000,000	105,000,000
2010	138,000,000	138,000,000
2011	265,000,000	265,000,000

Net Profit (US\$)



Production Performance



A view of carbon dioxide recovery unit

The key to our success, like that of any other successful fertilizer and petrochemical company, is to keep the plants available and running efficiently while maintaining our focus on their reliability and process safety.”

The key to our success, like that of any other successful fertilizer and petrochemical company, is to keep the plants available and running efficiently while maintaining our focus on their reliability and process safety. During this period, we excelled in our business processes and produced and exported quality products whilst achieving our production targets. Most of our products were exported to USA, India, China and South Korea.

We maintained our focus, our chief source of pride being the excellence of our SHE performance, whilst a simultaneous drive towards process safety excellence gained momentum. To maintain the operations of our plants at the optimum, we further reviewed and enhanced our staff training and development programs. During 2010 and 2011 we reached several significant milestones, key among them being the successful execution of Turnaround 2010, where all the turnaround related objectives were safely and efficiently accomplished.

In 2011, we made the following production achievements:

- Highest total production of 1,575,018 tonnes for the year achieved in 2011, surpassing the previous record by 1.9% set in 2008
- Highest saleable production of 1,195,060 tonnes for the year achieved in 2011, surpassing the previous record by 1.9% set in 2008
- Highest urea production of 673,681 tonnes for the year achieved in 2011, surpassing the previous record by 1.9% set in 2008
- Highest daily average urea production over a full year achieved in 2011, surpassing the previous record by 2.1% set in 2008
- Highest daily average urea production, during a month achieved in February 2011, surpassing the previous record by 0.7 % set in 2010
- The Methanol Plant achieved an on-stream factor of 100% in 2011 as the plant operated without any interruption since the restart of the plants after the turnaround 2010.

Our challenges:

In achieving our targets and accomplishments we faced some challenges, the significant ones are as follows:

- Maintaining our business continuity during the political unrest in Q1 2011 was a major challenge. However, with the support of our loyal employees and the Labour Union, who continued to come to work as normal, we were able to continue our operations and exports uninterrupted.
- One of the key rotating items of equipment in the Ammonia Plant Benfield section MP-0501A remained as a bad spare due to an unresolved high vibrations issue. Endeavours continue to resolve the issue.
- The Carbon Dioxide Recovery Unit continued to operate with a very high chemical (KS 1) consumption. However, by end 2011, GPIC, in collaboration with Mitsubishi Heavy Industries (MHI), successfully resolved the issue by installing an additional proprietary demister in the CDR absorber.
- A high vibrations issue in the CDR unit blower K-2001. OEM Boldrocchi are studying to redesign the blower to resolve the issue.
- The ammonia synthesis loop exchanger E-0802 welded diaphragm gas leak was another area of concern during 2010-2011.
- Continued fouling of the ammonia plant process gas cooler resulted in production and energy losses.

Production Performance (continued)



Business Process Excellence

2010 Performance

Performance Area	Objectives	Target Planned	Performance 2010
Business Process Excellence	Operate the complex, ensuring that all key activities and processes are geared to achieve optimum production and export levels in a safe, reliable, efficient and manner effective	Total combined Production target 1,444,210 MT	1,475,892 MT 2.2% higher than budget
		Energy consumption per saleable product ton (<= 7.9 GCAL / MT)	7.85 GCAL / MT

Performance Area	Objectives	Target Planned	Performance 2011
Business Process Excellence	Operate the complex, ensuring that all key activities and processes are geared to achieve optimum production and export levels in a safe, reliable, efficient and manner effective	Total combined Production target 1,536,470 MT	1,575,018 MT. 2.5% higher than budget
		Energy consumption per saleable product ton (<= 7.77 GCAL / MT)	7.71 GCAL / MT

During 2010 and 2011 we reached several significant milestones, key among them being the successful execution of Turnaround 2010 where all the turnaround-related objectives were very safely and efficiently accomplished.”



Yearly Production and Exports performance Figures	Units	2011			dev	2010			dev	2009			dev
		Budget	Actual	%		Budget	Actual	%		Budget	Actual	%	
Ammonia Production	MT	448,750	458,303	2.1	420,000	429,307	2.2	446,250	470,131	5.4			
Methanol Production	MT	437,980	443,034	1.2	414,510	417,214	0.7	404,540	410,203	1.4			
Urea Production	MT	649,740	673,681	3.2	609,700	629,371	4.1	628,350	654,016	8.9			
Total Cumulative Production	MT	1,536,470	1,575,018	2.5	1,444,210	1,475,892	2.2	1,479,140	1,534,350	3.7			
Ammonia Exports	MT	78,395	71,536	-8.75	72,470	78,677	8.56	88,091	103,958	18			
Methanol Exports	MT	437,980	435,286	-0.62	414,510	429,614	3.64	404,540	407,766	0.8			
Urea Exports	MT	649,740	663,747	2.16	609,700	631,923	3.64	628,350	720,822	14.7			
Total Exports	MT	1,166,115	1,170,569	0.38	1,096,680	1,140,214	3.97	1,120,981	1,225,949	9.4			
On stream Factor (2)													
Ammonia	%	98.36	99.09	0.75	92.05	92.21	0.17	97.54	98.95	1.45			
Methanol	%	98.36	100.00	1.67	92.33	93.98	1.79	97.81	99.85	2.08			
Urea	%	97.81	96.60	-1.23	91.78	92.35	0.62	96.99	99.18	2.25			
Utilization Factor (3)													
Ammonia	%	104.17	105.60	1.37	104.17	106.29	2.04	104.17	108.47	4.13			
Methanol	%	101.67	101.15	-0.51	102.50	101.36	-1.11	104.63	104.21	-0.40			
Urea	%	107.06	112.39	4.98	107.06	109.83	2.59	104.12	106.27	2.07			
Capacity Utilization (1)													
Ammonia	%	102.45	104.64	2.13	95.89	98.02	2.22	101.61	107.34	5.64			
Methanol	%	100.00	101.15	1.15	94.64	95.25	0.65	102.34	104.06	1.68			
Urea	%	104.71	108.57	3.68	98.26	101.43	3.23	100.99	105.40	4.37			
Plant outages													
Ammonia	Days	6	3.32	-44.7	29	28.43	-2.0	8	3.8	-52.5			
Methanol	Days	6	0	-100	28	21.98	-21.5	7	0.53	-92.3			
Urea	Days	8	12.4	55.0	30	27.93	-6.9	10	3	-70.1			

Notes:

- 1) Capacity utilization is the percentage of design capacity utilized based on calendar days
- 2) On stream factor is the Operating days as percentage of calendar days
- 3) Utilization factor is the percentage of the design capacity utilized based on operating days
- 4) Urea plant had 12.4 days of plant outages. 55% more than the allocated 8 days outage during 2011
- 5) 2010 is a turnaround year
- 6) Methanol plant achieved 100% on-stream factor during 2011

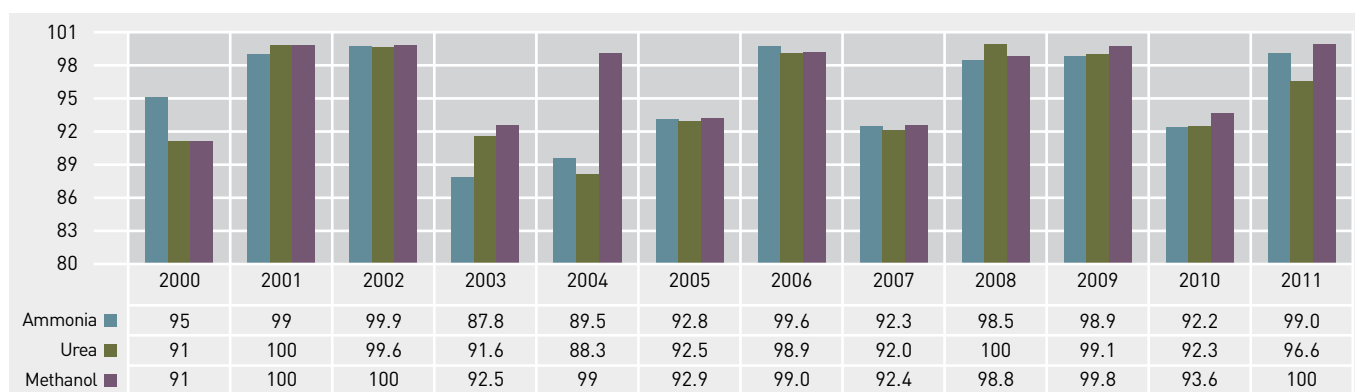
Marketing & Exports Performance



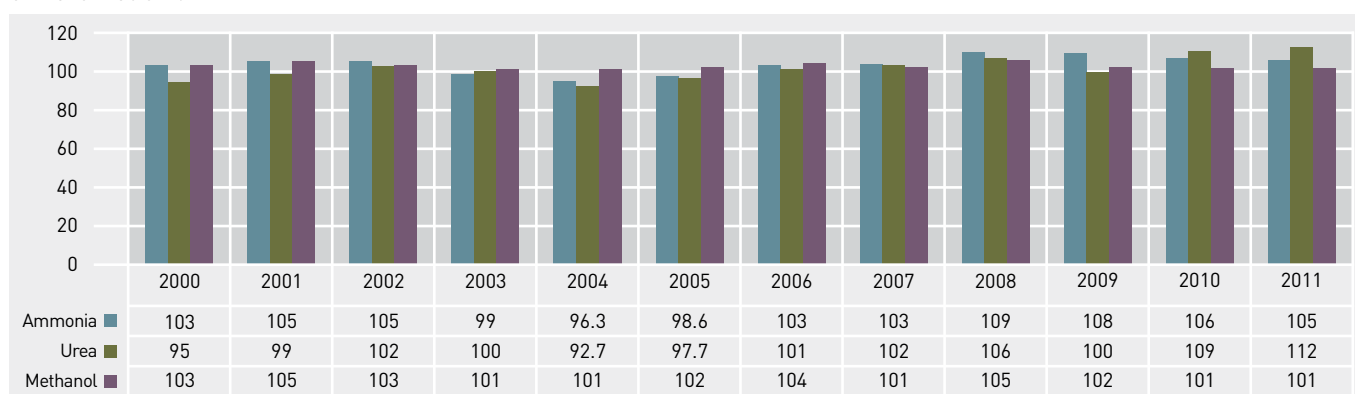
During this period, we excelled in our business processes and produced and exported quality products, whilst achieving our production targets. Most of our products were exported to USA, India, China and South Korea.”

Our Plant Performance Indicators

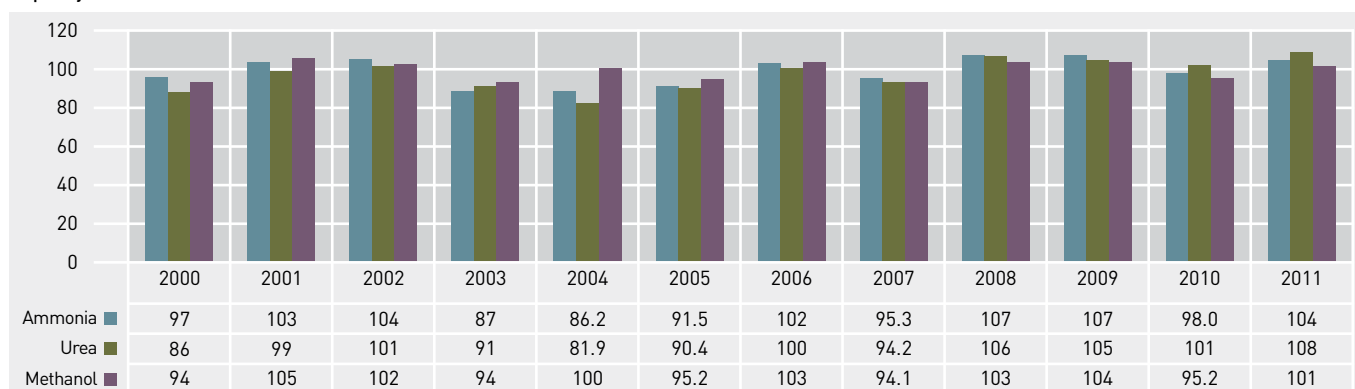
Onstream Factor %



Utilization Factor %



Capacity Utilization %





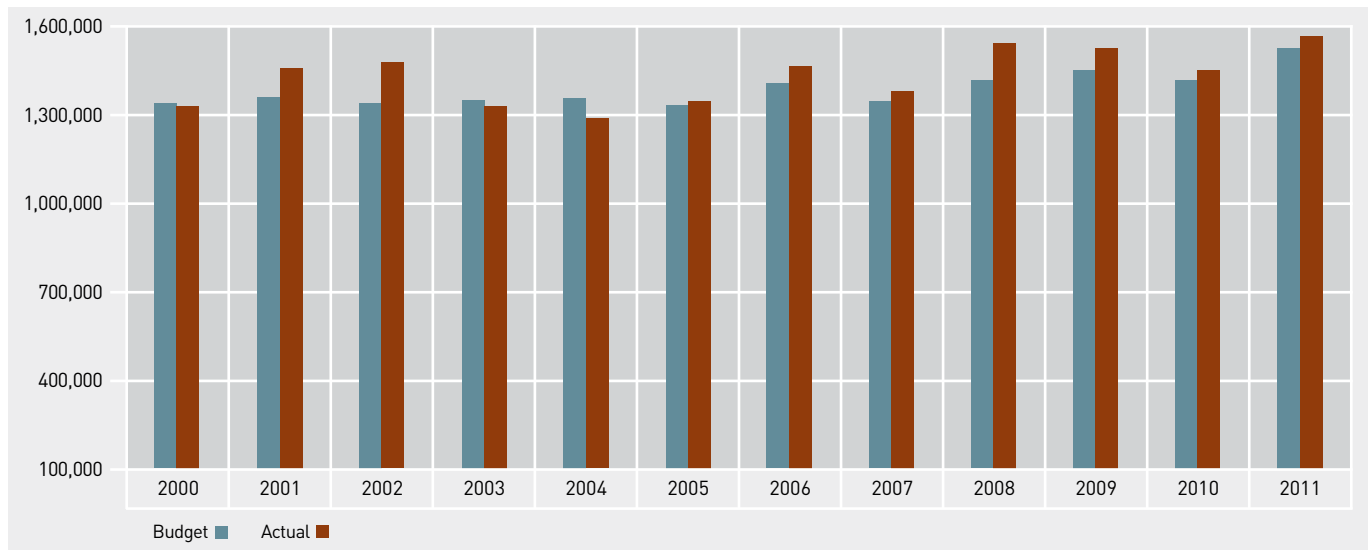
Yearly Exports performance Figures	Units	2011			dev	2010			dev	2009			dev
		Budget	Actual	%		Budget	Actual	%		Budget	Actual	%	
Ammonia Exports	MT	78,395	71,536	-8.75	72,470	78,677	8.56	88,091	103,958	18			
Methanol Exports	MT	437,980	435,286	-0.62	414,510	429,614	3.64	404,540	407,766	0.8			
Urea Exports	MT	649,740	663,747	2.16	609,700	631,923	3.64	628,350	720,822	14.7			
Total Exports	MT	1,166,115	1,170,569	0.38	1,096,680	1,140,214	3.97	1,120,981	1,225,949	9.4			
Ammonia export by region		Tonnes	Percentage		Tonnes	Percentage		Tonnes	Percentage				
India		33,974	47		41,127	52		64,988	67				
South Korea		37,561	53		16,999	22		10,873	11				
South Africa					15,349	20							
Jordan					5,199	6		9,999	10				
Taiwan								11,499	12				
Urea export by region		Tonnes	Percentage		Tonnes	Percentage		Tonnes	Percentage				
USA		351,960	53		353,902	56		345,990	48				
Thailand		20,471	3		22,000	3		85,323	12				
India		75,593	11		142,000	23		197,360	27				
Pakistan		86,895	13					31,805	4				
Australia		83,704	13					58,994	8				
South Africa		21,998	3		57,468	9							
Vietnam		21,999	3										
Argentina		-	-		55,250	9							
Local		1,123	-		1,302	-		1,348	-				
Methanol export by region		Tonnes	Percentage		Tonnes	Percentage		Tonnes	Percentage				
USA		151,664	34		199,232	46		165,121	40				
China		152,153	35		192,245	45		196,446	48				
Fareast		124,580 *	29		38,131**	9		37,798***	10				
Europe		6,651	2					8,399					
Local		234	-		4.8	-		-					

Note: 1) Far East* - Singapore, Taiwan, Korea
 Far East** - Singapore, Korea
 Far East*** - Singapore, Taiwan, Korea

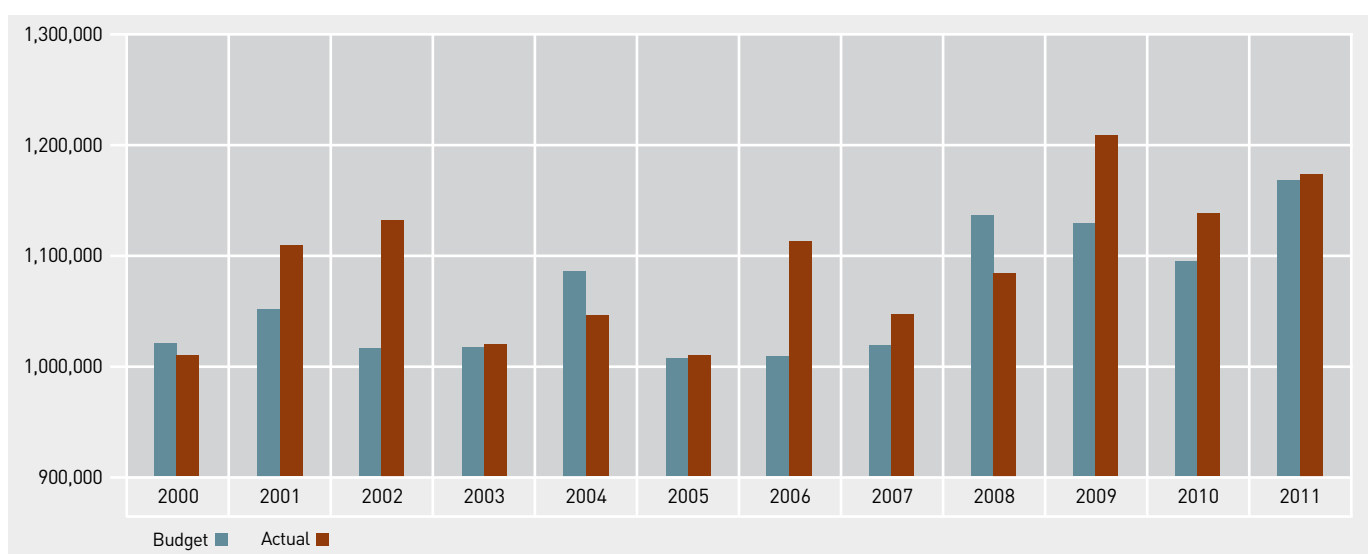
Highest total production of 1,575,018 tonnes for the year was achieved in 2011, surpassing the previous record by 1.9% set in 2008.”

Our Plant Performance Indicators

Total Production



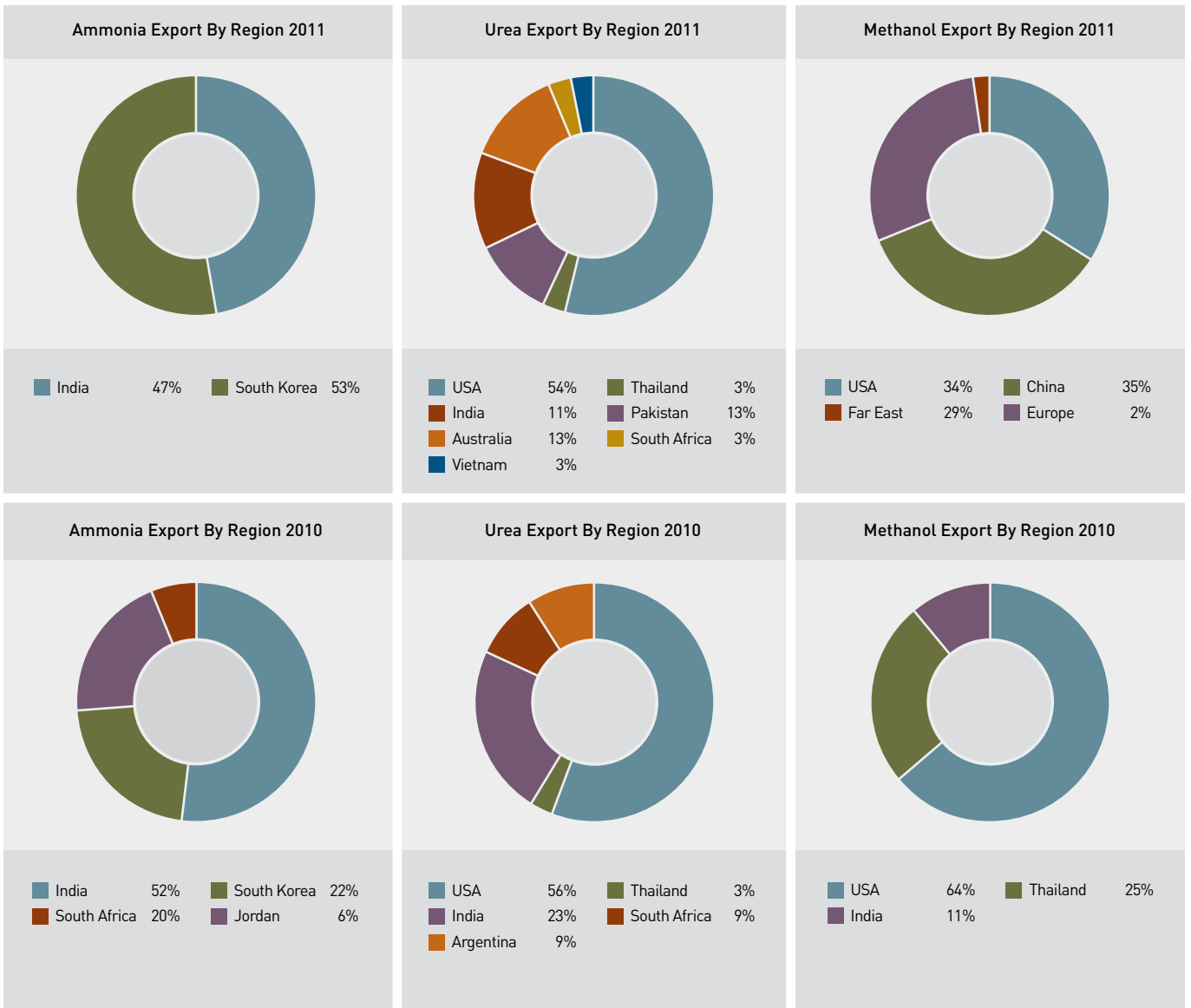
Total Exports



Ammonia and methanol export facilities.



