

# BUILDING A GREENER FUTURE



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## Sustainability Report 2012-2013

Gulf Petrochemical Industries Company  
Kingdom of Bahrain  
[www.gpic.com](http://www.gpic.com)

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# BUILDING A GREENER FUTURE

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Sustainability Report 2012-2013

Including: UN Global Compact - Communication on Progress

Gulf Petrochemical Industries Company



## 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, Saudi Basic Industries Corporation (SABIC), Kingdom of Saudi Arabia and Petrochemical Industries Company (PIC), Kuwait. GPIC was set up 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 our activities being represented by natural gas purchases, empowering Bahraini nationals through training & employment, utilisation 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 our Board of Directors represented by a group formed by Nogaholding, SABIC and PIC.

The Oil and Gas Holding Company (nogaholding) is the business and investment arm of NOGA (National Oil and Gas Authority) and steward of the Bahrain Government's investment in the Bahrain Petroleum Company (Bapco), the Bahrain National Gas Company (Banagas), the Bahrain National Gas Expansion Company (BNGEC), the Bahrain Aviation Fuelling Company (Bafco), the Bahrain Lube Base Oil Company, the Gulf Petrochemical Industries Company (GPIC), and Tatweer Petroleum.



In early 2014 GPIC achieved “**Product Steward Excellence**” the highest level under the IFA's product stewardship initiative.



“We (GPIC) support UN Global Compact ten principles and this report is our Communication on Progress (COP) in implementing these principles.”



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.

## SUSTAINABILITY AT THE HEART OF BAHRAIN

FROM REGIONAL PIONEER TO GLOBAL CONTENDER:  
THE ECONOMIC VISION 2030 FOR BAHRAIN (Summarised below)



### OUR VISION

The three interrelated principles that guide our ambitions  
**SUSTAINABILITY, COMPETITIVENESS, FAIRNESS**

We aspire to shift from an economy built on oil wealth to a productive, globally competitive economy, shaped by the government and driven by a pioneering private sector –an economy that raises a broad middle class of Bahrainis who enjoy good living standards through increased productivity and high-wage jobs.

Our society and government will embrace the principles of **sustainability, competitiveness and fairness** to ensure that every Bahraini has the means to live a secure and fulfilling life and reach their full potential

### SUSTAINABILITY

Our Vision sees our economic prosperity built on a firm foundation. Government finances will adhere to the principles of sustainability, upholding a system that is stable and forward looking. Bahrain will use its resources to invest for the future, improving its human capital through education and training, particularly in the field of applied sciences.

In a world where modern technology and new competitors from the globe are constantly shortening product lifetimes, entrepreneurship and innovation will ensure the sustainability of a vibrant private sector. But economic growth must never come at the expense of the environment and the long term well-being of our people: no effort will be spared to protect our environment and preserve our cultural heritage.

Source: The Economic Vision 2030 for Bahrain

## GPIC'S ACHIEVEMENTS, CHALLENGES AND GOALS

### Achievements 2012-2013

- A remarkable safety record with over 16 million man hours without a Lost Time Accident.
- In 2013 GPIC achieved a combined record for yearly production of Ammonia, Urea and Methanol upto 1,594,647 tonnes, highlighting business continuity and efficiency.
- GPIC became the first petrochemical company in the Middle East to be accredited by ISO-22301 societal security –Business continuity Management System. GPIC is one of the few companies globally who are certified to all the seven main certifications related to Quality, Environment, Occupational Health & Safety, Responsible Care, IT information security, Risk management and Business continuity(ISO 9001,ISO 14001, OHSAS 18001,RC 14001, ISO 27001,ISO 31000 & ISO 22301).
- GPIC became a permanent member of the UN Global Compact in 2012.
- GPIC issued its first sustainability report with a GRI 3.1 accreditation.

### Challenges 2012-2013

- To achieve Safe, on time and within budget execution of Turnaround 2012.
- To achieve successful completion and commissioning of new HP steam boiler and Sodium Hypochlorite unit.
- To achieve accreditation by ISO 31000 and ISO 22301.
- To continue work during the year without a lost time accident.
- To establish the first equal opportunity unit within the private sector in Bahrain.

### Strategic Initiatives 2014

- Continue GPIC's Corporate Social Responsibility initiatives.
- Be a role model for empowering women in the private sector in general and within the 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.
- Combat Climate change through renewable (Solar) energy projects, resource conservation and energy efficiency.
- Adopt coaching principles as training and development tool and establish coaching committee.