Our Exports by Region 2010 - 2011



Safety and Health Performance



Our biggest challenge is to maintain our achievements and reduce our workplace injuries in order to attain our objective of a Zero Harm Workplace.

GPIC promotes a SHE culture within GPIC and also amongst surrounding communities by maintaining a zero harm workplace. We firmly believe that all work-related injuries and illnesses are avoidable, and it is on this basis that we design and manage our health and safety programs. We consider employees and contractors as equals when managing risks in the workplace.

GPIC achieved a strong Responsible Care performance in 2011, particularly in the area of employee health and safety. We achieved over 14 million man hours without a lost time accident by the end of 2011. We continue to benchmark our SHE performance with the best in class. During 2010 our biggest challenge was to have a safe turnaround. We achieved a successful turnaround with 12 minor injuries. Our total injuries in 2010 were 22 followed by 9 work-related minor injuries in 2011. Even though our performance with respect to lost time accidents has improved, our concern and focus remains on reducing the number of minor injuries, both for our employees and the contractor workforce.

We continued to reinforce our occupational and process safety during 2010-2011. We went beyond compliance by implementing Responsible Care Ethics and becoming accredited to RC14001 in 2010. The Process Safety Management (PSM) system attained new heights at GPIC when the Company engaged global safety leaders Dupont for an external assessment and gap analysis of its Process Safety Management systems in December 2010.

Sick leave statistics

Year	No. of sick leave days	% sick leave days	% sick leaves by gender		% sick leave days by age					
			Male	Female	<20	20-29	30-39	40-49	50-59	60+
2010	5969	2.8	2.6	5.7	1.5	1.5	2.5	3.9	2.4	1.8
2011	4729	2.4	2.3	2.2	1.4	2.1	2.4	2.9	1.8	1.0

Notes: 1) Sickness Absence % ratio according to International Labor Organization (ILO)

(No. Sick Leave days X 100)

Sick Leave % = $\frac{\text{No. Sick Leave days} \times 100}{\text{Total No. of Emp.} \times \text{No. Calendar days / year}}$

We have also engaged the British Safety Council to carry out a 5 star Occupational Health and Safety and Environment audit scheduled for January 2012.

Wellness at Work at GPIC

GPIC, being a Responsible Care company, believes that the health and wellbeing of its employees is of paramount importance. The Company has implemented several key initiatives in this regard and will take a step forward towards enhancing the quality of life of its workforce. The salient initiatives are as follows:

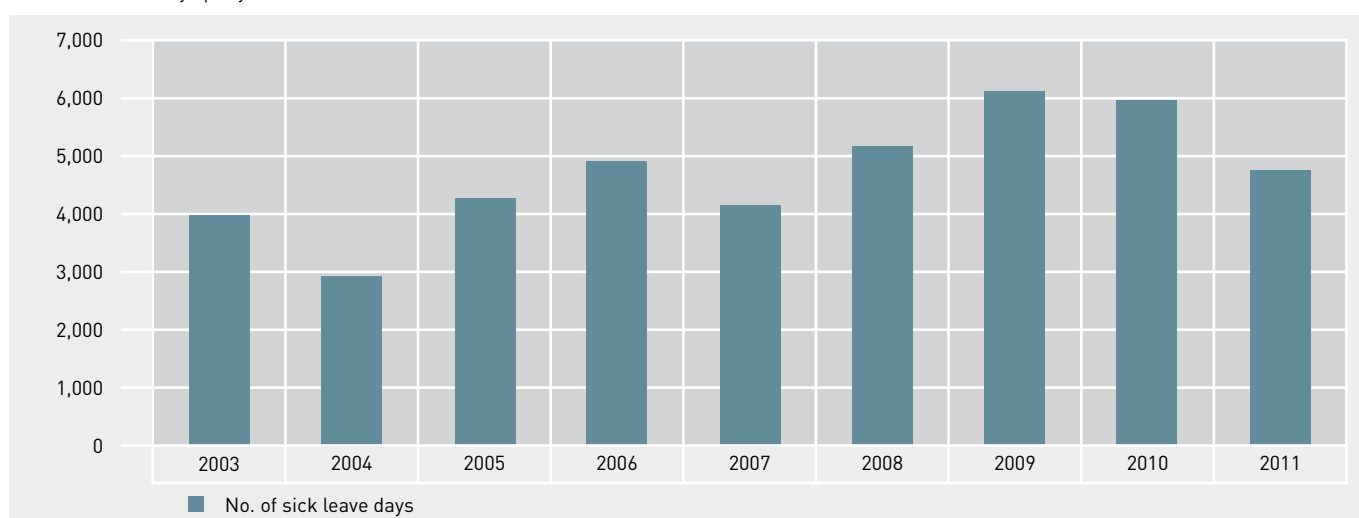
- Smoke-free GPIC campaign
- Health campaign on Diabetes, Hypertension and Fat composition
- Beat the Heat campaign
- Think Pink campaign
- Obesity Management Programme
- Blood donations by GPIC employees
- First aid training for GPIC employees
- Occupational health and disease awareness lectures, newsletters

During 2010, a study on the prevalence of overweight and obesity was carried out by the GPIC medical centre team with the objective of reviewing its long term effects on the health and productivity of its employees, with the ultimate aim of prevention of chronic diseases. The recommendations from this study are part of the obesity based health plan. The employee health performance in 2011 highlights a reduction of sick leaves by 21% over the target sick leave days total, whereas in 2010 the sick leaves were 40% more than the target.

GPIC promotes a SHE culture within GPIC and also amongst surrounding communities by maintaining a zero harm workplace.”



No. of sick leave days per year



Safety, Health & Environment Performance

2010 Performance

Performance Area	Objectives	Target Planned	Performance 2010
Safety, Health and Environment	Promote SHE culture within GPIC and also amongst surrounding communities by maintaining a Zero Harm Workplace	SHE incidents less than 2009... target <= 38 incidents	39
		SHE audits... target 29 incidents	44
		SHE training... target 80% of total manpower, 8 hrs of training each	100% achieved 16 hours/employee during 2010
		BBS observations... target 20,000	175,398
		Sick leaves... target reduction by 5% over 2009 (4,230 SL)	5,914 SL (40% over the target)

2011 Performance

Performance Area	Objectives	Target Planned	Performance 2011
Safety, Health and Environment	Promote SHE culture within GPIC and also amongst surrounding communities by maintaining a Zero Harm Workplace	Zero lost time accident	Zero lost time accident
		SHE audits target 24 incidents	32
		BBS observations... target 1500	2,777
		Sick leaves...target reduction by 2% over 2010 (5,796 SL)	4,595 (79% of allowable limit)

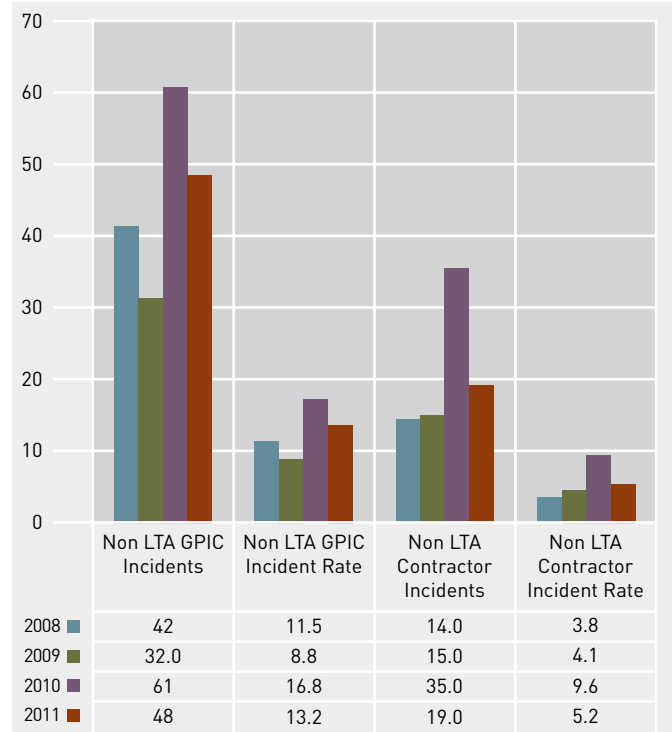
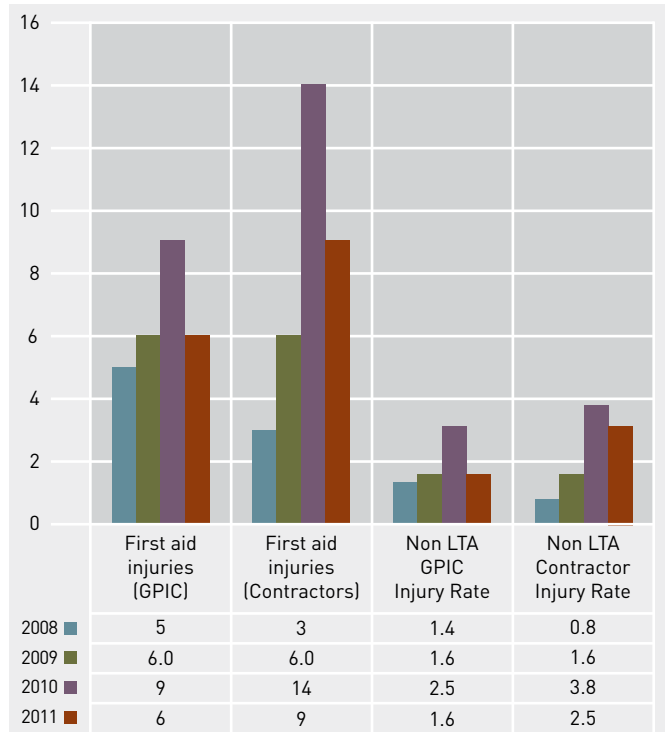
Note: 2010 is a turnaround year

Safety and Health Performance (continued)

Leadership commitment towards SHE excellence - GPIC SHE awareness booth at the Bahrain City Centre.



Our Safety Performance Indicators



	LTA Incidents (GPIC)	LTA Incidents (Contractors)	LTA Incident Rate (GPIC)	LTA Incident Rate (Contractors)	Injuries and first aids during turnarounds (TA)
2003					33
2005					15
2007					4
2008	0	0	0	0	Non TA year
2009	0	1	0	0.3	Non TA year
2010	0	0	0	0	12
2011	0	0	0	0	Non TA year

Notes: 1) Recordable injury rate and incident rate is calculated based on 200,000 hours worked. It calculates the number of injuries and illnesses per 100 full-time workers. Rates are calculated as (N x 200,000) divided by EH. N = number of injuries and illnesses during a month, a quarter, a fiscal year or any other time period. EH = total hours worked by employees during the period. 200,000 = base for 100 full-time workers (working 40 hours per week, 50 weeks per year).

2) A Loss Time Accident (LTA) is a work related injury or illness which causes an employee or contractor to be absent from work for one day or more. Calendar days are considered and the count starts from the time of injury.



Walking for a Cause
GPIC President leads the Think Pink walk

Environmental Impact

- Environmental Management and Strategy
- Environmental Performance





“WE’RE COMMITTED TO PROTECTING THE ENVIRONMENT BY MINIMIZING OUR USE OF NATURAL RESOURCES AND ENERGY AND REDUCING WASTE AND HARMFUL EMISSIONS.”

Our Environment

At GPIC, environmental management has always been a high priority, and it is part of the Company's ethos to go beyond good environmental performance, and to strive towards excellence. "



We are committed to reducing our impact on the environment and promoting good environmental practices.

Managing our Impacts

At GPIC, environmental management has always been a high priority, and it is part of the Company's ethos to go beyond good environmental performance, and to strive towards excellence. In an era of global climate change, we are conscious of our responsibilities towards the planet and the need to invest in protecting the environment. We have implemented several initiatives to improve our environmental management, and reduce our carbon footprint to ensure that we are a greener and a more environmentally friendly Company every year.

We aspire for our activities to cause no damage to the environment. We aim to minimize our impact across the life cycle of our operations, from initial project planning through operations, to decommissioning. We aim to achieve continuous improvement in our performance through the use of management systems, which we also use to identify and mitigate risk.

During the recent visit of the United Nations Information Centre (UNIC-Bahrain) Director Nejb Friji expressed his feelings about GPIC's environmental stewardship in the following quote: "I was very impressed by the careful thought and attention that have gone into the designing of the plant to ensure maximum efficiency while at the same time, minimizing its effect on the environment. I highly commend your ecological efforts to preserve rare plants and bird species in your beautiful park where I was honoured by the privilege of planting a palm tree in my name. GPIC's fisheries project is yet another proof of your environment awareness and GPIC's role in preserving the ecosystem. I truly believe these are inspiring ways to raise awareness on the importance of protecting our environment, joining the UN's efforts in achieving the Millennium Development Goal No 7 which is Environmental Sustainability."

Our Environmental Management and Investment Strategy

Being a leading industrial complex producing ammonia, methanol and granular urea, we have a highly complex environmental footprint, and therefore we need a multifaceted strategy to confront the challenges of an environmentally sustainable business model.

Our environmental management model is founded on the basic concept of 'Reduce, Reuse and Recycle' and is seamlessly aligned to

the company's triple bottom line approach to business sustainability. We have adopted a multi-pronged strategy with respect to managing our environmental footprint and have prioritized our investments accordingly.

The following is only a summarized view of how the Company manages its environmental sustainability.

Firstly, an environmental impact study and review at the design stage is carried out for all minor and major projects as well as engineering modifications. Any gaps or concerns highlighted as part of the environmental impact study are addressed to ensure an environmentally sustainable project.

We also prepared the Environment Impact Assessment Report (EIAR) for our latest project the Carbon Dioxide Recovery (CDR) Project. Since this project falls under category B of the World Bank EIA guidelines, a full EIA was not required; however, environmental analysis was necessary.

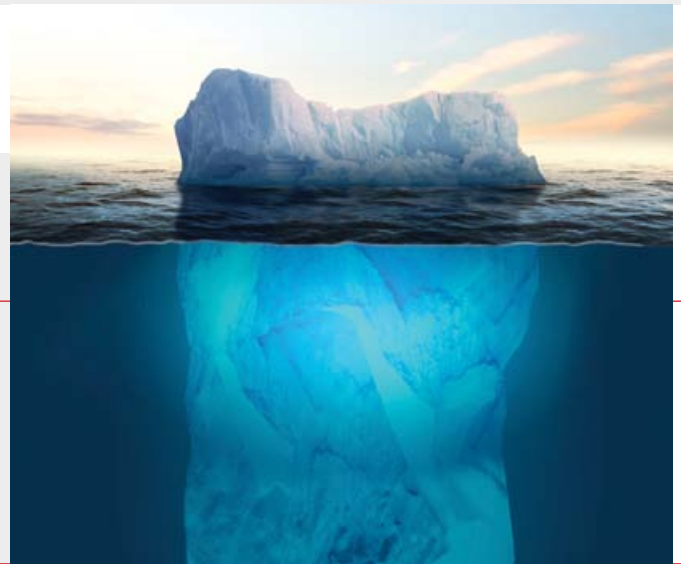
The assessment revealed that this project has a clear positive environmental impact. It will recover 450 MTPD of CO₂ that is otherwise being vented into the atmosphere. In addition to CO₂, the unit will also remove 355 kg/day of SO_x from the flue gas in the pretreatment section. It will also enhance the process efficiencies of production of methanol and urea, in terms of product per natural gas consumed.

In addition, the project will have a positive socio-economic impact as it will add to the profitability of GPIC, hence its direct contribution into the National economy.

Secondly, as a part of our Responsible Operations Strategy, we actively monitor our gas emissions and liquid effluents and have initiated several measures to reduce our carbon footprint and improve our overall environmental footprint.

Thirdly, we ensure that we are maximizing the efficiency of our resource utilization of everything from water to energy, to raw materials, to minimized wastage from our manufacturing processes, and so make our facilities greener and more eco-friendly.

Finally, as with so many other aspects of our business, we benchmark ourselves against some of the highest global standards by pursuing internationally recognized certifications. Our facilities are frequently audited by third parties to ensure that we are holding ourselves to the standards we have committed ourselves to. With regards to environmental management, we are accredited with the



In an era of global climate change, our greenhouse gas emissions, as well as our carbon footprint, are some of the biggest challenges we face when trying to invest in environmental sustainability.”

ISO-14001, Environmental Management standard and RC 14001, the Responsible Care Management standard.

We are also actively engaged in cultivating a culture of environmental responsibility amongst our people, by launching campaigns to conserve energy and save water. We aim to ensure that our people become environmentally conscious citizens who can help spread awareness about the need for action against global climate change.

At GPIC, in line with our business principles of sustainability, coupled with responsible care and corporate social responsibility ethics, our strategy of environmental management goes beyond our facilities. The key goal is to manage our business processes to produce an overall positive impact on society. Our Responsible Operations Strategy ensures that we do not impact adversely on our neighbouring communities. Furthermore, we assume our role of environmental stewardship and corporate citizenship by imparting environmental awareness lectures to the school children in Bahrain.

We are very conscious of our responsibilities with regards to biodiversity and preservation of natural habitats. We invest in practical demonstration projects to verify our environmental credentials. A fish farm, a bird sanctuary, a palm tree plantation, a herbal and aromatic plants garden, and an olive tree oasis have been established within our facilities.

In the local, regional and international arena we believe that businesses have a fundamental role to play in environmental stewardship by investing and supporting various programmes, campaigns, workshops, conferences, research programmes, and sharing their knowledge and expertise with the communities.

Following are some examples of our environmental stewardship:

- GPIC sponsors The RoSPA International Dilmun Environmental Award.
- GPIC supports the UNEP ‘SEAL THE DEAL’ campaign to combat global warming.
- GPIC has memberships in Safety, Health, Environment and agriculture committees of various organizations at regional and international levels such as International Fertilizers Association (IFA), Arab Fertilizers Association (AFA), etc.

- GPIC supports the ‘National Initiative For the Development of Agriculture’ in Bahrain.
- GPIC sponsors environmental initiatives and programs, and the Bahrain Garden Show is just one of the many examples.

Climate Change Commitments

In an era of global climate change, our greenhouse gas emissions, as well as our carbon footprint, are some of the biggest challenges we face when trying to invest in environmental sustainability.

We have been able to implement some projects that will reduce our carbon footprint and greenhouse gas emissions, thereby helping to contribute towards the mission against climate change. Our Carbon Dioxide Recovery Plant, commissioned in December 2009, captures about 450 metric tons of carbon dioxide on a daily basis and uses it for the production of methanol and urea, resulting in increased profitability, effective resources utilization and a reduction of our carbon footprint. This project highlights our efforts towards building our environment sustainability strategy as a core element of our overall business strategy.

We are also in the process of phasing out all ozone depleting refrigerants used in the air conditioning systems and replacing them with more environment friendly refrigerants across the facility.

	2011	2010	2009
Greenhouse gas emissions (tonnes of CO ₂)	1,277,587	1,285,271	1,264,365
Notes: CDR unit commissioned in Dec, 2009			

Efficient resource utilization

Our vision of environmental responsibility stretches beyond greenhouse gases and also encompasses our use of nearly every type of resource that goes into our manufacturing process.

Our commitment towards efficient resource utilization is perhaps where our holistic approach towards strategy, and our triple bottom line approach, best shines through; not only does efficiency make our industrial units more planet friendly, but they also help reduce costs, thus improving our profitability.



Acting responsibly towards energy conservation

Plant efficiency

We aim to operate our plants safely and efficiently and our investment strategies also focus on optimizing our energy utilization by replacing and upgrading ageing equipment with the latest, state of the art equipment based on cutting edge technologies.

Our responsible operations result in world class reliability and on-stream factors, and also play a major role in conservation and the optimization of energy utilization. The continuous long term operation of plants ensures minimum wastage of energy, as plant startup-and shutdown-related wastage of natural resources and energy will be minimized.

Water Consumption

As a responsible organization, we are conscious of our responsibility towards the planet and hence we seriously consider ways of conserving and optimizing the use of water at our facilities.

Our plants are designed and operated in such a way which ensures optimum usage of water. Most of the water generated as part of the process is treated and recycled back into the process.

The water used for irrigation and gardening purposes at GPIC is optimized by using a drip watering system. As a part of our future strategy, we are working on two projects that will further enhance the way in which we use non-process related water.

- Automatic irrigation for complex greenery.
- Installation of flow meters to measure the amount of flow consumption before and after installation of the automatic irrigation system.

Paper Consumption

At GPIC, we have expanded the use of electronic communications with the goal of enhancing our communication and reducing our paper consumption. We also encourage double sided photocopying and the use of recycled paper.

Since 2005 we have recycled over 40 tonnes of paper. On an average basis we are recycling about 5,000Kg of paper every year.

Energy Consumption

The reliable and continued operation of our plants, including our in-house power generating unit, helps us, GPIC and one of our key suppliers the Electricity and Water Authority (EWA), Government of Bahrain.

The total power requirement for our complex is about 24 megawatts; our in-house power generation covers 56% of our requirements and the remaining is purchased from the Electricity and Water Authority (EWA), Government of Bahrain.

Over the years we have implemented several initiatives to help further reduce and optimize our energy consumption. Some of the salient initiatives that supports our energy optimization strategy are:

- A robust asset management programme with regular monitoring, and an effective preventive and predictive maintenance strategy, along with investments in new equipment, ensure optimum power consumption.
- The replacement of lighting systems in plant areas and buildings with the latest, low energy versions.
- The expansion of the use of automated lighting systems based on photocells.
- Enhancing the concept of Green IT at GPIC.
- Introducing the concept of Green Energy in the form of Solar Energy.
- In April, 2011 replacement of a faulty valve actuator XV-10207 of the PSA unit enabled higher recovery of waste gases to the methanol reformer fuel system, hence decreasing the specific energy consumption / MT of methanol produced by about 2%.

Green IT initiatives

As for the Green IT trend, we have always been a front runner in Green IT applications due to our strong focus on environmental issues and compliance.

Some of the key technical projects set up to promote the concept of Green IT include:

- In 2007, we implemented an SAP system – an enterprise resource planning solution package which contributed largely to reducing paper work, as all information could be accessed electronically by the decision makers in various departments.



We are a Responsible Care RC-14001 and ISO 14001 certified company and one of the key areas is the identification of environmental aspects and assessment of related impacts.”

- All mainframes were replaced by medium-sized and mini computers for their effectiveness in reducing power consumption and thermal emissions.
- We implemented “Blade System,” a project that has significantly saved space, and infrastructure resources, and reduced our energy consumption, by integrating all servers in a single self-contained server using a single source of energy. We were the first in the Kingdom to implement this project. This system utilizes virtualization technology, which rationalizes the power consumption and capacity according to usage. The operating systems are regularly upgraded for all PCs and servers so as to make the most of the modern features in this system in order to conserve power consumption.
- E- procurement: we have also initiated an E-procurement project within our facility.

Environmental Impact assessment and monitoring and reporting our air quality, emissions and liquid effluents

We are a Responsible Care RC 14001 and ISO 14001 certified company, and one of the key areas is the identification of environmental aspects and assessment of related impacts. All the risk assessments and action plans are reviewed periodically and reside on the company’s intranet. As highlighted before, all the projects and modifications undergo an environmental impact study.

Another important part of our environmental management system is the measurement and reporting of our emissions and effluents to our stake holders. As a way forward, during 2011 the online NO_x and SO_x analyzers installed at the HP steam boilers flue gas stacks and the ammonia and methanol reformers flue gas stacks were provided with remote connectivity to the Environmental Affairs Directorate of the Kingdom of Bahrain. Hence our key emissions are being continuously monitored by the governmental regulator. Further to this, we have a standalone mobile air quality monitoring unit that measures the air quality in and around our facilities. Recently, this has also been provided with remote connectivity, facilitating real time updates and trends and online monitoring in the main control room.

Waste Management and Recycling

We manage the industrial and non-industrial waste generated at our facility by collecting, segregating and recycling it according to well-established procedures in conformance to legislative requirements in Bahrain. Presently we do not have a waste recovery, recycling or disposal facility. The fate of our waste is known and documented. Prior to maintenance turnarounds, the waste generators provide a comprehensive plan on waste generation and management during the turnarounds. During 2010, out of a total solid waste of 408 m³, 231 m³ was spent catalyst sold to recycling agents. On an average basis 100 m³/year (average of ten years (2001 to 2010) of spent catalyst is generated and exported to recycling agents. Moreover an average of 88m³/year waste, such as spent activated carbon, water treatment resins, furnace insulation etc., is sent to Bahrain Government’s authorized disposal site at Hafira. All the chemical waste is either disposed to the authorized disposal site at Hafira or sold to authorized recycling agents if there are buyers.

Preservation of natural habitats

We take on full responsibility towards our corporate social responsibilities and environmental stewardship. We have embarked upon several environmental projects that focus on the long term preservation of natural habitats in and around the complex.

In November 1996, we established our **Fish Farm** located on the south west side of the complex. Since then, 330,000 Sea Bream have been released into territorial water, replenishing dwindling fish reserves and benefiting local fishermen.

In June 2002, a **Bird Sanctuary** was inaugurated. Built on a coastal strip of 600,000m², the sanctuary provides a safe haven for migrating birds, waders and local species. Over 70 species have been recorded visiting the island. 2000 mangrove trees were also planted around the island to enhance the natural habitat. Today, the mangroves have grown and currently total over 20,000 trees.

To preserve local herbs that were once used for their medicinal values by our ancestors, our **Herb Garden** was officially inaugurated on 9 May 2005. It was expanded later to include a rare arid plants garden with an overall area of more than 26,800m². In 2009, Her Royal Highness Princess Sabika bint Ebrahim Al

Note: Read more about GPIC natural habitats on our website: www.gpic.com



We take care of our environment

Khalifa, the wife of His Majesty the King of Bahrain, inaugurated the **Princess Sabika Aromatic Plants Garden** containing over 45 rare breeds of aromatic plants.

On her visit to Bahrain on 5th Feb 2011, the Queen of Denmark also inaugurated the **Queen Margrethe Olive Oasis**. The oasis contains more than 300 trees.

The total area of habitats preserved is summarized as:

- Total green area developed and preserved inside the complex 7.62 Hectares
- Bird sanctuary 4.2 Hectares
- Fish farm-more than 0.23 Hectares

Environmental awareness

We also believe that caring for the environment goes beyond the borders of our facility. In 2001, we started our **Environmental Awareness lectures to schools**. By the end of the 2011 academic year, 286 schools visits had been conducted, benefiting over 20,000 students.

The Environmental Awareness Programme for schools is one of our initiatives towards protecting the environment and society. It aims at enhancing the awareness of students about major local, regional and global environmental issues. Our experience in

minimizing pollution and developing our surrounding environment is also highlighted throughout the lectures.

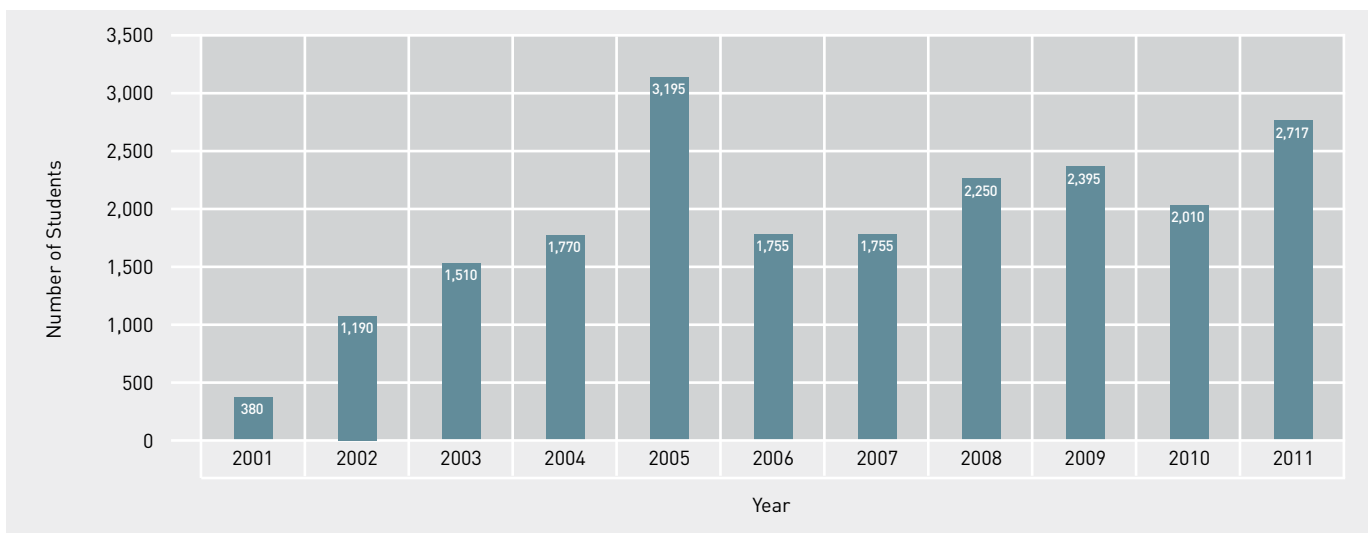
Environmental research

In 2004, we also launched our **Environment Research Programme – Environment Award for secondary school students**, where we fund 20 research projects annually and reward the top three projects. This interactive initiative allows students to suggest their own research topics as well. The topics that GPIC has sponsored over the years cover a range of environmental issues, such as the effects of using water-saving devices on water consumption, the impact of the Kena-Capris tree plantation on the environment, the impact of materials used in coastal reclamation, 101 practical ways for domestic waste management, etc.

Financial support and Involvement

Our financial contributions to environmental care agencies exceeded over US \$200,000 in the past decade. To also be engaged in the development of national policies, we actively participate and subscribe to key decision making institutions/organizations like Bahrain’s Consultative Council, the National Oil and Gas Authority, Health and Safety Organizations and other similar committees entrusted with drafting environmental legislation for Bahrain.

Number of Students Attended





GPIC goes for Green Computing

On an international level, in 2006, GPIC, in coordination with RoSPA (UK), launched its **International Dilmun Environmental Award** for organizations worldwide to compete for. We are also represented in the Royal Society for the Prevention of Accidents (RoSPA, UK) and The National Safety Council (USA).

We actively participated in the UNEP global 'Seal the deal' campaign to combat global warming, in preparation for the climate change summit which was held in Copenhagen, Denmark. In acknowledgement of our environmental projects and the care given by our business processes in relation to global warming through the successful implementation of Carbon Dioxide Recovery unit, the United Nations Environmental Program (UNEP) has showcased GPIC as a role model for clean industry.

Our investments in environmental projects

Our continued focus on investments in environment-related projects can be judged by the amount we have spent in this area, spending more than US \$2.0 million in the past three years.

Our Environment Committees

We have a number of committees that play a key role in our day-to-day business related to environmental management. These committees include:

The Safety, Health and Environment Council (SHEC)

This is our top tier committee, chaired by the President of GPIC. Its main objective is to establish and oversee company policies and strategies for Safety, Health, Environment and Responsible Care in the complex. It also oversees the implementation of Process Safety Management (PSM) within our organization.

The Environment Committee

The committee's prime objective is to oversee all environmental issues, and its charter includes:

- Promoting internal and external environmental awareness.
- Managing internal and external environmental projects.
- Promoting Responsible Care initiatives/awareness.

The Fish farm and Bird Sanctuary committee

The committee oversees the management of the fish farm, bird sanctuary and the bird cage in the GPIC Club. The committee charter includes:

- Organising the maintenance required for the fish farm, bird sanctuary and the bird cage at the Club.
- Demonstrating the company's strong commitment towards the environment by continuously protecting the marine, wildlife and natural habitats and seeking way to enrich them further.
- Organizing fish release and replenishment.
- Reviewing publications related to the three projects and updating them regularly.
- Issuing relevant statistical reports.

Our Environmental initiatives in 2010 -2011

Some of the key environmental projects we carried out during the reporting period include:

- Introducing the concept of Green Energy by installing and commissioning a solar powered water heating system at one of our buildings and, once proven, the concept will be expanded to other areas.
- Introducing a waste segregation and recycling facility with tri-colored bins at our canteen.
- Constructing of an olive tree garden on the west side of the complex (inaugurated by the Queen of Denmark).
- The beautification of the charity fish farm.
- Providing remote connectivity of the online NO_x and SO_x analyzers installed at the HP steam boilers flue gas stacks and the ammonia and methanol reformers flue gas stacks to the Environmental Affairs Directorate of the Kingdom of Bahrain.
- Providing a mobile air quality monitoring unit with remote connectivity, facilitating real time updates and trends or online monitoring in main control room.
- Reducing noise by installing a silencer on the instrument air system in the methanol plant.

Fresh vegetables from
the GPIC Charity Garden



Ways towards environmental sustainability

The following key projects have been initiated and will be completed in 2012, but they will focus on long term environmental sustainability by improving energy efficiency, reducing the inventories and use of hazardous chemicals and reducing emissions.

- The Ammonia Converter Basket Replacement Project will decrease the energy required to produce ammonia.
- Providing a dedicated flare in the Urea plant to take care of ammonia emissions.
- Phasing out the use of chlorine by replacing the existing chlorine unit with a more environmentally friendly Sodium Hypochlorite unit.
- Making GPIC totally free of ozone-depleting refrigerant R-22 by 2014.

Our Environmental Performance

We are dedicated to protecting the environment by minimizing our use of natural resources and energy, and reducing waste and harmful emissions. As part of our commitment to Responsible Care, we do more than simply comply with regulations - we follow best environmental practices in all aspects of methanol, ammonia and granular urea production and exports. We promote this ethic with our customers, partners, employees and other stakeholders.

Our environmental performance has been satisfactory during 2010 and 2011. This achievement results from our ongoing investments in environmental infrastructure and management systems, as well as our commitment to applying world-class environmental standards to all of our operations – from our manufacturing plants to our exports, including our terminals.

We faced some environmental challenges during the 2010 plant maintenance turnaround. To make the Urea plant equipment ammonia free without having an adverse impact on

the surroundings was a big challenge. We tackled that by an innovative solution of using the Methanol plant flare for this purpose and a permanent solution is in place in the form of a dedicated flare system for the Urea plant which will be installed during the November 2012 turnaround.

We did not experience any major loss of containment or any significant environmental incident during the reporting period.

We continued to report on our emissions and effluents quality to regulatory bodies and there were no cases of non-compliance as per the Bahrain environmental standards.



A view of dates hanging at our palm tree oasis

We continued to report on our emissions and effluents quality to regulatory bodies and there were no cases of non-compliance as per the Bahrain environmental standards.”

Emissions to Air: 2010

Description	Ammonia Reformer stack	Methanol Reformer stack	Auxiliary Boilers stack	Urea Boiler stack	CDR Boiler stack	Gas Turbine stack	Urea Gran. stack
CO (mg/Nm ³)	100 (1)	100 (1)	100 (2)	100 (2)	100 (2)	100 (2)	
	N.D.	N.D.	N.D.	N.D.	16	N.D.	
SO ₂ (mg/Nm ³)	500 (1)	500 (1)					
	260	270	100	95	75	20	
NO _x (mg/Nm ³) as NO ₂	300 (1)	300 (1)	100 (2)	100 (2)		100 (2)	
	230	220	60	96	30	80	
VOC (ppm) (Volatile Organic Compounds)	20 (1)	20 (1)					99% Recovery (3)
	N.D.	N.D.					9.7
NH ₃ (mg/Nm ³)	30 (1)	15 (1)					50 (3)
	N.D.	N.D.					17.1
PM mg/Nm ³ (Particulate Matter)	20 (1)	20 (1)	50 (2)	50 (2)	50 (2)	50 (2)	30 (3)
	N.D.	N.D.	N.D.	N.D.		N.D.	27.9
CO ₂ %	10.7	11.5	11.4	11.0	10.7	2.2	
Benzene (mg/Nm ³)	5	5					
	N.D.	N.D.					
Vinyl Chloride (mg/Nm ³)	5	5					
	N.D.	N.D.					
1,2 - Dichloroethane (mg/Nm ³)	5	5					
	N.D.	N.D.					
HCL (mg/Nm ³)	10	10					
	N.D.	N.D.					
H ₂ S (mg/Nm ³)			N.D.	N.D.	N.D.	N.D.	

N.D. = Not detectable, N.A. or blank = Not available

Note: (1) = Standard for Petrochemical and Ammonia manufacturing.

(2) = Standard for Combustion Processes. For SO_x and NO_x analysis Oxygen content adjusted to 15% VO₂ / V total.

(3) = Standard for Fertilizer Industry.

(4) = All the other 6 monthly emissions data is available in the Environmental Reports sent by GPIC to Bahrain Environmental Directorate.

Our Environment (continued)



Responsible Care is our
Commitment to Sustainability

Emissions to Air: 2011

Description	Ammonia Reformer stack	Methanol Reformer stack	Auxiliary Boilers stack	Urea Boiler stack	CDR Boiler stack	Gas Turbine stack	Urea Gran. stack
CO (mg/Nm ³)	100 (1)	100 (1)	100 (2)	100 (2)	100 (2)	100 (2)	
	N.D.	N.D.	N.D.	N.D.	15	N.D.	
SO ₂ (mg/Nm ³)	500 (1)	500 (1)					
	360	150	145	115	68	20	
NO _x (mg/Nm ³) as NO ₂	300 (1)	300 (1)	100 (2)	100 (2)		100 (2)	
	220	220	45	95	24	80	
VOC (ppm) (Volatile Organic Compounds)	20 (1)	20 (1)					99% Recovery (3)
	N.D.	N.D.					8.8
NH ₃ (mg/Nm ³)	30 (1)	15 (1)					50 (3)
	N.D.	N.D.					14.3
PM mg/Nm ³ (Particulate Matter)	20 (1)	20 (1)	50 (2)	50 (2)	50 (2)	50 (2)	30 (3)
	N.D.	N.D.	N.D.	N.D.		N.D.	27.9
CO ₂ %	10.5	11.3	11.4	10.4	10.5	2.1	
Benzene (mg/Nm ³)	5	5					
	N.D.	N.D.					
Vinyl Chloride (mg/Nm ³)	5	5					
	N.D.	N.D.					
1,2 - Dichloroethane (mg/Nm ³)	5	5					
	N.D.	N.D.					
HCL (mg/Nm ³)	10	10					
	N.D.	N.D.					
H ₂ S (mg/Nm ³)			N.D.	N.D.		N.D.	

N.D. = Not detectable, N.A. or blank = Not available

Note: (1) = Standard for Petrochemical and Ammonia manufacturing.

(2) = Standard for Combustion Processes. For SO_x and NO_x analysis Oxygen content adjusted to 15% VO₂ / V total.

(3) = Standard for Fertilizer Industry.

(4) = All the other 6 monthly emissions data is available in the Environmental Reports sent by GPIC to Bahrain Environmental Directorate.

“GPIC - where nature and technology co-exist.”



Liquid Effluent Analysis 2011
Main Sea Water Outfall

PARAMETERS	UNITS	Maximum Limit (1) BES	2011	GPIC 2010	2009
PHYSICAL PROPERTIES					
Floating Particles		-	Nil	Nil	Nil
pH	pH	-	8.0	8.1	8.2
Temperature (for receiving)	°C	-	2	2	3
Total Suspended Solids	mg/L	35	<1	<1	<1
Turbidity	N.T.U.	75	<5	<5	<5
ORGANIC POLLUTANTS					
Biological Oxygen Demand	mg/L	50	15*	3.0*	3.0*
Chemical Oxygen Demand	mg/L	350	46	80	60
Total Kjeldahl Nitrogen	mg/L	10	1.6	1.7	1.6
Total Organic Carbon	mg/L	-	4	1.4	2.5
Oil & Grease	mg/L	15	<1	<0.1	<0.1
Phenols	mg/L	1	<0.1	<0.1	<0.1
Fluorescent petroleum matters	mg/L	0.1	<0.1	<0.1	<0.1
INORGANIC CHEMICAL PROPERTIES					
Aluminium	mg/L	25	<0.1	<0.1	<0.1
Ammonia (as N2)	mg/L	3	0.5	1.0	1.0
Arsenic	mg/L	0.5	<0.1	<0.01	<0.01
Cadmium	mg/L	0.05	<0.1	<0.01	<0.01
Residual Chlorine	mg/L	2.0	0.02	0.1	0.04
Total Chromium	mg/L	1	<0.05	<0.05	<0.05
Copper	mg/L	0.5	<0.05	<0.01	<0.01
Total Cyanide	mg/L	0.1	<0.05	<0.05	<0.05
Iron	mg/L	10.0	0.02	0.03	0.04
Lead	mg/L	1	<0.1	<0.1	<0.1
Mercury	mg/L	0.005	<0.001	0.001	0.001
Nickel	mg/L	0.5	<0.01	<0.1	<0.1
Nitrate (as N)	mg/L	10	2	0.6	0.4
Nitrite (as N)	mg/L	1.0	<0.1	<0.1	<0.1
Total Phosphate (as P)	mg/L	2	<0.1	<0.1	<0.1
Silver	mg/L	0.005	<0.001	<0.001	<0.001
Sulphide	mg/L	1	<0.1	<0.1	<0.1
Zinc	mg/L	5	<0.1	<0.1	<0.1
BIOLOGICAL POLLUTANTS					
Total Coliforms	No./100 ml	10,000	<100	<100	<100

* = Analysis carried out by independent laboratory. ND not detected

BES - Bahrain Environmental Standards

Our Environment (continued)

GPIC Fish Farm



Environmental Performance Statistics

Environmental Performance...	units	2011	2010	2009	2008	2007
Greenhouse gas (GHG) emissions	CO2 (tonnes)	1,277,587	1,285,271	1,264,365	1,271,131	1,170,100
Non Greenhouse gas (GHG) emissions.. SO _x ,NO _x and other significant air emissions	tonnes	87,720	93,819	66,804	63,846	39,485
Total energy used (excluding electricity). Feed and fuel	KNM ³	1,243,971	1,185,333	1,214,928	1,220,542	1,108,237
Total direct energy consumption (per tonne of product)	Gcal	7.580	7.970	7.546	7.545	7.756
Total direct energy consumption (per tonne of product)	GJ	31.68	33.31	31.54	31.53	32.42
Total electricity use	GJ	774,864	750,942	707,328	701,053	671,450
Electricity self -generated	%	58.1	55.6	53.8	52.1	47.4
Electricity self -generated	GJ	449,820	417,420	380,556	365,328	318,193
Electricity Imported	%	41.9	44.4	46.2	47.9	52.6
Electricity Imported	MWHR	90,290	92,645	90,770	93,257	98,127
Total indirect energy consumption	GJ	325,044	333,522	326,772	335,725	353,257
Total sea water used	1,000 M ³	340,572	335,614	340,118	324,699	308,255
Total discharges to sea	1,000 M ³	338,915	334,103	338,491	323,117	306,636
Total volume of water recycled and reused	%	99.5	99.5	99.5	99.5	99.5
Hazardous waste disposed (includes transported within country and exported outside country)	M ³	67.9	408.2**	44.7	174.94**	17.439
Hazardous waste exported (spent catalyst sold to recycling agents)	M ³		231.36		113.95	
Ozone depleting substance emissions	Kg	Nil	Nil	Nil	Nil	Nil
Impact on protected areas (world heritage sites etc)		Nil	Nil	Nil	Nil	Nil
Magnitude and nature of penalties for non-compliance (environment, safety)	US\$	Nil	Nil	Nil	Nil	Nil
Total environmental incidents (loss of containment / spills)		0	0	1	1*	3
Total water discharge by quality and destination (Sea water return)		Refer to sea water effluent report (attached)				

1 *Refined Methanol Spillage of approximately 15 MT occurred due to external ship hitting the product export line at the jetty.