### Challenges 2014 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 IFA Protect and Sustain Product Stewardship initiative
  - o ISO 17025: General requirements for the Competence of Testing and Calibration Laboratories
  - o ISO 22000: Food Safety Management System Standard
- Safe, on time and within budget execution of Turnaround 2015.
- 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.

## OUR PERFORMANCE

Building a sustainable future

**+ 17 million** Man Hours

without LTA as of May 2014

**US \$ 9 million** Spent

on training and development in 2013

**Zero** incidents

of non-compliance to Environmental Legislation  
in 2012 - 2013

**2000** Cargo ships

loaded since 1985

**1,594,647** Metric tonnes

Highest ever combined production (ammonia + urea +  
methanol) achieved in 2013

**US \$ 3.52 billion**

contribution towards Bahrain's economy since  
inception

**0.12 million** tonnes CO<sub>2</sub>

emissions per annum is reduced through the Carbon  
dioxide recovery plant

**23% Female** employees

at GPIC. The highest since inception



**+ 1 million fish**

released into Bahrain's territorial waters from GPIC's managed fish farm since 1996

Established with a paid up capital of

**US \$ 159 million**

GPIC has paid

**US \$ 2.06 billion**

towards dividend to shareholders

**33.3% of GPIC land**

is dedicated to green areas

In-house spare part manufacturing saved

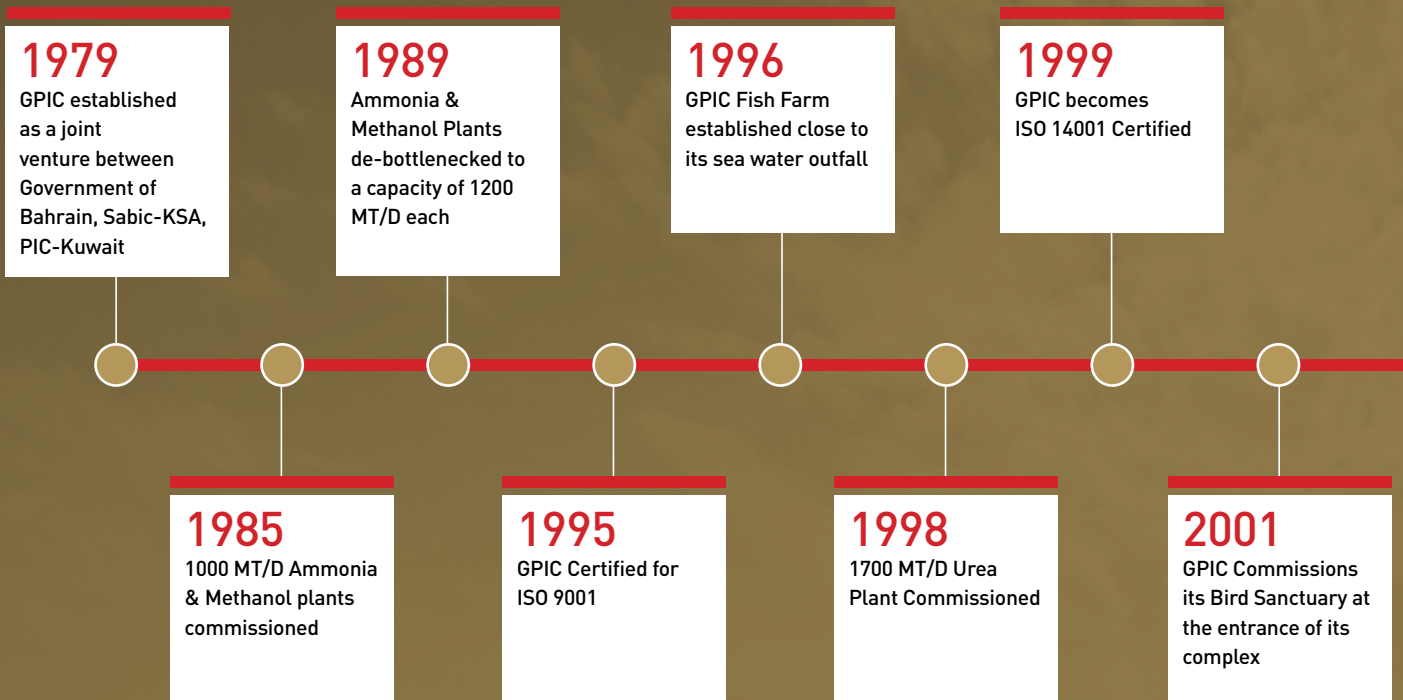
**US \$ 7.49 million**

since the start of the programme in 2001

**+ 27,000** school students have

attended environmental awareness lectures by GPIC employees since 2001

## GPIC'S SUSTAINABILITY JOURNEY





**2004**  
GPIC becomes OSHAS 18001 Certified

GPIC launches environmental research programme for school students

**2008**  
GPIC wins the R.W. Campbell Award from NSC, USA for SHE Excellence

GPIC wins HRH Princess Sabeeka Award for Empowerment of Bahraini women

**2010**  
GPIC becomes RC 14001 Certified

**2012**  
GPIC issues its first sustainability report under GRI 3.1

GPIC becomes a member of the UN Global Compact

**2014**  
GPIC launches renewable energy programme

GPIC receives IFA Protect & Sustain Product Stewardship programme "Excellence Award"

GPIC continues to phase out HCFC gases such as R-22 from its refrigeration units

GPIC issues its second sustainability report under GRI 3.1

GPIC President selected as International CSR Ambassador

**2006**  
GPIC becomes ISO 27001 Certified

GPIC wins the Sir George Earl Trophy from ROSPA, UK for SHE Excellence

GPIC launched its 'International Dilmun Environmental Award' in partnership with ROSPA-UK

**2009**  
450 MT/D Carbon Dioxide Recovery Plant reduces 0.12 million CO<sub>2</sub> emissions annually

**2011**  
GPIC installs its first solar heating unit

**2013**  
GPIC achieves +16 million man-hours without Lost Time Accident

GPIC's combined production of 1,594,647 MT is the highest in its history

GPIC commissions new HP Steam Boiler & Sodium Hypochlorite units