2 ** Out of the 408 M³ waste, 231.36 M³ was spent catalyst sold to recycling agents,

3 ** Out of the 174.94 M³ waste, 113.95 M³ was spent catalyst sold to recycling agents,

4 Production levels went up significantly from 2008 onwards which has reflected in increased emission quantities.

5 With installation of CDR unit one boiler also was added, hence, part of the CO₂ reduction was offset by the boiler exhaust. It can be seen that the CO₂ emission has not gone up after installation of CDR although the plant loads have gone up. This could be achieved due to CO₂ reduction by CDR



GPIC Olive Oasis

Material used at GPIC

Material	Physical State	Units	2009	2010	2011
Chemicals		Kg			
Potassium carbonate	Solid		4,000	5500	8,000
Diethanol amine	Liquid		8,200	10,600	12,579
Potassium metavanadate	Solid		240	240	1,440
B-51 Antifoam	Liquid		127	128.25	221.75
Potassium nitrite	Solid		3,545	4453	4,505.43
Methyl diethanol amine	Liquid		600	1,215	1,290
Rhodorsil (416) Antifoam	Liquid		76	55.24	60.9
Chlorine	Liquid		193,500	216,340	193,660
Microbiocide	Liquid		10,883	10,551	11,785
Caustic soda	Liquid		116,340	505,330	698,669
Sulphuric acid	Liquid		73,292	89,786	75,800
Caustic soda flakes	Solid		9,044	12,825	15,969.60
Hydrazine	Liquid		2,053	2,335	2,589
Trisodium phosphate	Solid		110	140.4	190.4
Disodium phosphate	Solid		3	20.74	25.28
Nalco Inhibitors	Liquid		521	0.3	0
CC-100 Inhibitor	Liquid		8,520	55	185
Corrosion inhibitor Corr-shield, NT4293	Liquid		1,915	10,835	12,535
Hydrochloric acid	Liquid		2,287	10,733	2,660
Belgard Antiscalant	Liquid		29,670	34,270	30,475
Sodium sulphite	Solid		17,175	14,250	14,200
Calcium hypochlorite	Liquid		148.5	148.5	148.5
Calcium chloride	Solid		6625	5,750	6,825
Sodium bicarbonate	Solid		6550	5,750	6,950
Freon 404	Gas		201.6	275.65	306.04
Freon 22	Gas		0	32.7	54
Urea formaldehyde	Liquid		6,251,056	6,126,439	6,675,432
NALCO-8539	Liquid		39,312	15,289	9,829
NALCO-8514	Liquid		2,962	2,464	3,025
NALCO-7330	Liquid		880	740	0
Felix 110 antifoam	Liquid		-	-	90
KS-1 Amine solution	Liquid		-	-	360,900
Total chemicals used		Kg	6,789,836	7,080,80	8,150,397
Total natural gas used		KNM3	1,214,928	1,185,333	1,243,971
Total lube oils used		Litres	23,820	83,016	24,512
Total paper used		Number	1,971,806	2,110,675	2,193,547

- Notes:
- 1) 2010 is a turnaround year hence the usage of chemicals/ Natural gas/ lube oil will be different than for other years
 - 2) Chemicals such as KS1 are related to CDR unit only
 - 3) Caustic consumption has increased as this chemical is also being used in CDR unit and also due to increased levels of H2S in natural gas and also due to higher load of methanol plant with CO2 availability after CDR.
 - 4) Lube oils of main machines are generally replaced during turnarounds hence 2010 will reflect higher consumption
 - 5) Benfield section chemicals consumption is higher in 2011 due to an incident of using wrong type of activated carbon and subsequent disposal of contaminated sulphur contaminated solution and secondly due to losses of chemicals due to frequent replacements of carbon filter
 - 6) MDEA consumption for 2011 is higher due to higher concentration due to higher H2S in raw natural gas from source

People and the Community

- Our Employees
- Our Community





“GPIC’S EMPLOYEES ARE ITS BIGGEST ASSET. THEIR LOYALTY, PASSION AND DEDICATION IS THE DRIVING FORCE BEHIND THE COMPANY’S SUCCESS. EVERY ACTION WE TAKE FOCUSES ON OUR PEOPLE.”

Our People

“To make GPIC the employer of choice for fresh candidates and experienced professionals, we have made significant investments in a multi-pronged strategy.”



Human Resources Strategy

Our Organization

GPIC currently employs 567 people including trainees. A Bahrainisation level of 92% was achieved by the end of 2011. The training and development of the Company's Bahraini nationals is a main priority for our Management. Our training policy aims to achieve a progressive integration of Bahraini nationals into our work force through the implementation of a well-structured and systematic training and career development scheme.

The periodic organizational review is a process carried out by our senior Management, to assess our strengths and weaknesses in people's competencies and capabilities across the business. Our leadership capability and succession plans are also reviewed periodically.

Our investment in training and development continues to grow. The company invested about US \$5.8 million in 2010 and over US \$6.5 million in 2011.

To make GPIC the employer of choice for fresh candidates and experienced professionals, we have made significant investments in a multi-pronged strategy.

Attracting talented people and investing in tomorrow's talent

Recruiting and retaining manpower with relevant skills has become a major challenge within the chemical industry. As a way forward, we have sought to develop innovative approaches to recruitment, enhance our people development programmes and maintain a highly engaged work force. 2010 - 2011 saw important progress in our strategy for maintaining continuity in our capability as an organization, as we made enhancements to our recruitment, development and management of staff, all designed to help us provide a great workplace for talented, committed and responsible people.

We believe that our ability to endure and persevere as an organization depends a lot on our capability to attract and retain the best talent within the industry. We have covered this risk in our Enterprise Risk Management and have taken necessary actions to demonstrate the highlights of a career with GPIC to potential employees at all levels.

We have improved our outreach to potential employees through many initiatives. We have a sponsorship programme for our people who intend to pursue their undergraduate/post graduate degrees. The company also facilitates vocational/ industrial training for Bahraini students and our employees'

children. Furthermore, we sponsor and support key educational programmes across Bahrain. We have also rolled out scholarship programmes for our employees' children.

What is more, we have also improved our recruitment systems by introducing psychometric analysis, which helps in enhancing the recruitment, screening and selection processes.

We recently introduced a standardized, internet-based system for all job applications that will facilitate the process for prospective candidates in registering their applications.

In recruiting potential future leaders and other staff, we focus on empowering the indigenous communities. The minimum age for being recruited by GPIC is 18 years old – as per provisions under The Ministry of Labour. GPIC is an equal opportunity employer and provides equal employment opportunity to all applicants for vacancies, subject to applicable rules and regulations. We also explicitly forbid child labour and forced/ compulsory labour, as it is against our ethos and considered illegal as per Bahrain Labour Law. The Human Resources Department rules are applied in a non-discriminatory manner in all aspects of employment including recruitment, assignment, promotion, transfer, termination, salary and other benefits and nomination for training etc.

In 2011 we launched our Bridging Programme that enables experienced employees to further develop their skills by pursuing their education until they are competent enough to assume supervisory positions.

Developing our People

The personal and professional development of our people is a priority for us and we use a variety of methods to help our people develop their capabilities. Each employee has a personal development plan. Our people are provided with growth opportunities in an effort to enhance the Company's culture. This is achieved through organizational development interventions such as training, the ability to participate in secondments, travel opportunities and engaging in volunteering within the community.

We have introduced an SAP-based Performance Management System (PMS) to further improve the training and development of our work force. The system has been further enhanced by rolling out an SAP Competency Based Training module.

We focus on employee development through periodic training, which is conducted on a competency-based needs analysis, following periodic appraisals. Training is conducted both in-house and through external trainers.



Our people are also provided with opportunities to enhance their skills through self-learning platforms, such as E-learning and the Toastmasters programme, to improve their communication skills.

Adhering to our Principles

GPIC adheres to the strictest principles of merit in recruitment, compensation and promotion decisions to ensure that all our people feel that they have been treated fairly and without bias. We also recognize and reward our people for their superior efforts and performance through an awards programme and seek to retain the best of our talent through leadership opportunities.

Our Leadership Programme

We ensure focus on successive leadership development and have a comprehensive Succession Planning document and programme in place. To achieve this we manage the careers of our high performers and provide them with opportunities to take on additional responsibilities as a build up to potential leadership positions.

We identify people with leadership potential based on their aspirations, engagement and ability, and support them in their leadership development to build on our internal talent pool. As a result of this practice, all current members of our Executive Management Team were promoted from within. Currently all our Managers are Bahrainis.

Diversity and Inclusion

We work towards building an equal opportunities working environment, and focus particularly on empowering women and the indigenous communities within Bahrain. About 22% of our employees are expatriate workers from Asia, Africa, Europe and the Far East. 7% of our employees are female employees. Our Ladies Working Committee is actively involved in promoting the role of women in the company and society. Its charter includes:

- Carrying out activities in support of women inside and outside the company.
- Organising special events for women.
- Coordinating with external women's organisations.

Safety of our Employees and the Host communities

GPIC considers the safety of its employees and the neighbouring communities as a prime area of focus. We ensure the highest standards of health and safety at our manufacturing facilities, carefully monitoring every potential risk to our operations and our employees so that we can provide a safe working environment for our people and the community at large. We invest in projects related to safety, environmental care and the reliability of our equipment and facilities.

We have a number of committees which oversee the implementation and maintenance of our policies related to Occupational Safety, Process Safety and Responsible Care. These committees include:

- Safety, health and Environment Council.
- Safety Committee.
- Process Safety Management Committee.

Healthcare

Health Care at GPIC is not limited to our people, it covers their families too. We maintain a state of the art Health Centre on our facility which operates on a 24 hr basis for any emergency needs. All our people undergo regular health checks. Awareness lectures on industrial hygiene and occupational health are arranged. Obesity control remains an area of focus at the Health Centre, with a professional nutritionist available to assist our people. Many of the GPIC employees are certified first aiders.

We have an active Health Committee whose prime objective is to oversee all health issues in the Company in coordination with the Safety, Health and Environment Council. The committee's charter includes:

- Promoting and organizing Health and Responsible Care awareness activities.
- Managing the GPIC Anti Smoking Program.
- Overseeing hygiene & food quality in the main canteen and Club canteen.
- Conducting regular/emergency committee meetings to discuss the health status of the employees, as well as all issues pertaining to and affecting the health, hygiene and wellness of GPIC employees at the complex and at the GPIC Club premises.

Our People (continued)

GPIC Labour Union Elections



Our One Team Culture

Our ability to create **high performance teams** in a culture of professionalism and excellence is what drives our success more than anything else. Team work is our key corporate value and encompasses all our other values related to individual excellence and professionalism.

Innovation and Creativity

GPIC believes that innovation and creativity are crucial to business success. We provide a lot of opportunities and platforms for our people to express their views, exchange ideas and unleash their talents. The Suggestions and Best Practices Committee and the GPIC committee system are a few examples.

GPIC Labour Union

GPIC has an unshakable commitment towards labour rights that are agreed upon between the Executive Management and the Labour Union at the beginning of each year. GPIC has one of the first companies in Bahrain to facilitate a forum to encourage our people to voice their opinions in the form of a labour union. The Management and the Labour Union share a strong relationship and the two groups are bonded in working committees such as: Management Labour Union High Council, Management Union Committee, SHE Council, Safety Committee, Health Committee, Environment Committee, Savings Committee, Social Committee, Training, Development and Education Sponsorship Coordination Committee, Housing Loan Committee and Special Needs Cases Committee, etc. This arrangement ensures that the Labour Union representatives are involved in all key decision-making processes.

	2011	2010	2009
Number of Employees as members of labour union	502	488	430
Total employees	567	579	558
% of employees in labour union	88.5	84.3	77

Recognising and rewarding employees

At GPIC we have a wide range of awards at every level of the Company, to ensure that our people are recognized and rewarded for their extraordinary efforts and work that goes beyond the call of duty. This includes performance-based awards across departments and divisions, as well as acknowledgement of best safety practices. We also have an incentivized scheme to reward

our people during an annual awards ceremony. Some of the awards include Employee of the Year for Sustained Performance, Employee of the Year for Outstanding Performance, Best Suggestion of the Year, Environment Personality of the Year, Safety Personality of the Year, etc. We have also introduced a new award "Safe Driver of the Year" in 2011.

Employee Benefit Scheme

GPIC ensures that our staff compensation and benefit plans are in line with our overall strategy. We have also introduced a new early retirement policy for our Bahraini employees, to improve employee attainability of benefits whilst still ensuring the company's financial security and business continuity. Other benefits include a savings scheme, health insurance covering all our people and their families, loans, indemnity, annual bonus etc.

Allowance & Benefits	Bahraini	Non-Bahraini
Social Allowance	Yes	Yes
Housing Allowance	Minimum 15% of basic salary to a maximum of 25% of basic salary depending on the grade of the employee	Furnished apartment according to the grade of the employee and number of family members
Indemnity	Yes	Yes
Saving Scheme	Yes	No
Housing Loan	Yes	No
Transport Allowance	Yes	Yes
Medical Insurance	Yes	Yes
Educational assistance for employees children under 18 years	Financial assistance for staff grade 14 and above	Financial assistance for incoming staff recruited grades 10 and above.
Life insurance	Yes	Yes
Canteen food	Yes	Yes
Uniform	Yes	Yes
Scholarship programme for staff	Yes	No

We maintained our prime focus on the development of our talent whereby taking measures to mitigate the biggest challenge of recruiting and retaining the best of the talent available.”



Our Human Resources Performance 2010- 2011

GPIC achieved most of its objectives with regards to training and development of our Bahraini employees during 2010-2011. We maintained our prime focus on the development of our talent whereby taking measures to mitigate the biggest challenge of recruiting and retaining the best of the talent available.

Major Achievements:

- GPIC’s investments in training and development continue to grow. The Company invested about US \$5.8 million in 2010 and over US \$6.5 million in 2011.
- GPIC’s Training Centre was upgraded to an Academy of Leadership and Learning and was inaugurated on 8th November 2010. The mission of the Academy is not only to impart training and development, but to also provide a platform for our people to develop into future leaders.
- SAP – a competency-based training module-has been prepared and is ready to roll out.
- As part of enhancing the selection and recruitment processes, Psychometric Assessment has been introduced.
- To utilize the available in-house talent, and to give further growth opportunities to our people at Senior Operator and Senior Technician level, a Bridging Programme was rolled out in 2011, which focuses on enhancing the educational requirements and skills of identified and selected talent. This is being done by collaboration between GPIC’s Academy of Leadership and Learning and Bahrain Polytechnic.
- In May 2010, GPIC won the Ministry of Labour Award for top position in Training and Human Resources Development in 2010, for establishments exempted from payment of occupational training contributions.
- In November 2010, GPIC won a GCC Labour Ministers’ Council award of outstanding GCC companies for Localization of Jobs and Manpower Development for the second successive year.

Our challenges in the Human Resources Business area

To maintain our competitiveness and to sustain and persevere as an organization, our biggest challenge remains to recruit and retain the best of talent. To this end, as a company, we continue to introduce best practices and cutting edge endeavours, including highly competitive benefit plans, development and growth opportunities for our people, which may go a long way in reasserting our position as an employer of choice. A number of Bahraini employees opted for the early retirement package during 2010-2011 which was both a challenge and an opportunity to induct young employees in our work force.

The second challenge, which is also common to our industry, is complacency. We have launched several programmes which will assist in combating the issue, including mentoring and behavioural-based safety.

Diversity is another challenge. Even though we are on the right track aligned to women’s employment and empowerment, we still have to go a long way in increasing the number of women within our organization.

Our People (continued)



At GPIC we have a wide range of awards at every level of the Company, to ensure that our people are recognized and rewarded for their extraordinary efforts and work that goes beyond the call of duty.”

2010 Performance

Performance Area	Objectives	Target Planned	Performance 2010
Learning and growth	Enhance internal skills and competencies by providing learning and personal development opportunities to all employees	Achieve Bahrainization target by end 2010... 95%	95% (On target)
		Achieve training hours by end 2010... 16,500 hours	23,148 hours (Target exceeded)
		Achieve E-learning hours 1,500 hours	6,886 hours (Target exceeded)

2011 Performance

Performance Area	Objectives	Target Planned	Performance 2011
Learning and growth	Enhance internal skills and competencies by providing learning and personal development opportunities to all employees	Achieve Bahrainization target by end 2011... 95%	92% (lower as a number of Bahraini employees opted for early retirement package)
		Psychometric assessment 100% utilization as per plan	100% - Implemented in January 2011
		Achieve training hours by end 2011... 20,000 hours	20,287 hours
		Achieve 8 training hours per employee	35.9 hours
		Employee retention... 97.5% of total employees in position	98.8% - A total of 7 employees resigned from service

Knowledge is our
best product



Length of Employee Service

	2011	2010	2009
Less than one year	8%	8%	8%
1-5 Years	24%	20%	17%
6-10 Years	12%	10%	9%
11-15 Years	19%	18%	20%
16-20 Years	8%	8%	13%
21+ Years	29%	35%	33%

Employee Generations

	2011	2010	2009
Millennial (1981 or after)	21%	17%	13%
Generation (1966-1980)	45%	42%	43%
Boomers (1946 -1965)	34%	41%	45%
Mature (1945 or prior)	0%	0%	0%

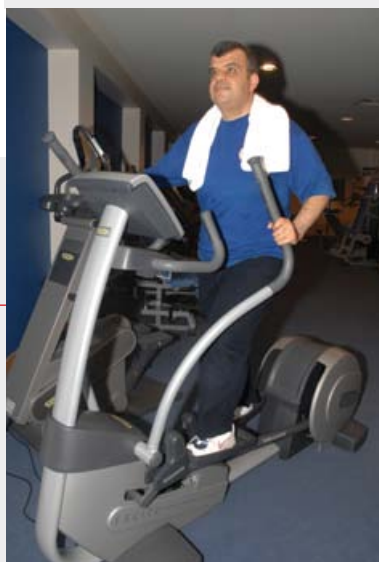
Employee Turnover

	2011	2010	2009
Number of employees who resigned from the company	7	14	16
Male Employees	6	14	16
Female Employees	1	0	0
Bahraini	4	6	10
Pakistani	0	1	2
Indian	3	6	4
British	0	1	0
Turnover	1.2%	2.4%	2.8%

Bahrainisation

	2011	2010	2009
Bahrainisation	92%**	95%	87%
** a number of employees opted for early retirement package			

Our People (continued)



We care for our employees well-being

Trainees

	2011	2010	2009
Average number of trainees	63	65	49

Empowerment of Women

Employee by gender	2007		2008		2009		2010		2011	
Female Employees	38	7%	36	7%	37	7%	37	6%	41	7%
Male Employees	498	93%	503	93%	521	93%	542	94%	526	93%
Total Employees	536		539		558		579		567	

Female employees by position	Superintendent	Senior Supervisor	Supervisor	Officer	Executive / Senior / office administrator	Trainees
2007	2	2	2	7	25	0
2008	2	1	2	6	24	1
2009	3	1	3	4	24	2
2010	3	1	3	4	23	3
2011	2	0	4	9	22	4

Job classification

	2009		2010		2011	
	Bahraini	Non-Bahraini	Bahraini	Non-Bahraini	Bahraini	Non-Bahraini
Management	11	0	11	0	11	0
Superintendents	20	7	24	5	21	7
Supervisory/professional	40	48	34	51	38	47
Operators/ Technicians	257	22	246	25	246	34
Administrative	24	2	26	2	21	2

Our Community

We strive to be a positive corporate citizen by creating and supporting programmes that contribute to the sustainable well-being of the communities wherein we operate.”



Our Social Investment Strategy

At GPIC, corporate social responsibility is all about how we manage our business processes to produce an overall positive impact on society. We feel a substantial responsibility towards the societies and communities in which we work.

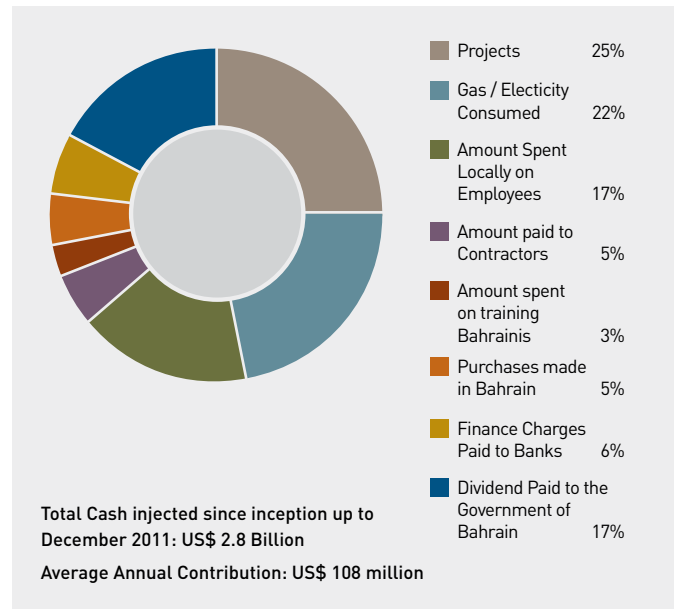
We believe that the way any organization manages environmental issues is a crucial measure of its standards of corporate social responsibility, competitiveness and vision. Every action we take depends on our people. At the forefront of our social responsibility comes the safety of our employees and the citizens of Bahrain. We ensure our plants are operated and maintained in a way that has no adverse impact whatsoever on the safety of our employees and the community at large.

We are committed to the idea that our stakeholders include a much broader category of people than only our employees, shareholders and our financial investors. We have an unwavering commitment to invest in helping address the social needs, firstly of our neighbouring communities, but also of Bahrain as a whole.

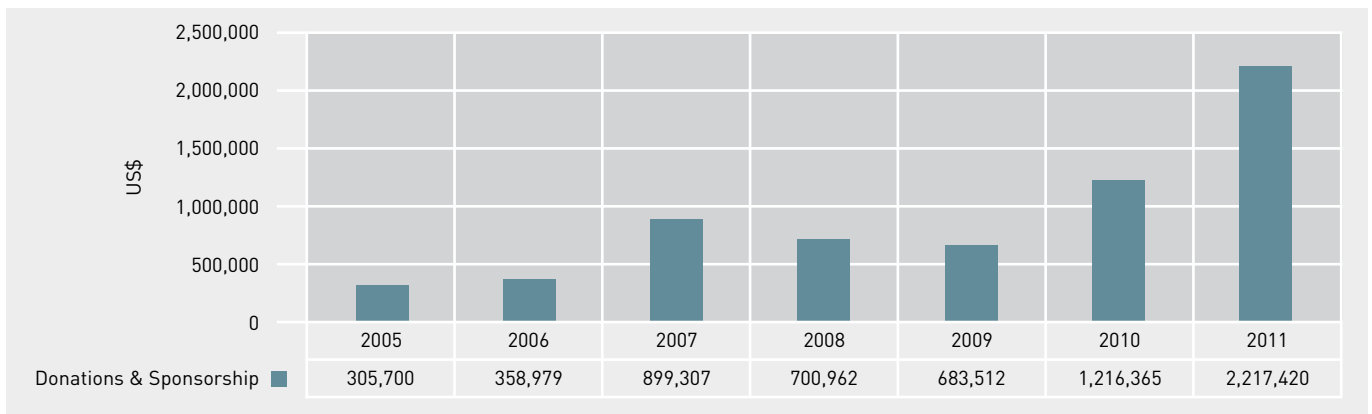
We believe in giving back to the communities, addressing not just their immediate needs, but also their long term ability to lead healthy and productive lives. This is why we invest in providing and supporting educational, technical/vocational training and health care. Furthermore, we ensure that our social investments reach every segment of Bahraini society in need.

What has GPIC contributed to the economy of Bahrain?

Cash injected into the economy of Bahrain up to December 2011 (excluding Netback Revenue)



Our Social Investments



Our Community (continued)

Developing our children
for future challenges



GPIC has also injected over US \$2.5 billion into the national economy of Bahrain since its inception. This contribution has been made in several areas, such as employment, training, procurement, dividends to the Government and, most importantly, in the form of purchases from within Bahrain.

Community Involvement

Community involvement is embedded in the fabric of our business. Most importantly, our active participation in various institutions has been growing by the year. We are represented on the boards and committees of several organizations both inside and outside Bahrain: the University of Bahrain, Bahrain Training Institute, Bahrain Polytechnic, Bahrain's National Committee for Safety, The Royal Society for the Prevention of Accidents (RoSPA, UK), the National Safety Council (USA), Gulf Petrochemical and Chemicals Association (GPCA), the International Fertilizers Association (IFA), the Arab Fertilizers Association (AFA); to name but few. This allowed us to influence decision making in health, safety, the environment, education, sport, etc. We have always leveraged this presence to bring in up-to-date legislations, enhanced quality and tightened up rules and procedures.

We are always at the forefront of sponsoring conferences, workshops and seminars organised by professional bodies and take the lead in participating in such events. In this regard, we pride ourselves in cooperating closely with the Bahrain Society of Engineers to propagate knowledge and promote the engineering profession.

Supporting the welfare of the community is also realized through generous contributions, both financial and material, to governmental and non-governmental organizations in the fields of health, safety, environment, education, charity, sport, culture, child care, the disabled and needy people, sponsorship and many other worthy causes.

The educational projects sponsored by GPIC carry significant prestige in the country as they support the Crown Prince's International Sponsorship Programme for higher studies. GPIC sponsored and provided material support to the Crown Prince International Sponsorship Programme (CPISP) for high school

graduates. We have a strategic partnership with this over-arching initiative by His Royal Highness the Crown Prince Shaikh Salman bin Hamad Al Khalifa to groom future leaders. In 2009/10, GPIC, in coordination with the CPISP officials, devised for the first time a programme to deeply involve students in community service, providing financial and material support to the programme. Moreover, we support and participate in the Bahrain Institute for Banking and Finance (BIBF) Executive Development Program in association with the Darden School of Business (USA).

To encourage good educational skills, we also reward the best students from amongst the employees' children as well as children from neighbouring schools. We generously contribute to the employees' children's education and financially support our people for further studies inside and outside Bahrain.

We have partnered with the inJAz Bahrain programme (Part of Junior Achievements) for secondary school students, led by Her Highness Shaiha Hessa bint Khalifa Al Khalifa to prepare students to smoothly enter the business world. We support it financially, chair its Board of Directors and provide 30 volunteers annually to teach its subjects.. This is over and above the expert regular advice given to students participating in the inJAz programmes.

The company's Toastmasters Club is also very active and instrumental in providing support to society, spreading the art of public speaking and leadership to schools, societies, employees' children and employees themselves. We have also sponsored almost all major Toastmasters events in the country and consistently had the biggest presence.

Community Care

In 2004, GPIC built an exclusive club for the employees and their families and organizes summer activities during school holidays for employees children, in addition to "Fun Days," entertainment and a kindergarten running throughout the year.

The Family Safety Day is a traditional part of the Health, Safety and Environment Week and our management is keen to ensure that HSE standards are followed by employees and their

Community involvement is embedded in the fabric of our business. Most importantly, our active participation in various institutions has been growing by the year.”



families at home too. The annual family get-together, is designed to enhance a safety culture within the community in a fun-filled and relaxed atmosphere. Prizes are awarded to employees' children who win different competitions, such as drawing and essay writing, with a focus on safety, health and environmental standards.

During the SHE week in 2011, GPIC launched a SHE and Responsible Care Community awareness stand in one of the country's busiest malls, Bahrain City Centre. The prime objective was to involve the community in enhancing safety culture across Bahrain.

At GPIC, we believe that being successful is about sharing opportunities, about trying to be successful in making our world a little bit better. In the end, everyone in the community should benefit.

Our social committees

We have an active Social Activities Committee that oversees all social activities organized by the company. The committee's charter includes:

- Proposing overall policy and management of the activities and social functions in the GPIC Club and other social activities.
- Organizing the GPIC Camp activities.
- Coordinating with external organizations for social events.

Other committees that are actively involved with the community are:

- The Ladies Working Committee
- The Environment Committee
- The Safety, Health and Environment Week Organizing Committee.

Our CSR Achievements 2010-2011

We were awarded the Arabia CSR award in 2011 in acknowledgement of our endeavours towards corporate social responsibility. The Arabia CSR Award is organised annually by the Arabia CSR Network based in the United Arab Emirates. The organisation has strong links with the United Nation Environmental Programme and is chaired by Ms. Habiba Al Marashi, an international figure in the field of CSR and environmental protection. The award is judged by international experts from various countries and is considered the most prestigious accolade that organisations can receive in the Arab region.

Being a Responsible Care company, we have voluntarily implemented ISO-26000 guidance on corporate social responsibility. This highlights our commitment and responsibility for the impacts of our decisions and activities on society and the environment through transparent and ethical behaviour that is consistent with our sustainable development and the welfare of our society. This takes into account the expectations of our stakeholders, is in compliance with applicable law, is consistent with international norms of behavior, and is integrated throughout our organisation.

Our Community (continued)



Our Corporate Social Responsibility Performance 2010-2011 2010 Performance

Performance Area	Objectives	Target Planned	Performance 2010
Corporate Social Responsibility	Promote social activities and contribute towards the social welfare of our community.	Deliver environment awareness lectures to Bahrain schools Target: 30 lectures	33 lectures
		Provide training to industrial trainees at GPIC Target :100 trainees	185 trainees
		Contribution to charity / NGOs / sponsorships and other worthy causes Target: US\$901,000	US\$ 664,643 spent

2011 Performance

Performance Area	Objectives	Target Planned	Performance 2011
Corporate Social Responsibility	Promote social activities and contribute towards the social welfare of our community.	Deliver environment awareness lectures to Bahrain schools Target: 30 lectures	35 lectures
		Sponsorship of events Target: 20	80
		ISO - 26000 Compliance Target 100%	100% achieved
		Provide training to industrial trainees at GPIC Target :150 trainees	192 trainees
		Contribution to charity / NGOs / sponsorships and other worthy causes Target: US\$901,000	US\$ 748,190 spent
		Arrange school visits to GPIC complex Target 45	19 Visits (less due to unstable situation in Bahrain in 2011)



Product Stewardship





“GPIC’S FOCUS ON PRODUCT STEWARDSHIP HAS BEEN FURTHER ENHANCED BY BECOMING A RESPONSIBLE CARE COMPANY, COMMITTED TO SUSTAINABILITY.”

Product Stewardship

GPIC maintains compliance with Level-1 (Gold Status) by the Australian Quarantine Inspection Services (AQIS) which is an added value to all Urea customers.”



Product Stewardship

GPIC produces fertilizers and petrochemicals for the welfare of the people around the world, both today and tomorrow. We are aware that the benefits of our industry are accompanied by enduring commitments to Responsible Care in the management of petrochemicals and fertilizers worldwide.

GPIC has become part of the global voluntary initiative to drive excellence in safety, health and environmental management by becoming accredited to RC 14001 management system in 2010.

GPIC's focus on product stewardship has been further enhanced by becoming a Responsible Care Company, committed to sustainability. With RC14001, GPIC aims for continual improvement and demonstrating product stewardship across its functional operation, upstream supply of raw materials, manpower, services, spare parts and also downstream through its products supply chain link, until its products reach the overseas buyer. During our selection process of suppliers for material and manpower we give preference to local suppliers who have service facilities in Bahrain and have a satisfactory level of Bahraini manpower.

We at GPIC work with customers, marketers, suppliers, and contractors to foster the safe and secure use, transport and disposal of urea fertilizer, ammonia and methanol, and provide hazard and risk information on all. We also ensure that we communicate product risks to our stakeholders, and listen to and consider their perspectives.

As part of the GPIC Responsible Care Product Stewardship programmes we do the following:

- Run responsible operations in terms of producing, handling and exporting the highest quality products to ensure the customers and end users are fully satisfied with our products.
- Communicate product information in the form of booklets and guidelines on product risks and handling procedures, including material safety data sheets distributed to personnel involved in products transport such as ships and trucks.
- Arrange meetings with local buyers to make them aware about the GPIC way of conducting business in terms of safety, health, environment and product handling.
- Hold regular meetings with marketers, namely SABIC, PIC and customers to further streamline the entire supply chain link operation with the end users.

- Seek customer satisfaction via feedback.
- Use a responsible methodology of collection, recycling and disposal of contaminated products in line with local environmental standards and legislations.
- Hold shore and ship meetings to achieve smooth, efficient and safe operations so that all safety, environmental and security requirements are fully understood and implemented by the ship personnel .
- Observe mandated external independent surveyors' inspections of product handling facilities and ships' cargo tanks to ensure full compliance with the buyers requirement and international standards.
- Maintain GPIC compliance with Level – 1 (Gold Status) by the Australian Quarantine Inspection Services (AQIS) which is an added value to all urea customers. This accreditation ensures the product is fully controlled from source until it reaches the end user and is adequately protected from any objectionable contaminants and pollutants, as stipulated by the AQIS.
- Ensure that GPIC's Marine Terminal is in compliance with the International Ships & Port Security (ISPS) according to IMO regulations and local port authority. Ships calling at the GPIC Marine Terminal to load urea must declare their security level according to the ISPS code, before entering berth.
- Ensure that GPIC urea and methanol products are registered under the REACH program (Registration, Evaluation, Authorization and Restriction of Chemical Substances) (UREA REG# 01-2119463277-33-0095 & METHANOL REG#01-2119433307-44-0005), as is also the case for GPIC procedures for product and service information and labeling, particularly with regard to (i) substances that might produce an environmental or social impact, (ii) the disposal of the product and environmental/social impacts, and (iii) the safe use of the product or service.
- Accept customers' invitations and visits to the Company's complex to exchange views and ideas with regards to working procedures and further enhance business relationship.
- Extend technical support as deemed required/necessary.



Supply Chain for Bulk Chemical Distribution and Transportation

Chemical type	Name	Capacity (Volume in m ³ or weight in tonnes transported per year*)	Type of transporting facility	Labeling; Health & Environment Protection Measures
Fertilizer	Product Urea	672,000 tonnes	Maritime.	Labeling provided. The product is not flammable. The facility is equipped with necessary safety measures and proper management systems are in place
Petrochemicals	Product Ammonia	82,500 tonnes	Maritime.	Labeling provided. Proper safety measures and a fire protection and fire-fighting system have been provided.
Petrochemicals	Product Methanol	424,000 tonnes	Maritime.	Labeling provided. Proper safety measures and a fire protection and fire-fighting system have been provided.

* Average of 2009, 2010 & 2011

Bulk Chemical Storage and Warehousing Facilities

Chemical type	Name	Size/Capacity (Volume in m ³ or weight in tonnes)	Type of facility	Location Area	Labeling; Health & Environment Protection Measures
Fertilizer	Product Urea	100,000 tonnes	Completely enclosed bulk storage facility	Industrial complex	Labeling provided. Proper ventilation is provided and humidity and temperature are monitored and controlled in the bulk storage. The product is not flammable. Up to date inventory of the stock on site is maintained.
Petrochemicals	Product Ammonia	Two tanks of 20,000 tonnes capacity each	Completely enclosed, refrigerated, double-walled atmospheric pressure storage tanks	Industrial complex	Labeling provided. Bund wall provided for containment, fire hydrants provided for containing vapors. Up to date inventory of the stock on site is maintained.
Petrochemicals	Product Methanol	Two tanks of 20,000 tonnes capacity each	Completely enclosed, atmospheric pressure storage tanks with nitrogen blanketing	Industrial complex	Labeling provided. Bund wall provided for containment, fire hydrants provided for containing vapors and fire hazards. Nitrogen blanketing provided over the liquid surface in the tank. Up to date inventory of the stock on site is maintained.
Process chemicals & catalysts (Chemicals & catalysts used in manufacturing of ammonia, urea, methanol and related Utilities at GPIC)	List of chemicals and catalysts used is given in separate table on next page	Two warehouses of the size 25x70m ² and 6.3m height each are used for storage. One warehouse is for storing chemicals and the other for storing catalysts used in the process.	Completely enclosed warehouse	Industrial complex	Labeling provided for the containers. Fire alarm system and spillage containment is provided for the chemical warehouse. Up to date inventory of the stock on site is maintained.



**'Urea Fertilizer User Manual'-
Published by GPIC to underline the role that
can be played by industry in increasing the
local production of agricultural crops and to
better improve the agricultural output in the
Kingdom of Bahrain.'**

List of chemicals and catalysts used in the process of making Ammonia, Urea, Methanol & related Utilities at GPIC.

Chemical Name	Composition	Physical State
Potassium carbonate	K ₂ CO ₃ , 98%	Solid
Diethanol amine	(HOCH ₂ CH ₂) ₂ NH, 93%	Liquid
Potassium metavanadate	KVO ₃ , V ₂ O ₅ 66%, K ₂ O 33-36%	Solid
B-51 Antifoam	Not available	Liquid
Potassium nitrite	KNO ₂ , 97%	Solid
Methyl diethanol amine	(HOCH ₂ CH ₂) ₂ NHCH ₃ , 98%	Liquid
Rhodorsil (416) Antifoam	100% active Polydimethyl siloxan oil compound	Liquid
Chlorine	CL ₂ , 99.9%	Liquid
Microbiocide	Not available	Liquid
Caustic soda	NaOH, 45% solution	Liquid
Sulphuric acid	H ₂ SO ₄ 96%	Liquid
Caustic soda flakes	NaOH 98%	Solid
Hydrazine	N ₂ H ₄ 22%	Liquid
Trisodium phosphate	Na ₃ PO ₄ 98%	Solid
Disodium phosphate	Na ₂ PO ₄ 98%	Solid
Nalco Inhibitors	Not available	Liquid
CC-100 Inhibitor	Not available	Liquid
Corrosion inhibitor Corr-shield, NT4293	Not available	Liquid
Hydrochloric acid	HCL, 30%	Liquid
Belgard antiscalant	Not available.	Liquid
Sodium sulphite	Na ₂ SO ₃ 98%	Solid
Calcium hypochlorite	Ca(OCL) ₂ 65%	Liquid
Calcium chloride	CaCl ₂ 77%	Solid
Sodium bicarbonate	NaHCO ₃ 99%	Solid
Freon	Not available.	Gas
Urea formaldehyde	Urea 25%, Formaldehyde 60% and water	Liquid
NALCO-8539	Not available	Liquid
NALCO-8514	Not available	Liquid
NALCO-7330	Not available	Liquid
KS-1 Amine solution	Not available	Liquid

We produce for the welfare of humanity



List of chemicals and catalysts used in the process of making Ammonia, Urea, Methanol & related Utilities at GPIC.

Catalyst Name	Composition	Physical State
Mercury guard	Activated carbon	Solid
Primary reformer catalyst	NiO 9-15%, Balance 85-90% MgAl ₂ SO ₄ , CaAl ₂ SO ₄	Solid
Secondary reformer catalyst	NiO 9%, MgO 25-39%, Al ₂ O ₃ 60-65%	Solid
HT shift catalyst	Fe 59%, Cr 6%, Graphite 4%, Balance oxygen as metallic oxides	Solid
LT shift catalyst	CuO 35-40%, ZnO 35-40%, Al ₂ O ₃ 10-15%	Solid
Methanator catalyst	Ni 27%, balance Alumina	Solid
Ammonia synthesis catalyst	Fe ₃ O ₄ 94%, Balance oxides of Ca, Al, K	Solid
Methanol synthesis catalyst	CuO, ZnO, Al ₂ O ₃	Solid
Hydrogen removal catalyst	Platinum 0.3%, balance Alumina	Solid
Zinc oxide catalyyst	ZnO 99.5%, rest Al ₂ O ₃	Solid
Hydrogenation catalyst	2% NiO, 10 % MoO ₃ , & balance 80-90% Al ₂ O ₃	Solid

Leading Excellence Awards





“DURING 2010-2011, GPIC WAS HONOURED WITH NUMEROUS AWARDS RECOGNIZING OUR PASSIONATE COMMITMENT AND ONGOING CONTRIBUTION TO SUSTAINABILITY.”

Leading Excellence Awards

HERE ARE SOME OF THE GLOBAL HIGHLIGHTS

2010

- The International Safety Award from the British Safety Council for the third consecutive year.
- The Chemical Sector Award from the Royal Society for the Prevention of Accidents (RoSPA).
- The Kingdom of Bahrain, Ministry of Labour Award for "The Outstanding Companies in Training and Human Resources Development" - First Place.
- The Effective Communication Award for GPIC Toastmasters Club.
- The first Organisation in the Middle East to obtain RC 14001:2008 certification for Responsible Care from DNV.
- The GCC Labour Ministers Council Award for localisation of jobs.



2011

- The International Safety Award from the British Safety Council for the fourth consecutive year.
- The Chemical Sector Award from the Royal Society for the Prevention of Accidents (RoSPA). GPIC has won 10 awards over the past 11 years.
- Winner of the GCC Sustainable Projects of the Year Award 2011 (Carbon Dioxide Recovery Plant).
- The Arabia CSR Award 2011. This is an award reflecting GPIC's achievements in Corporate Social Responsibility.



What others say
ABOUT GPIC ...

Com

A close-up, shallow depth-of-field photograph of a white computer keyboard. The focus is on a single key in the lower-left foreground, which has the word "ment" printed on it in a dark blue font. Other keys are visible in the background, including one with the letters "in" above it. The lighting is soft and even, highlighting the texture of the plastic keys.

ment

“WE AT GPIC GIVE PARAMOUNT IMPORTANCE TO THE FEEDBACK AND COMMENTS FROM ALL OUR STAKEHOLDERS. WE BELIEVE THAT THIS KIND OF REMARKABLE ENGAGEMENT AND NETWORKING WITH OUR STAKEHOLDERS ENABLES EXCELLENCE AND SUSTAINABILITY. IT ALSO KEEPS US WELL INFORMED OF WHAT OTHERS THINK ABOUT GPIC AND HELPS US IN MAINTAINING EXCELLENT INTERNATIONAL AND REGIONAL RELATIONSHIPS. IT MOTIVATES US TO ATTAIN FURTHER HEIGHTS AND SUCCESSES”

What others say about GPIC



Dr. Fatima Al Balooshi
Human Rights and Social
Development Minister

Following are some of the examples of excellent communications and networking with our stakeholders, globally.

“Dear Mr. Jawahery

All my staff join me to express our deepest thanks and gratitude for the warmest reception and generous hospitality accorded to us during our visit to your company last Thursday. Our guided tour in GPIC complex and the wonderful and amazing Aromatic Plants Garden of Princess Sabeeka was memorable. We could imagine the great efforts and hard work exerted for turning such complex and Garden into an ideal and unique landmark in Sitra.

... Warm congratulations and greetings to you and all your colleagues on the very beautiful garden and its environment friendly facilities.”

Shigeki Sumi
Ambassador of Japan
11 March 2012

“Dear Abdulrahman

I had a wonderful visit. Thank you for being such a wonderful Ambassador for the NSC. I can’t begin to express my gratitude to you for all the many things you’ve done for us. We are very very lucky to have you as a member of our Board of Directors and as a partner.”

Janet Froetscher
President, National Safety Council, USA
12 March 2012

“I am inspired and humbled by the huge contribution you have made to promoting health and safety within the Kingdom of Bahrain, the GCC, within your industry and in the wider world. We are indeed privileged to have you as our Ambassador.”

Teresa Budworth
Chief Executive, Nebosh
28 February 2012

“We would like to express our sincere thanks and appreciation for the generous financial contribution made by GPIC towards the National Social Fund (Supporting the Aged, Childhood Care and Rehabilitation of the Handicap). We also appreciate your outstanding efforts to serve the Kingdom of Bahrain through your continuous support to social development projects that aids the Bahraini citizens and enhance the services provided by the Ministry of Human Rights and Social Development. We also extend our thanks and appreciation to His Excellency Shaikh Isa bin Ali Al Khalifa, GPIC Board Chairman and the Board of Directors.”

Fatima Al Balooshi
Minister of Human Rights and Social Development
30 January 2012

“Thank you for your recent contribution of BD 23,500 to inJAz Bahrain in support of the company and Be Entrepreneurial programmes, received on 10 January 2012. Your contribution is already at work, providing young people with the real-world skills they want and need, like how to manage money, how to prepare for a career and how to open and run a business... Because of your generosity, more students are receiving life-changing financial literacy, work readiness and entrepreneurship education and the results can be profound”

Hessa Bint Khalifa Al Khalifa
Executive Director, inJAz Bahrain
12 January 2012



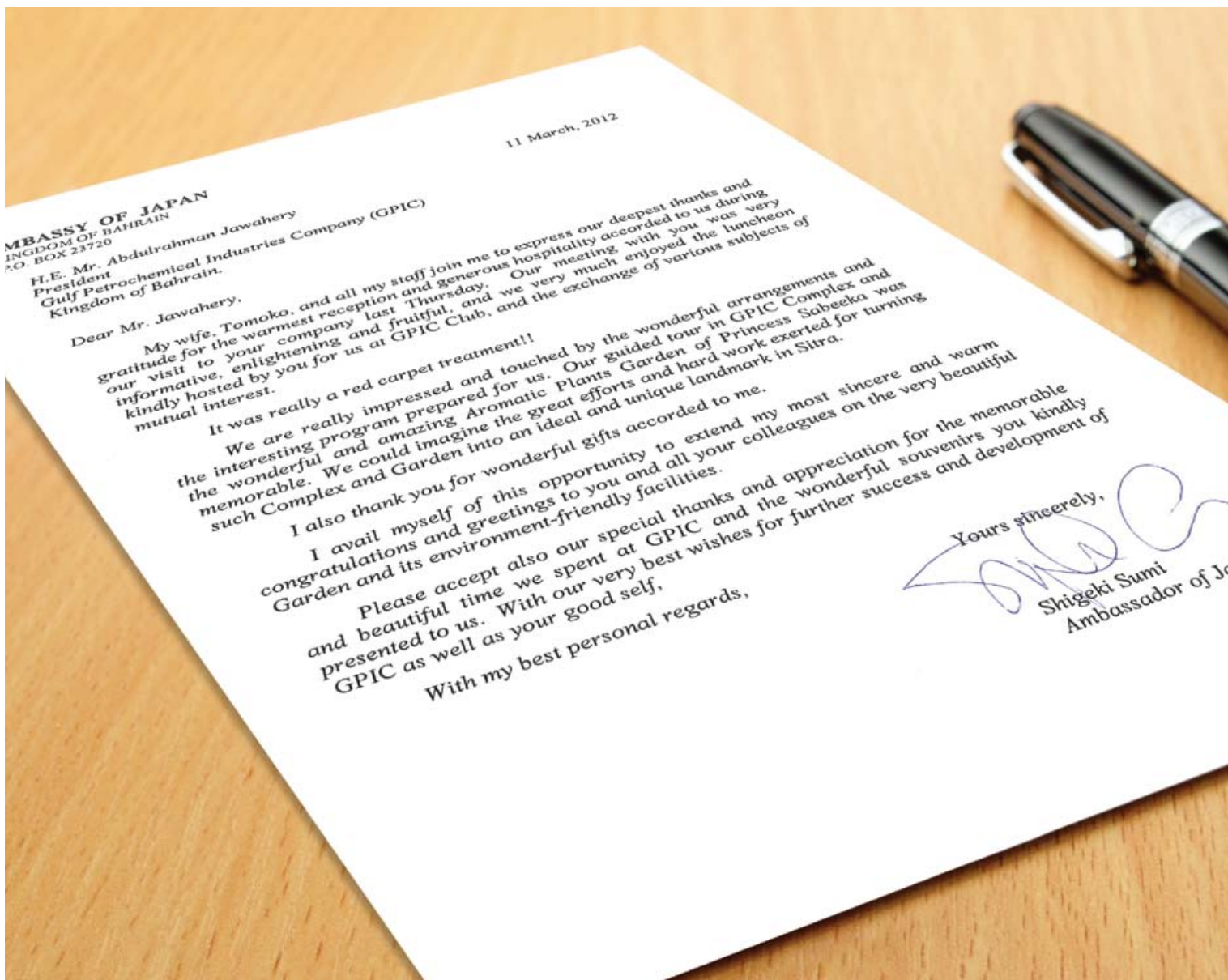
Sheikha Hessa Bint Khalifa
Al Khalifa, Executive
Director inJaz Bahrain



What others say about GPIC (continued)



HE Shigeki Sumi planting a tree during his visit to GPIC



Because of your generosity, more students are receiving life-changing financial literacy, work readiness and entrepreneurship education and the results can be profound."

Hessa Bint Khalifa Al Khalifa
Executive Director, inJaz Bahrain

"I would also like to formally congratulate you, the GPIC management and all employees for inaugurating the CBT, BI and Substation 10 Projects. I sincerely appreciate your effort in planning and executing the event in the most professional manner. Please convey my thanks and appreciation to every member of these projects' teams, the project managers and the leadership of concerned organizations for their commitment, dedication and hard work. I could feel the high level of enthusiasm, the strong loyalty and the robust drive and determination from every individual who I have met during the Thursday ceremony. We, at GPIC, are very much blessed for having such sincere and capable employees. No doubt that these achievements and successes were also the results of having a very capable leadership who has a clear vision and a precise road map to attain record achievements through building a strong and capable human resources, efficient processes and integrated system.

Yousef A Al-Zamel
Deputy Chairman-GPIC and
Executive Vice President-Chemicals, SABIC
18 February 2012

"The tour was well organized and highly informative on the importance of GPIC's work on the national economy and beyond. I was very impressed by the careful thought and attention that have gone into the designing of the plant to ensure maximum efficiency while, at the same time, minimizing its effect on the environment. I highly commend your ecological efforts to preserve rare plants and bird species in your beautiful park where I was honoured by the privilege of planting a palm tree in my name. GPIC's fisheries project is yet another proof of your environment awareness and GPIC's role in preserving the ecosystem. I truly believe these are inspiring ways to raise awareness on the importance of protecting our environment, joining the UN's efforts in achieving the Millennium Development Goal No 7 which is Environmental Sustainability. I also appreciate GPIC's focus on youth and your efforts in training youngsters who, inspired by your visionary mindset, will certainly become the future leading entrepreneurs in the Kingdom of Bahrain."

Nejib Friji
Director UNIC, Manama
29 January 2012

"I have recently read about your fantastic performance last year when you achieved a record number of working hours without any accidents. My congratulations to you and your team who are setting standards in the Industry that are an inspiration for others to follow."

Bryan Sauders
Methanex
10 January 2012

"It was really a great day and a great tour at GPIC ground! Your hospitality is outstanding. Our team has got super positive emotions - so modern, so clean and so friendly. And everything is done with love and high professionalism. We wish the plant and the plants (your healthy and beautiful environment) to flourish and to bring to the Kingdom of Bahrain and its people the feeling of pride for this country and for themselves."

Victor Smirnov
Ambassador of the Russian Federation
30 January 2012

What others say about GPIC (continued)



Ms. Sabine Taufmann
Ambassador of the Republic of Germany

"I want to thank you for the wonderful hospitality and support you and the entire GPIC team provided during my recent visit. The tour of your facility was most impressive and your zeal for creating and maintaining a safety-rich environment is evident. I also applaud the priority you give to educational and advancement opportunities to all members of the GPIC family."

Gregory A. Feest
Major General ,USAF
Chief of Safety
20 February 2012

"It was indeed a pleasure for me and my team to meet your team and visit your excellent plant. You have indeed many reasons to be proud of an excellent safety record, cleanest plant that we have ever seen and an excellent track record of performance in every field recognized by various world bodies. I therefore wish to thank you and your team for this learning experience and above all great hospitality. Meeting with Ms Janet CEO NSC and Ms Teresa Budworth Chief Executive Nebosh was very useful. We are now applying for their membership. We will also attend the October NSC meeting in Orlando and look forward to meet you at the conference."

Fawad Ahmed Mukhtar
Chairman, Fatima Group, Pakistan
23 February 2012

Hand In Hand We Protect the Planet UNEP contributes to annual Safety, Health and Environment Week

With the support of UNEP, Gulf Petrochemical Industries Company (GPIC) launched the annual Safety, Health and Environment Week under the slogan "Hand In Hand We Protect the Planet". Held at GPIC's headquarters from November 13th - 17th, the event was aimed at spreading environmental education among all sections of Bahraini society. This year, GPIC aimed to focus its activities on educating communities, particularly the younger generation. Through its various events and activities conducted throughout the week, GPIC hoped to shed light on the many ways people can help preserve the environment. UNEP, which encourages private sector green initiatives, praised GPIC's efforts to protect the environment and transform its industrial complex into a green oasis, adorned with gardens, farms, water, medicinal herbs, green areas and established gardens. GPIC, which has supported several of UNEP's projects in West Asia, last year inaugurated a new carbon dioxide (CO₂) recycling plant. The factory is the first of its kind in the region and is able to retrieve 450 metric tonnes per day. UNEP displayed an exhibit stand during the Safety, Health and Environment Week, attracting interest from various officials and experts in the industry sector.

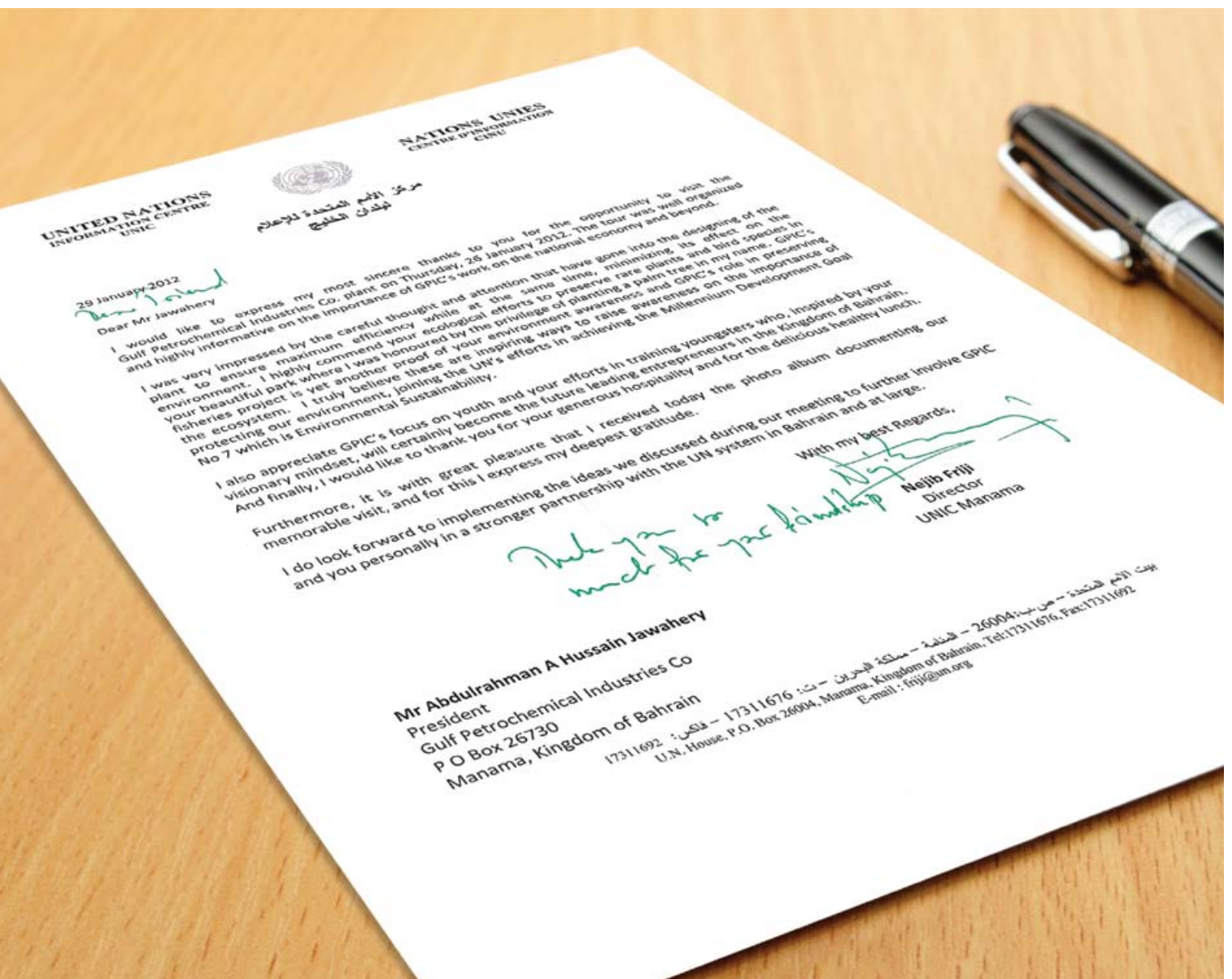
UNEP in West Asia
Newsletter
December 2011

"..Thank you very much for your kind reception in your impressive and successful enterprise on 25 October. Gulf Petrochemical Industries under your leadership, Excellency, is an outstanding example of the very successful diversification Bahrain stands for. Besides, I was really impressed by the exemplary role your enterprise is playing in protecting our environment"

Sabine Taufmann
Ambassador of the Federal Republic of Germany
27 October 2011

I also appreciate GPIC's focus on youth and your efforts in training youngsters who, inspired by your visionary mindset, will certainly become the future leading entrepreneurs in the Kingdom of Bahrain."

Nejib Friji
Director, UNIC, Manama





Janet Froetscher
President, National Safety Council, USA



April 25, 2012

Mr. Abdulrahman Jawahery
President
Gulf Petrochemical Industries Co.
P. O. Box 26730
Manama, Kingdom of Bahrain

Dear Abdulrahman,

Thank you so very much for your amazing continued support! You are always so quick and so very generous in your support of all our efforts!

We greatly appreciate your continued leadership and participation on the National Safety Council Board of Directors and the Campbell Institute Steering Committee. I know there are many demands on your time and the travel requires a significant investment. We very much appreciate your attendance at the mid-year board meetings and the Green Cross dinner.

We are thrilled to learn that GPIC has agreed to become a Campbell Institute Charter Member. As a past Campbell Award winner, you recognize that EHS is at the core of business vitality and intrinsic to operational excellence and financial performance. Your support as a Charter Member helps to ensure the viability of the Institute and allows it to pursue its mission toward creating healthy and high performing work organizations.

We are also overwhelmed by your Centennial Gold Sponsorship in recognition of our upcoming 100th anniversary. Your contribution will not only allow the Council to continue its life-saving work, but provides us with the necessary resources to develop plans around our next set of strategic priorities. Our upcoming Congress & Expo in Orlando, Florida symbolizes a century's worth of collaboration with partners such as GPIC, advancements and lessons learned in safety and most importantly, success in saving lives through the serious work of safety professionals and business leaders across all fields.

Thank you again, Abdulrahman, for your strong commitment to the National Safety Council and our mission. I can't express to you how much it is appreciated.

All the best,

Janet
Janet Froetscher

Janet Froetscher, President & CEO

1121 Spring Lake Drive • Itasca, IL 60143-3201 • 630.775.2237 • janet.froetscher@nscc.org

To say it simply, I am blown away by GPIC and your Safety Culture.”

Ted Woodings
National Safety Council, USA

“.....To say it simply, I am blown away by GPIC and your safety culture. I am very proud and motivated to be part of your vision and look forward to working with your team. After I left I have been traveling around the US, to include CO, NM, AZ and FL. Everywhere I went I shared the story of GPIC and how you are the most advanced safety culture I have ever seen. I even told Disney that your culture of excellence was amazing. I told Greg Hale, their Chief Safety Officer, he had to come see it for himself. As I explained the birds, fish and gardens he was amazed. I am excited to push forward on this project, my goal is to work with you and your team to build a world class system driven by your thoughtful leadership.”

Ted Woodings
National Safety Council, USA
December 2011

“Dear Mr. Jawahery,

Your support and leadership throughout the Campbell endeavor have been a complete blessing to Campbell and to me. I vividly remember your bold statement at the Campbell banquet to ExxonMobil that their investment to Campbell had reaped at least 10 folds of return. Honestly, I might have skipped a heart beat hearing you said that. At the Campbell Institute meeting, you so effectively affirmed the Institute’s roles and responsibilities in reaching out and educating the influencers. I am humbled by your generosity and unpretentious ways of delivering your messages. I truly cannot imagine a more willing and able partner and mentor.”

Mei-Li
National Safety Council, USA
23 January 2011

“The Bahrain-Japan Business & Friendship Society (BJBFS) takes the opportunity to Congratulate its Corporate Member – Gulf Petrochemical Industries Company (GPIC), on its recent achievement in securing The Arabian Award for The Best Corporate Social Responsibility Practice 1st Place. GPIC Management and Members of their hardworking Team have always been known to be dedicated to Excellence and are wished further success and many more Awards of Achievement to come. Well Done.”

The Bahrain-Japan Business & Friendship Society (BJBFS)
Arabia CRS Network, Corporate Social Responsibility Award
15 December 2011

“I just received the 76th issue of Khaleejieh, thank you! It’s so exciting to read about the many wonderful initiatives that you GPIC are supporting. You’ve been really busy. I’m so proud of the social conscience you have as well as your exemplary commitment to the environment. You’re such a great leader. GPIC and Bahrain are lucky to have you.”

Kent McElhattan
Chairman of the National Safety Council, USA
21 October 2010

What others say about GPIC (continued)



Yousif Al Zamel
GPIC Deputy Chairman and Executive
Vice President – Chemicals, Sabic, KSA

“Even if I’m the last one I want to express my sincere thanks for the warm welcome you gave to our Companies and for the fruitful meeting we had in GPIC offices last Sunday.

It was a real pleasure for me to meet you again after so long time and to be back in GPIC where we successfully completed your CDR project.

As you are most probably already aware the GPIC CDR Project executed by TICB achieved (in the IPMA Project Excellence Competition in Australia) the status of Prize Winner in the big size EPC project: we would have never reached such a result without the perfect relations and team working we had with all your people in GPIC and I want to thank you again for this amazing example of cooperation and partnership between Client and Contractor.”

Roberto Bertocco
Managing Director
Tecnimont SpA, Italy
14 October 2011

“It was my great pleasure to attend your wonderful Gergaon event on Thursday night. I listened to your speech and was amazed by GPIC’s family culture and your employees’ engagement.

For years, I have been hearing about GPIC’s culture but experiencing the same was a revelation!

I hope that GPIC grows further on all fronts under your professional leadership.”

Mahmood A. Aziz
Assistant General Manager
Central Processing Division-BBK
23 August 2011

“On behalf of the PIC delegation, Mr. Majid Al Fadhli and Mr. Mohammad AL Mujidel, I would like to express my deep appreciation and thanks to your good self for your outstanding hospitality and support to our delegation visited your esteemed company from 5 to 8 of July 2011.

I had a very unique feeling during this visit after a long time since my last visit to GPIC. I felt jealousy and very proud at the same time. Jealousy when I make a comparison, which makes my job much harder, and very proud when I remember that I played a small role in marketing the first cargos of GPIC Urea in 1998 to 2004, I am also very proud that PIC owns shares in this excellent company.

I admire your strong and professional leadership in running GPIC. I also admire your assistants’ personals from Managers and staff for professionally executing the company objectives.”

Salah Rashed Jasem
PIC -Fertilizers Supply Chain Team Leader
Analysis & Business Planning Team Leader (FSBU)
11 July 2011

“This is only few words to express my sincere thanks and appreciation for the warm welcome and generous hospitality extended to me during my recent visit to Bahrain. Also on the tremendous effort that was put forward to prepare for the Queen of Denmark’s visit.

The reception for Her Majesty the Queen Margrethe II was indeed planned and executed in a professional and wonderful manner. Normally, such event gives the opportunity to people and organization to project to other people the way they manage their business. Indeed you and your team made a strong reflection of the level of professionalism and leadership GPIC has and definitely your leadership makes the extra mile of difference.

Please convey my thanks and appreciation to our colleagues in GPIC for their dedication and hard work during the past few weeks and for continuing to project GPIC’s image as a unique company in what it does.”

Yousif Al Zamel
GPIC Deputy Chairman and Executive
Vice President – Chemicals, Sabic, KSA
8 February 2011



On behalf of the Bilateral US-Arab Chamber of Commerce, allow me to express my gratitude to you and Gulf Petrochemical Industries Co. (GPIC) for your continuing support of our business and education initiatives. Your generous participation is an integral part of our accomplishments over the years.”

Aida Araissi
President



The achievements of GPIC in Bahrain set an example to the rest of the world, not only in the way that it cares for the health, safety and welfare of its employees but also in how the extractive and chemical industry can work in harmony with the environment."

Nina Wrightson
Chairperson, RoSPA Awards Committee & British Safety Council, UK



Nejib Friji
Director UNIC visits GPIC



"For me, the high point of the stay in Bahrain was the visit to the GPIC Plant. The exceptional standards being maintained are a reflection of the dedication, motivation and commitment of the GPIC team. Such excellence is not possible without the dynamic, inspiring and caring leadership that you are providing to GPIC."

Lt Gen (Retd) Malik Arif Hayat
CEO and Managing Director
Fauji Fertilizer Company Limited, Pakistan
11 March 2010

"The guided tour to various plants and the presentation were extremely informative, enlightening and impressive. Also it was a great honour for me to take part in tree planting and cake cutting ceremony celebrating 10 years anniversary of Urea plant operation."

Takeshi Kondo
Ambassador of Japan
30 March 2008

"Needless to say, I am very impressed by GPIC's approach to risk management and by the standard achieved by your plant. I can well see why RoSPA felt you were worthy winners of the Sir George Earle Trophy."

Davis Morris
Chairman, The National Examination Board in Occupational Safety and Health (NEBOSH), UK

"For nearly two years now, since GPIC Toastmasters was founded, the GPIC management has been very supportive of the activities of the Toastmasters organization in the Kingdom. This brought forth the opportunities to many, to hone their skills in leadership and communications. The positive effect of the Toastmasters movement has provided a stage for many young Bahrainis to prepare them to participate in Bahrain's continued progress."

Alex Ginete, DTM
Division K Governor, District 79 Toastmasters
26 January 2010

"The achievements of GPIC in Bahrain set an example to the rest of the world, not only in the way that it cares for the health, safety and welfare of its employees but also in how the extractive and chemical industry can work in harmony with the environment. Many congratulations to everyone at GPIC for their commitment and contribution to protecting people and the environment and every good wish for your continued success."

Nina Wrightson
Chairperson
RoSPA Awards Committee & British Safety Council, UK

What others say about GPIC (continued)

“I am inspired and humbled by the huge contribution you have made to promoting health and safety within the Kingdom of Bahrain, the GCC, within your industry and in the wider world. We are indeed privileged to have you as our Ambassador.”

Teresa Budworth
Chief Executive, Nebosh

“I am amazed at the way you have transformed a Petrochemical company in the middle of a desert into a wondrous environment where fruits, vegetables, fish, birds and people thrive and flourish. This is a place where nothing is impossible. It is a triumph of human spirit. You have created an environment where vendors are treated like friends, employees like family and dreams are converted to reality.”

Ranjit Prithviraj
Managing Director
Intelligroup Asia & Europe, India

“I was delighted to read that GPIC won the GCC award for being the Best Industrial Company in following Environmental Standards and Measures. This is a great tribute to you, GPIC and Bahrain. Many congratulations.”

Ambassador Jamie Bowden
British Embassy,
Bahrain

“Congratulations for an exemplary production facility and for the exceptional team that is running it. Before coming to Bahrain I had mentioned to my wife that we would visit the number one ammonia-urea complex in the world. Now she tells me that I forgot to mention that we would also meet the number one team in the world that is responsible for the achievements.”

Luc Maene
Director General
International Fertilizer Industry Association (IFA), France

“I would like to thank you and all the staff at GPIC for all the help and assistance they gave in organizing the Nitrogen & Syngas Conference; this was truly overwhelming. In my opinion (and this feeling was shared by many delegates) the Bahrain Conference was the best yet in the series of this conference.”

John French
Conference Director & Publisher
British Sulphur, UK

“I would like to thank GPIC for the exquisite hospitality extended to our delegates during the Nitrogen 2007 conference. This visit to your Ammonia/Methanol Complex was really very impressive. Please accept my warm congratulations for the high standard of quality achieved in your factory.”

Luigi Tomasi
General Manager, Giammarco-Vetrocoke
Italy

“GPIC is a very impressive organization and indeed facilities; an organization which is clearly there to serve the environment and its community, as well as its owners.”

Magne Seljeflot
Chairman, AON Limited, UK

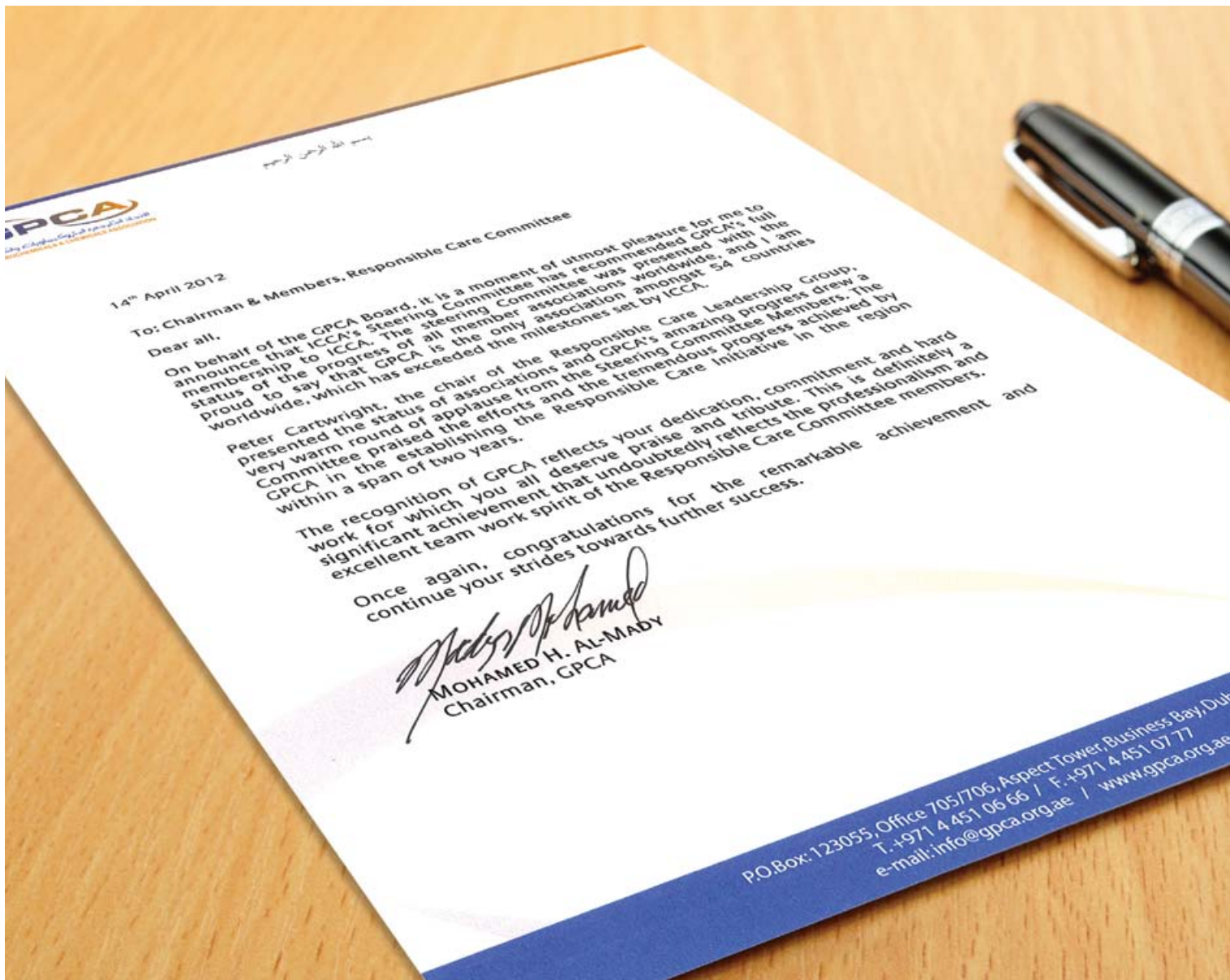
Teresa Budworth,
Chief Executive, Nebosh



What others say about GPIC (continued)



Mohamed H. Al-Mady
Chairman, GPCA
Vice Chairman and CEO, SABIC



“The generous donation to Obstetrics and Gynecology Department, as well as the previous contribution to Pathology, Pediatric oncology and Physiotherapy departments at SMC (Salmaniya Medical Complex) stems from the awareness of the distinguished company (GPIC) for development of medical services in Kingdom of Bahrain, and providing updated medical treatment and care to the public at large.”

Mohammed Hussain Al Khayyat
Clinical Biochemist - Former Member of Parliament

“My team came away from the visit with some very clear impressions; firstly, the level of professionalism and commitment that runs through all aspects of your business from your excellent results to your strong environmental programmes and the generous help and support you extend to the community.”

Mahmood AL Soufi
Chief Executive, Bahrain National Holding,
Kingdom of Bahrain

“Thank you so much for the terrific visit to GPIC last week. I greatly appreciated the time devoted to the visit and your and your senior staff and the opportunity to see such a first class facility. The work you are doing on the environment is impressive.”

William T Monroe
Ambassador of the United States of America,
Bahrain

“It was a great pleasure for me to learn of you and to get a significant insight into GPIC’s VALUES. Indeed it was a very good experience to see how professional you have organized all your work taking into account the company’s values and identity.”

Holger Tallowitz
VP Active Global Support Middle East & North Africa, SAP AG,
Germany

“The generous donation to Obstetrics and Gynecology Department, as well as the previous contribution to Pathology, Pediatric oncology and Physiotherapy departments at SMC (Salmaniya Medical Complex) stems from the awareness of the distinguished company (GPIC) for development of medical services in Kingdom of Bahrain, and providing updated medical treatment and care to the public at large. The great generosity from you and GPIC will add more value as the donated books greatly contribute to the development of Obstetrics and Gynecology Department, assisting health specialists in profession to gain advanced knowledge and conduct medical research.”

Mohammed Hussain Al Khayyat
Clinical Biochemist
Former Member of Parliament

“Let me start by thanking you for yet another successful visit from GPIC to Denmark and to our head office in Lyngby. I understand from my colleagues and the GPIC delegation that many fruitful views were exchanged further cementing the excellent relationship between our two companies.”

Henrick Surrow Larsen
General Manager, Middle East
Haldor Topsoe

What others say about GPIC (continued)

“I would like to express my sincere thanks and appreciation for the outstanding success of His Majesty the King’s visit to Japan and also the exceptional reception that the Bahraini business delegation received during the various visits and at the Business Forum. I am sure I speak for everyone in the delegation when acknowledging the exemplary visit programme arrangements and the wonderful hospitality that we were all accorded during this prestigious and unique visit.”

Abdulrahman Jawahery
President - Gulf Petrochemical Industries Co.

“I am pleased to inform you that, following their recent deliberations, Royal Society for the Prevention of Accidents (RoSPA’s) independent Occupational Health and Safety Awards Panel have selected Gulf Petrochemical Industries Company (GPIC) as one of the three contenders for this year’s Sir George Earle Trophy.

As you know, this award, which is now in its 55th year, is RoSPA’s most prestigious award and is made to the RoSPA industry sector award winning organization which, in the opinion of the Panel, displays the most outstanding excellence in its overall management of safety and health at work. ... Please accept my congratulations on reaching this important stage in the RoSPA awards programme.”

Tom Mullarkey, MBE
Chief Executive, RoSPA

“On behalf of the GPCA Board, it is a moment of utmost pleasure for me to announce that ICCA’s Steering Committee has recommended GPCA’s full membership to ICCA. The steering Committee was presented with the status of the progress of all member associations worldwide, and I am proud to say that GPCA is the only association amongst 54 countries worldwide, which has exceeded the milestones set by ICCA. The recognition of GPCA reflects your dedication, commitment and hard work for which you all deserve praise and tribute. This is definitely a significant achievement that undoubtedly reflects the professionalism and excellent team work spirit of the Responsible Care Committee members.”

Mohammed H. Al-Mady
Chairman, GPCA

“We have experienced an exceptional event that has gone beyond the race and the symphony. Every year it is better and better and You have to be proud for being able to host in such a way similar event. It’s true that every achievement requires effort and has to be supported by heart and enthusiasm. But we have to recognize that, from your side, all comes without any additional effort, being it part of your nature and willingness ”

Pietro Testa
Saipem, Italy



Abdulrahman Jawahery
President - Gulf Petrochemical Industries Co.





COMMITMENT TO UN GLOBAL COMPACT AND GLOBAL REPORTING INITIATIVE

GPIC has a passionate commitment towards sustainability and we report our sustainability performance using UNGC and GRI – defined voluntary disclosure indicators, collated through a process of internal review and external validation.

Within the context of our current sustainability strategy and from the perspective of sustainable stakeholder benefit, our report shares what we perceive as unique challenges and opportunities emerging from our evolving business practices. It depicts our continuous efforts to align our business objectives with the evolving need of society, today and in the future.

Aligning the Ten Principles of UNGC and GRI Compliance

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core principles in the areas of anti-corruption, human rights, labour standards and the environment which are aligned and articulated through the GRI framework and set of indicators as reproduced in the following pages:

GRI Indicators

Economic

Performance Indicator	Description	Page	Reporting Level	Remarks
EC1	Direct economic value generated and distributed	64-66 101	Reported	
EC2	Financial implications and other risks and opportunities due to climate change	81	Part-Reported	GPIC is committed and engaged in exploring the opportunities related to the issue of climate change. Our climate change projects/ investments started with the installation of the urea project in 1996 and the selection of granulation technology, followed by the CDR project commissioning in 2009/2010 to further reduce GHG emissions. Phasing out of ozone depleting R-22 from our facilities is another example of our on-going initiatives.
EC3	Coverage of the organization's defined benefit plan obligations	96	Reported	
EC4	Significant financial assistance received from the government	138	Reported	None
EC5	Range of ratios of standard entry-level wage compared to local minimum wage	138	Reported	US \$780
EC6	Policy, practices and proportion of spending on locally-based suppliers	138	Reported	The following factors in combination, not necessarily listed in their order of importance are considered in selecting the potential suppliers (Local suppliers are defined as Bahrain based suppliers). <ul style="list-style-type: none"> - Suppliers' ability to meet the requirements. - Principal suppliers or original manufacturers. - Suppliers' previous history record of performance in similar scope of supply. - Suppliers who have service facilities in Bahrain. - Suppliers with Bahrainisation level of manpower. - Safety, Health & Environment system certifications.
EC7	Procedures for local hiring and proportion of senior management hired from the local community	94	Reported	GPIC is an equal opportunity employer. Our HR/recruitment policy highlights the need to tap local talent first prior to looking for alternative talent. GPIC's senior management is 100% Bahraini. GPIC has a well-established Succession Plan and Talent Management. 2011-2020.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	101	Reported	We inject about US \$108 million annually into the Bahrain economy
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	47	Reported	Our Enterprise Risk Management covers this

Environmental

Performance Indicator	Description	Page	Reporting Level	Remarks
EN1	Materials used by weight or volume	90/91	Reported	
EN2	Percentage of materials used that are recycled input materials	90/91	Part-Reported	NIL
EN3	Direct energy consumption by primary source	90	Reported	Energy consumption from the plants is being monitored and analysed on regular basis by engineering and a monthly report is issued in this regard. The energy consumption is highlighted in the environmental performance summary on page 90.
EN4	Indirect energy consumption by primary source	90	Not Reported	Currently, we do not collect data on it and can't report the numbers, but will aim to do so by the next report.
EN5	Energy saved due to conservation and efficiency improvements	139	Reported	A diverse range of capital investment projects have served to optimise the energy used and cost benefit analysis of proposed projects fully accounts for savings through energy reduction. In April, 2011 replacement of a faulty valve actuator XV-10207 of the PSA unit enabled higher recovery of waste gases to methanol reformer fuel system hence decreasing the specific energy consumption / MT of methanol produced by about 2%. The CDR plant commissioned in December 2009 has resulted in an improvement of energy efficiency of the methanol plant.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives	82/83	Part-Reported	A diverse range of capital investment projects have served to optimise the energy used and cost benefit analysis of proposed projects fully accounts for savings through energy reduction. Consideration of renewable energy sources has been partly undertaken and a solar water heating unit has been installed in one of the buildings. Lighting projects to reduce the electricity load from old style lighting are being assessed. This has the potential to significantly reduce the lighting and related carbon load from across the site.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	82/83	Not Reported	Currently, we do not collect data on it and can't report the numbers, but will aim to do so by the next report.
EN8	Total water withdrawal by source	90	Reported	Refer to Environmental performance summary table.
EN9	Water sources significantly affected by withdrawal of water	90	Reported	None
EN10	Percentage and total volume of water recycled and reused	90	Reported	Refer to Environmental performance summary table.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	82/83/84	Reported	GPIC is constructed on a reclaimed land of 60 hectares with a close proximity to the sea shore. Additionally we have a bird sanctuary (4.2 hectares, fish farm 0.225 hectares and total green areas comprising of 7.62 hectares).

GRI Indicators (continued)

Environmental (continued)

Performance Indicator	Description	Page	Reporting Level	Remarks
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas.	83	Reported	GPIC is constructed on a reclaimed land of 60 hectares with a close proximity to the sea shore. The sea water from the process is discharged back to the sea. As our operations are controlled and the discharges to sea are monitored and analysed hence during normal operations there are no adverse effect on the biodiversity and related habitats however during catastrophic failures / loss on containments the sea water and the related habitats can be significantly affected.
EN13	Habitats protected or restored	83	Reported	Bird sanctuary 4.2 hectares ,Total green areas 7.62 hectares, fish farm 0.225 hectares.
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	140	Reported	GPIC, being constructed on reclaimed land and its close proximity to sea shore, is aware about the hazards and risks related to ground and sea contamination. All the operations are controlled and effluents monitored and all environmental incidents are recorded. As of now, there is no formal determination of the environmental conditions surrounding the site. However the condition of the fish in the fish farm close to the plant's sea water effluent are monitored on regular basis, counts of bird species at the bird sanctuary are undertaken on ad-hoc basis and the development of the mangrove plants visually monitored. For future, we may consider Environmental Condition Indicators (ECI's) associated with surrounding maritime water quality and fauna and flora to bench mark the surrounding eco-system
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	140	Reported	NIL
EN16	Total direct and indirect greenhouse gas emissions by weight	90	Part-Reported	Even though there is no requirement to report on the greenhouse gas emissions by the national regulator, however GPIC shall be establishing a formal system to quantify the greenhouse gas emissions and aim to do so by the next report. As an interim we have calculated the GHG emissions in tons of CO2 f from our process and reported in the environmental performance summary table on page 96
EN17	Other relevant indirect greenhouse gas emissions by weight	90	Not Reported	Currently we don't collect data on it and can't report the numbers but will aim to do so by the next report.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	90	Reported	1) 1996: GPIC's urea plant 2) 2009: CDR unit
EN19	Emissions of ozone-depleting substances by weight	90	Reported	None

Environmental (continued)

Performance Indicator	Description	Page	Reporting Level	Remarks
EN20	NO _x , SO _x and other significant air emissions by type and weight	90	Reported	Please refer to the Environmental performance summary table on page 90 for details.
EN21	Total water discharge by quality and destination	90	Reported	Please refer to the Environmental performance summary table on page 90 for details.
EN22	Total weight of waste by type and disposal method	90	Partially Reported	Please refer to the Environmental performance summary table on page 83/90 for details.
EN23	Total number and volume of significant spills	90	Reported	We did not have any significant loss of containment in the reporting period.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII and percentage of transported waste shipped internationally	141	Reported	NIL
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organizations discharge of water and runoff	141	Reported	GPIC is constructed on a reclaimed land of 60 hectares with a close proximity to the sea shore. The sea water from the process is discharged back to the sea. As our operations are controlled and the discharges to sea are monitored and analysed hence during normal operations there are no adverse effect on the biodiversity and related habitats however during catastrophic failures / loss on containments the sea water and the related habitats can be significantly affected.
EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	83-86	Reported	<ol style="list-style-type: none"> 1) GPIC has established a number of local initiatives to mitigate environmental impacts of its products. One such example is where the company has invested in measures to reduce CO2 emissions by setting up a carbon dioxide recovery unit. 2) Moreover, the company has also set up a fish farm, herbal garden, and bird sanctuary at the complex. 3) To reduce noise pollution we are upgrading/ replacing silencers on various vents and have recently installed a silencer on an instrument air vent in 2011 with improved benefits. 4) A urea plant ammonia flare project is in progress that will further mitigate the impact of ammonia venting in case of plant upsets.
EN27	Percentage of products sold and their packaging materials that are reclaimed	141	Reported	All of our three products are loaded and exported through bulk carriers, however some percentage (about 1200 MT annually) of our urea product is sold to local consumers as bagged urea in 50 kg bags. We do not reclaim the packaging material of the urea sold in bags.

GRI Indicators (continued)

Environmental (continued)

Performance Indicator	Description	Page	Reporting Level	Remarks
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	142	Reported	NIL
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	142	Reported	<p>GPIC has not yet undertaken a review of the complete transport related impacts of their operations including that from supply delivery, travel to and from work, and that of product freight transport i.e shipping. There are services available for operational staff to obtain shared bus services to work – organized by GPIC. The site also deploys the use of bicycles for travelling around between facilities.</p> <p>GPIC is aware of the importance of “ Green Transport” as it is an important component of an organisation's overall environmental impact. A complete review of the uses of transport relating to the supply, operations and transport of end products to the market place will be carried out.</p>
EN30	Total environmental protection expenditures and investments by type	84/85	Reported	1) We have spent over US \$2 million on environmental projects during the past three years.

Social: Labor Practices and Decent Work

Performance Indicator	Description	Page	Reporting Level	Remarks
G3.1: LA1	Total workforce by employment type, employment contract and region broken down by gender	99/100	Reported	
G3.1: LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region	99	Reported	Attrition: 2011 ...1.2% 2010 ...2.4% 2009 ...2.8%
G3.1: LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	96	Reported	
LA4	Percentage of employees covered by collective bargaining agreements	96	Reported	
LA5	Minimum notice period (s) regarding significant operational changes, including whether it is specified in collective agreements	143	Reported	1) Notices as specified in relevant applicable laws 2) Employer/employee contract agreements clearly highlight the notice periods related to resignation or termination of contracts.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	143	Reported	100% of work force is represented through Labour Union and Committees.
G3.1: LA7	Rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities by region and gender	74-76	Reported	No LTA in 2010/ 2011, and +14 million man hours of safe work without an LTA. Our concern and focus remains to have a zero harm workplace. 23 minor injuries in 2010 and 15 in 2011. Absenteeism (sick leave days) due to sickness has decreased from 5959 to 4729.
LA8	Education, training, counseling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases	74	Reported	Numerous programs are in place to ensure the wellness of our employees and their families, including lectures, campaigns and preventive measures. Examples include: 1) Periodic annual/ biennial health checks including blood samples, ECG, Audiometry 2) Breast cancer screening and awareness. 3) Obesity management 4) Antismoking program and campaign. etc.

GRI Indicators (continued)

Social: Labor Practices and Decent Work (continued)

Performance Indicator	Description	Page	Reporting Level	Remarks
LA9	Health and safety topics covered in format agreements with trade unions	39,95	Reported	Labour Union members are part of the Company's top tier committees such as SHE council, Safety committee, Environment and Health Committees etc. and all Safety and Health related topics are discussed during regular committee meetings.
G3.1: LA10	Average hours of training per year per employee by gender, and by employee category	98	Reported	23,148 training hours in 2010 and 20,287 hours in 2011.
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	94	Reported	Our approach to training and development of our people is crafted in such a way that it not only develops their job related technical skills but also develops them to be successful corporate citizens. Training to develop: <ul style="list-style-type: none"> - Supervisory Skills - Leadership Skills - Six Sigma trainings - SAP Competency based Performance Management & Appraisal Systems - Classroom Training - Other behavioral interventions Some further examples include: <ul style="list-style-type: none"> • E-Learning, • Toastmasters • Facilitating higher education
G3.1: LA12	Percentage of employees receiving regular performance and career development reviews, by gender	94	Reported	100% of employees are part of PMS (Performance management system)
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	99/100	Reported	In the governance bodies <ol style="list-style-type: none"> 1) We do not have any female employees 2) We do not have any minority group representation 3) Most of the 9 members are above the age of 50 The breakdown of our employees is highlighted in page 97/98
G3.1: LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant location and operations	144	Not Reported	Distinction based on talent and not gender
G3.1: LA15	Return to work and retention rates after parental leave, by gender	144	Reported	Maternity leave, women are entitled for a maximum of 45 days full pay leave and for suckling one hour each day for a maximum of 2 years.

Social: Human Rights

Performance Indicator	Description	Page	Reporting Level	Remarks
G3.1 HR1	Percentage and total number of significant investment agreements that includes clauses incorporating human rights concerns or that have undergone human rights screening	145	Reported	NIL
G3.1 HR2	Percentage of significant suppliers and contractors that have undergone human rights screening and actions taken	145	Reported	NIL
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	145	Reported	NIL
G3.1 HR4	Total number of incidents of discrimination and actions taken	145	Reported	None
G3.1 HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights	96	Not Reported	Holding of fair and free elections of the Labour Union in 2011 is one of the measures taken by the Company in the reporting period intended to support rights to freedom of association and collective bargaining.
G3.1 HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labor	94	Part-Reported	Our HR policy clearly describes the minimum age of recruitment as 18 Years.
G3.1 HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	145	Reported	The Bahrain labour law, relevant legislation and our HR policy, and the employee contracts and job description does not allow forced labour.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	145	Reported	100% of our security personnel are trained. a) In-house training b) Ministry of interior training c) Additional external training/courses
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	145	Reported	None
G3.1 HR10	Percentage and total number of operations that have been subject to human rights reviews and / or impact assessments	145	Reported	Our HR policies and procedures are based on the Bahrain Labour law and related legislations that also covers aspects related to human rights.. As part of our compliance to RC -14001 the applicable Bahrain legislation and compliance relevant to our operations is available on our intranet and is regularly audited.
G3.1 HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanism	145	Reported	One grievance filed and resolved We have a well-established employee grievance handling procedure. SOP-HRS-00-10 Industrial Relations

GRI Indicators (continued)

Social: Society

Performance Indicator	Description	Page	Reporting Level	Remarks
G3.1 S01	Percentage of operations with implemented local community engagement, impact assessments and development programmes	83-86	Partially Reported	1) Environmental aspects/impacts study and action plans are part of our ISO 14001 & RC 14001 compliance requirements. 2) Safety induction is mandatory for visitors also. 3) As part of community outreach environment awareness, lectures are imparted to school children. 4) Industrial visits are arranged for school children.
S02	Percentage and total number of business units analyzed for risks related to corruption	47-27	Reported	100% Our financial audits, both internal and external across the organization, ensure that no financial corruption is taking place. Our Enterprise Risk Management also covers the risk of a major fraud. Our Audit, Finance and Risk Committee along with an external audit, reviews our financial statements and legal/regulatory compliance on quarterly/yearly basis.
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	146	Reported	100% As part of the recruitment, a new employee is given a form and information booklet on company's code of ethics. A refresher programme on the same is being arranged by the company for its employees 2012 and beyond. Moreover regular refreshers are given on company's core values.
S04	Actions taken in response to incidents of corruption	146	Reported	No incident of corruption was reported during the period 2010-2011
S05	Public policy positions and participation in public policy development and lobbying	41,42,43	Reported	Our Company plays an active role in policy development through various governmental and non-governmental organisations and forums . 1) President is the member of Shura council and other memberships are highlighted under the section memberships .
S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	146	Reported	NIL
S07	Total number of legal actions for anticompetitive behavior, anti-trust and monopoly practices and their outcomes	146	Reported	NIL
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	146	Reported	None

Social: Society (continued)

Performance Indicator	Description	Page	Reporting Level	Remarks
G3.1 S09	Operations with significant potential or actual negative impacts on local communities	80-86	Reported	Our plants are designed, operated and managed in such a way that they do not pose any risk to the local communities during normal operation. However in case of a catastrophic failure, resulting in uncontrolled release of chemicals a potential of significant negative impact does exist both to the marine life and the local communities.
G3.1 S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	80-86	Reported	<ol style="list-style-type: none"> 1) We have robust plant operating and maintaining procedures and systems that are used by our competent workforce thus ensuring Responsible and safe operation. 2) We closely monitor our effluents and emissions to ensure they are in compliance to the local legislation. 3) We invest heavily in maintaining our plants reliability to ensure business continuity in a safe and reliable way. 4) We continuously review our potential risks to the communities through the enterprise risk management and our management systems such as ISO-14001 and the Responsible care RC 14001 5) We are continuously audited both internally and externally to ensure compliance. (Please refer to the section on Environmental impact and business excellence best practices.)

Social: Product Responsibility

Performance Indicator	Description	Page	Reporting Level	Remarks
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures	108/109	Reported	All GPIC products are covered by and assessed for compliance with the procedures and process below. 1. Sourcing of raw materials 2. Manufacturing and production 3. Storage distribution and supply 4. Use of product (UREA) by local customers. MSDS Provided to Customers for local urea handling.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	146	Reported	None

GRI Indicators (continued)

Social: Product Responsibility (continued)

Performance Indicator	Description	Page	Reporting Level	Remarks
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	108/109	Partially Reported	GPIC's products and services related to the supply of fertilizers and chemicals are regulated by national and internal codes. GPIC production sites are certified to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and OHSAS 18001 (Health & Safety Management) and Responsible Care RC 14001. Registration with REACH: Moreover, all of GPIC's products (UREA REG# 01-2119463277-33-0095 & METHANOL REG#01-2119433307-44-0005) are in compliance with REACH, as is also the case for GPIC procedures for product and service information and labeling, particularly with regard to (i) substances that might produce an environmental or social impact, (ii) the disposal of the product and environmental social impacts, and (iii) the safe use of the product or service.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling by type of outcomes	108/109	Reported	GPIC has not identified any material non compliance with regulations or voluntary codes concerning product and service information and labeling. Our Customer Complaints form provides us with feedback. Moreover, quarterly coordination meetings with Marketers keep us updated.
PR5	Practices related to customer satisfaction including results of surveys measuring customer satisfaction	108/109	Reported	The GPIC system for monitoring and reviewing customer satisfaction is conducted through our marketing partners, who also happen to be our shareholders. The customer satisfaction surveys are done on an annual basis by SABIC and every two years by PIC for the products sold from not only their own plants/affiliates, but also GPIC. These answers are later analyzed and results are taken into account in evaluating measures to improve satisfaction.
PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications including advertising promotion and sponsorship	108/109	Reported	GPIC adheres to the EU REACH regulation The EU REACH Regulation targets improved control and knowledge of chemical substances to help safeguard human health and the environment. It requires classification, testing and registration of all substances in the European chemical industry,
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications including advertising, promotion and sponsorship by type of outcomes	148	Reported	During 2011, GPIC has identified no incidents of non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. Our Customer Complaints form provides us with feedback. Moreover, quarterly coordination meetings with Marketers keep us updated.

Social: Product Responsibility (continued)

Performance Indicator	Description	Page	Reporting Level	Remarks
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	149	Reported	In 2010-2011, GPIC identified no complaints regarding breaches of customer privacy or losses of customer data. Our Customer complaints form provides us with feedback. Moreover, quarterly coordination meetings with Marketers keep us updated
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	149	Reported	In 2010-2011, GPIC was not subject to any fines for non-compliance with laws or regulations concerning the provision and use of products and services. Our Customer Complaints form provides us with feedback. Moreover, quarterly coordination meetings with Marketers keep us updated.

**Standard Disclosures: Profile Disclosures
1 - Strategy and Analysis**

Profile Disclosure	Description	Cross-Reference	Page	Remarks
1.1	Statement from the most senior decision makers of the organization	Chairman's message Managing Director's message President's message	12/13 14/15 16/17	
1.2	Description of key impacts, risks and opportunities	GPIC's achievements, challenges and goals / Enterprise Risk Management / Sustainability strategy	1/47/31	

2 - Organizational Profile

Profile Disclosure	Description	Cross-Reference	Page	Remarks
2.1	Name of the Organization	Organizational Profile	19,20	Gulf Petrochemical Industries Company (GPIC) Bahrain
2.2	Primary brands, products and/ or services	1) Organizational profile, 2) GPIC Overview	19,20	We are a Bahrain based petrochemical and fertilizer company producing 1700 MT/D Urea, 1200 MT/D Ammonia & 1200 MT/D Methanol.
2.3	Operational structure of the organization	Sustainability framework chart	31	
2.4	Location of organization's headquarters	Organizational profile/ GPIC overview	19,20	Sitra, Kingdom of Bahrain

GRI Indicators (continued)

2 - Organizational Profile (continued)

Profile Disclosure	Description	Cross-Reference	Page	Remarks
2.5	Number of countries where the organization operates	Organizational profile	20	Our facilities and offices are in Bahrain, our share holders include Nogaholding, (Bahrain), Sabic (KSA), PIC (Kuwait) and our marketing is done by Sabic & PIC. Our key markets include USA, China, India, South Korea, Australia
2.6	Nature of ownership and legal form	Organizational profile	20	GPIC is an equal partnership between the Government of Bahrain (Nogaholding), SABIC (Saudi Arabia) and PIC (Kuwait). Each shareholder nominates 3 Directors (total 9 non-executive Directors) and letters of appointment are issued by the respective shareholders upon nomination
2.7	Markets served	Exports data	70/73	Key markets are USA, India, China & South Korea.
2.8	Scale of the reporting organization	GPIC overview	19	Medium Manufacturing complex with plants, Ammonia, Urea, Methanol and utilities Total products produced 2010 - 1,475,892 MT 2011 - 1,575,018 MT Total capitalisation US\$159 million, (100% equity)
2.9	Significant changes during the reporting period		150	There are three main changes. Organizational structure changes. - The CEO of the company is the President - General Manager of Special Projects is a new position in the organization, to look after the GPIC 2 Project and other projects related to our Strategic plan 2020. - The new CDR unit was constructed/commissioned in December 2009 and performance test done in 2010.
2.10	Awards received in the reporting period	Leading excellence (awards)	114/115	Key awards during 2010-2011

3 - Report Parameters

Profile Disclosure	Description	Cross-Reference	Page	Remarks
3.1	Reporting period for information provided	Introduction	9	
3.2	Date of most recent previous report	Introduction	9	2009 Sustainability Report was our first sustainability report, however was not as per GRI guidelines. The current report 2010-2011 is first GPIC report following GRI guidelines.
3.3	Reporting cycle	Introduction	9	Biennial
3.4	Contact point for questions	Our approach to reporting	149	Mr Fadhel Al Ansari (GPIC General Manager Manufacturing) E mail address: GMM@gpic.net
3.5	Process for defining report content	Our approach to reporting	149	
3.6	Boundary of the report	Our approach to reporting	149	
3.7	State any specific limitations on the scope or boundary of the report	Our approach to reporting	149	
3.8	Basis for reporting	Introduction	9	
3.9	Data measurement techniques and the bases of calculations	Our approach to reporting	149	
3.10	Explanation of the effect of any re-statements of information	NA		
3.11	Significant changes from previous reporting periods	Introduction	9	This is our first report following GRI guidelines.
3.12	Table identifying the location of the standard disclosures I the report	GRI Table	136-154	No sector supplement indicators set for Petrochemical and Fertiliser Industry.
3.13	Policy and current practice with regard to seeking external assurance for the report		151	No external assurance for this report but we aim for one for our next report.

GRI Indicators (continued)

4 - Governance, Commitments and Engagements

Profile Disclosure	Description	Cross-Reference	Page	Remarks
4.1	Governance structure of the organization	Corporate governance / Sustainability framework	24-31	
4.2	Indicate whether the Chair of the highest governance body is also an Executive Officer	Corporate governance	152	All the nine directors are non-executive directors.
4.3	The number of members of the highest governance body that are independent and /or non-Executive members	Corporate governance	152	All the nine directors are non-executive directors and there are no independent directors
4.4	Mechanisms to provide recommendations or direction to the highest governance body	Corporate governance	22-26	As per the Articles of Association, the Secretary of the Board is responsible to facilitate effective communication amongst all BOD/Shareholders.
4.5	Linkage between compensation and the organization's performance	Corporate governance	22-26	Significant portion of officers' remuneration is linked to company and individual performance, Key performance indicators are in place to support the evaluation of key Management personnel. Performance-based incentive plans approved by shareholders. The performance-based incentives (Bonus and increments) are approved by the BOD, nominated by the Shareholders.
4.6	Processes in place to ensure conflicts of interest are avoided	Corporate governance / code of conduct	22-26	As a result of GPIC corporate governance gap analysis against the Bahrain corporate governance code March 2011 carried out by KPMG, GPIC has to prepare a policy on conflict of interests and register of interests at the Board level whereas for the employees the code of conduct is available.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body	Corporate governance	22-26	The shareholders nominate a mix of qualified personnel i.e. one each from Technical, Legal, Finance and Marketing. Key performance indicators are in place to support the evaluation of key Management personnel. Succession plan for the President (CEO) is in place and an annual review is being carried out by GPIC
4.8	Internally developed statements of mission or values, codes of conduct and principles	Corporate values / code of conduct / corporate governance	23	The Company has a clear Vision, mission and values and sustainability is strongly embedded in the Company's mission statement.
4.9	Procedures of the highest governance body for overseeing the organizations identification and management of performance	Corporate governance	22-26	Audit / finance / risk committee charter

4 - Governance, Commitments and Engagements (continued)

Profile Disclosure	Description	Cross-Reference	Page	Remarks
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Corporate governance	22-26	In the AGM, reference to Board evaluation is made, however, Board performance assessment framework has yet to be developed. As per the Management of GPIC, Board performance is being evaluated by the respective shareholders. A performance assessment framework is being developed to support effective evaluation of the Board and Board Committee members. (KPMG gap analysis requirement)
4.11	Explanation of the organizations precautionary approach or principle	Corporate governance, ERM	47	A comprehensive regime of internal and external auditing including enterprise risk management
4.12	Externally developed charters, principles or other initiatives to which the organization subscribes or endorses	Corporate governance	22-26	GPIC Corporate governance is in line with the Articles of Association. We follow/comply to all the applicable Bahrain Legislation and regulations. We maintain a register of all the applicable Bahrain laws and our compliance. Laws include: 1) Labour law for Private Sector. 2) Primary Health Care 3) Environmental standards. 4) Joint Union/Employer Committees etc etc. 5) We adhere to the standards of the management systems for which we are certified PAS 99, ISO 14001, OHSAS 18001, ISO 9001, RC 14001, ISO 27001
4.13	Memberships in associations	Memberships	41-43	With the aim to be proactively involved and to contribute towards knowledge sharing and professional networking, we participate in several organizations at a national, regional and international level.
4.14	List of stakeholder groups engaged by stakeholder groups as our key the organization	Stakeholder engagement	33	We have identified 9 stakeholder groups as our key stakeholders. 1) Shareholders 2) Customers 3) Local communities 4) Employees 5) Government and regulators 6) Suppliers and vendors 7) Media 8) Banks 9) NGOs
4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholder engagement	33/34	
4.16	Approaches to stakeholder engagement	Stakeholder engagement	33-36	

GRI Indicators (continued)

4 - Governance, Commitments and Engagements (continued)

Profile Disclosure	Description	Cross-Reference	Page	Remarks
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded	Stakeholder engagement	33-36	Under stakeholders engagement chapter: Topics of interest and examples of engagement and Stakeholder feedback: We value our stakeholders feedback and consider it an important aspect of our sustainability engagement. The examples of engagement highlighted against each category of our stakeholder(s) also indicate the various modes through which we seek feedback from them. The feedback from our stakeholders is taken up seriously and is evaluated and concerns addressed .

UN Global Compact

Principle	Description	Category	Relevant GRI Indicators
1	Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights	EC 5, LA 4, LA 6-9, LA 13-14 HR 1-9, SO 5, PR 1-2, PR 8
2	Make sure that they are not complicit in human rights abuses		HR 9, SO 5
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Labor Standards	LA 4-5, HR 1-3, HR 5 SO 5
4	The elimination of all forms of forced and compulsory labor		HR 1-3, HR 7, SO 5
5	The effective abolition of child labor		HR 1-3, HR 6, SO 5
6	The elimination of discrimination in respect of employment and occupation		EC 7, LA 2, LA 13-14 HR 1-4, SO 5
7	Businesses should support a precautionary approach to environmental challenges	Environment	EC 2, EN 18, EN 26 EN 30, SO 5
8	Undertake initiatives to promote greater environmental responsibility		EN 1-30, SO 5, PR 3-4
9	Encourage the development and diffusion of environmentally friendly technologies		EN 2, EN 5-7, EN 10 EN 18, EN 26-27, EN 30, SO 5
10	Businesses should work against corruption in all its forms, including extortion and bribery	Anti-corruption	SO 2-6



One of GPIC's walkways

Our Approach to Reporting



Our initial sustainability report "30 years of excellence," published in 2009, was issued to commemorate our 30th anniversary since inception. As a way to further enhance our transparency and diligence in our approach to monitor, measure and report on our economic, environmental and social performance, we have taken an initiative to align our sustainability reporting with the Global Reporting Initiative (GRI) G3.1 sustainability reporting guidelines.

This report also includes information on the various corporate social responsibility and sustainability initiatives we have invested in the financial years 2010 and 2011 (period ending December 31, 2011).

This report is aimed at our shareholders, employees, governmental and non-governmental organizations and other parties or individuals with a working interest in GPIC.

In preparing the report we have gone through the following cycles:

- GRI Reporting team leader attended a workshop on Sustainability GRI reporting.
- A working team was formed to prepare the sustainability report for 2010-2011.
- All relevant section heads were briefed about GRI reporting requirements in a kick-off meeting.
- A brainstorming session was conducted by relevant sections heads to identify and agree on our key stakeholders.
- Information was collated from relevant sections related to the GRI 3.1 Performance indicators.
- KPMG Consultancy were engaged to assist us in preparing the report, including the review of draft write ups.
- In parallel with the report preparation, a professional designer and publisher was also engaged.
- Diverse materiality processes were observed to ensure we only reported on those indicators (GRI3.1) that are relevant to our business.
- The boundaries were well defined as all our business facilities are in Bahrain and our product marketing is done by Sabic and PIC. The report boundary covers our facilities and operations covering our manufacturing and export facilities. As the marketing of products is done by our shareholders, therefore we do not have a direct link with our customers.
- Data collection for the relevant GRI 3.1 indicators was provided by the concerned sections of our business. The information was verified by the concerned professionals during the review phase of the report. Most of the data was already available within the company as part of our regular data collection, monitoring and reporting process for our day to day business.

This is the first year that GPIC's Sustainability Report 2010-2011 has been prepared, assessed and reported against the GRI G3.1 guidelines. We will continue to refine our sustainability reporting and will work to further enhance our commitment, targeting full compliance with GRI report 'A' level in future years. The contact point for questions related to this report is Mr Fadhel Al Ansari (General Manager Manufacturing – GPIC), e-mail GMM@gpic.net

Materiality Process:

We observed diverse materiality processes to ensure our reported indicators are having significant impact on the economic, environmental and social aspects and are mostly relevant to our business.

This covers both; the importance of our organizations impacts and the priorities of stakeholders. We have tried to provide a balanced representation of material issues based on internal and external feedback and factors concerning GPIC's sustainability performance. Therefore, GPIC business principles are based on the triple bottom line approach and hence forms the basis of our sustainability reporting, which is materialised through:

- 1) The Company's mission and core values. Our aspects are linked to our corporate objectives which are in turn aligned with the Company's prioritized risks covered in the enterprise risk management. The executive management and the middle management are actively involved during the process of objectives setting at both the corporate and departmental level.
- 2) Many of the concerns raised from expert communities, such as the representative auditors of international standard organisations, industry or sector based associations and committees, and representatives from social media and local community.
- 3) Stakeholders inclusiveness in term of reporting the most relevant indicators covering most of their key interests and concerns. While doing this, we ensure that reporting on common aspects does not come in conflict with other stakeholders' interest(s). This concept is also extended to the local and international media, to ensure GPIC endeavors are presented transparently to reach and meet interests of various sectors within the stakeholders group.
- 4) The key sustainability materiality aspects of GPIC are detailed in our sustainability strategy section and summarized as below:
 - 3.1 Economic :
 - 3.1.1 Profitability
 - 3.1.2 Contributing towards Bahrain's economic needs
 - 3.2 Business Process Excellence:
 - 3.2.1 Business Continuity
 - 3.2.2 Reliability, safety and efficiency
 - 3.3 Growth:
 - 3.3.1 Growth to add value to shareholders and to remain competitive and sustainable
 - 3.4 Human resources:
 - 3.4.1 Ability to attract, recruit, develop and retain the highest quality of human talent
 - 3.4.2 Develop our local manpower
 - 3.4.3 Women Empowerment and recruitment of women workforce in industry
 - 3.5 Safety, Health and Environment:
 - 3.5.1 Safety of our employees, contractors and host communities
 - 3.5.2 Environmental care and stewardship
 - 3.5.3 Global climate change, Energy conservation and improving the carbon footprint
 - 3.6 Community:
 - 3.6.1 Community care
 - 3.7 Corporate Social Responsibility
 - 3.7.1 Social investments

- 5) Stakeholders priorities:

We give paramount importance to stakeholders views and feedback on selecting aspects that are material along with selection of relevant indicators. The chapters on "stakeholders engagement" and "what others say about GPIC" provides several examples of this:

For example: In compliance to the legislation from the national environmental regulators we provide data of our emissions and effluents to the regulators. (refer to page 86).

At the international arena, we also take care of the priorities of our partners such as the National Safety Council. (refer to page 122) and in collaboration with NSC, USA we are planning to carry out a company-wide survey on our organisational climate in 2012 which will be based on the feed-back from all the employees.

We address the needs of our local community through our financial contributions to support education in Bahrain by aligning with institutions in Bahrain such as inJAZ, Bahrain Polytechnic, University of Bahrain (refer to page 118), So on and so forth.

Glossary of Terms



not large in amount.
modest income - make
modest improvement/
modestly large, expensive
little house. **2(a)** -
g much or boasting
etc; be modest about
d modest man. **(b)**
gestion. **3** (esp of
g the figure or at-
/neckline.
essed - 'It's not as
odestly.
prop) the state of
ritical aspirations
ded) modesty.
f sth) a small or
ment contains a
n] **1** to change
ake it less ex-
to modify its
odified to suit
2 (grammar)
se of another
wly' modifies

having a
strip over the
the back.
moist /waɪt/ *adj* slightly
rich moist fruit
keep the soil water
▶ **moisten** /'moɪstən/ *v*
[Vnpr] a cloth moistened
moistened her hair
moisture /'moɪstʃə/ *n* [U]
surface, in the air
keep out moisture
▶ **moisturizer** /'moɪstʃəraɪzər/
skin less dry
moisturizing cream
cream used for
molar /'mɒlə/ *n*
the jaw used for
upper/lower
molasses /mə'læsɪz/ *n*
liquid obtained
2 (US) treacle
mold (US) /mɒld/ *n*
moldering /'mɒldərɪŋ/ *n*
molding (US) /'mɒldɪŋ/ *n*

maggie
mogul
mohair
Mohammed
Mohammed
having a
strip over the
the back.
moist
rich moist fruit
keep the soil water
▶ moisten
[Vnpr] a cloth moistened
moistened her hair
moisture
surface, in the air
keep out moisture
▶ moisturizer
skin less dry
moisturizing cream
cream used for
molar
the jaw used for
upper/lower
molasses
liquid obtained
2 (US) treacle
mold (US)
moldering
molding (US)



AFA	Arab Fertilizer Association.
API	American Petroleum Institute.
CDR	Carbon Dioxide Recovery.
CEO	Chief Executive Officer.
CO ₂	Carbon Dioxide.
CSR	Corporate Social Responsibility.
CUI	Corrosion Under Insulation.
ERM	Enterprise Risk Management.
EWA	Electricity and Water Authority.
GHG	Greenhouse Gas.
GJ	Gigajoule.
GPCA	Gulf Petrochemicals and Chemicals Association.
GPIC	Gulf Petrochemical Industries Company.
GRI	Global Reporting Initiative.
IFA	International Fertilizer Association.
IPIECA	International Petroleum Industry Environmental Conservation Association.
ISO	International Organisation for Standardisation.
ITB	Invitation to Bid.
KSA	Kingdom of Saudi Arabia.
LTA	Lost Time Accident.
MOC	Management of Change.
MT	Metric Tonne.
NGO	Non-Governmental Organization.
Nogaholding	Oil and Gas Holding Company (Bahrain).
NSC	National Safety Council, USA.
OHSAS	Occupational Health and Safety Assessment Series.
PHA	Preprocess Hazard Assessment.
PIC	Petrochemicals Industries Company.
PM	Proventative Maintenance.
PMS	Performance Management System.
ppb	Parts Per Billion.
ppm	Parts Per Million.
PSSR	Pre-startup Safety Review.
RBI	Risk Based Inspection.
RCFA	Root Cause Failure Analysis.
RCM	Reliability Centred Maintenance.
REACH	Registration, Evaluation and Authorisation of Chemicals.
RoSPA	Royal Society for the Prevention of Accidents, UK.
SABIC	Saudi Basic Industries Corporation.
SHE	Safety, Health, Environment.
UNEP	United Nations Environment Programme.



Further Information:



To know more about GPIC please visit our website at www.gpic.com

Contact details

Your feedback is important to us.
You can e-mail the Sustainability Reporting team at gpic@gpic.com or send us feedback on line at www.gpic.com.

You can also telephone +973 17 731777 or write to Sustainability Report at:
GPIC PO Box 26730 Kingdom of Bahrain.