GPIC President elected as IFA's VP of sustainable development

GPIC becomes ISO 31000 and ISO 22301 Certified

## GPIC'S LONG – TERM SUSTAINABILITY GOALS

### A vision for the long-term

We are pleased to introduce our long-term sustainability goals for the first time in 2014. In the past, GPIC has set important goals to improve our environmental, health, safety, economic and social performance and we have long been recognised for our achievements.

In 2014, to make a greater impact, to scale up the contribution of our business to UN priorities and to align our strategy to Bahrain's Economic Vision 2030, we are looking further into the future than we ever have before.

We are thinking beyond the next several years and are setting long term targets for our sustainability goals. We are raising the bar higher with the introduction of a more ambitious set of goals focusing our efforts on climate change, SHE excellence, strengthening relations with communities, human capital development and business excellence. We will be constantly monitoring and reporting our performance against these goals periodically. We will also share our sustainability goals and targets with our stakeholders, demonstrating both our transparency and dedication to sustainable development.

Area	Long-Term Sustainability Goals	Target	Programmes	Champion
Climate Change	1) Expand the use of renewable energy at GPIC	Implement Solar lighting and heating in non-process area buildings in four phases starting 2014 and completing by 2019	Implementation of the Capex Project PJ/2014/S003 in a phased manner.	TSM
	2) Phase out Ozone depleting and global warming potential HCFC 's including R-22 as refrigerants from GPIC	Replace R-22 Refrigerant AC units in 9 phases starting 2015 and completing by 2023	Implementation of the Capex Project PJ/2014/S004 in a phased manner.	TSM
	3) Reduce Green House Gas (GHG) emission levels	Reduce GHG emissions below 2013 levels for the existing plants	<ul style="list-style-type: none"> <li>- Ensure efficient and continued operation of carbon dioxide recovery plant.</li> <li>- Maintain the current greenery projects and explore further expansion.</li> <li>- Maintain efficient and continued operation of all the plants to have minimum possible flaring and venting of GHGs mainly carbon dioxide and methane.</li> </ul>	POM
Energy and Water Conservation & Resource Efficiency	4) Optimize energy consumption so that every saleable tonne of product is attained within the target level of energy consumption	<= 7.9 Gcal/MT of combined product	Maintain all equipment to operate efficiently and effectively.	POM
			Explore & implement projects with energy conservation potential.	TSM
	5) Reduce water consumption	Increase recycle /Reuse of waste water stream	Explore & implement projects with water conservation potential.	TSM

GMM General Manager Manufacturing

POM Plants Operation Manager

TSM Technical Services Manager

SHEM Safety, Health & Environment Manager

HRM Human Resources Manager

PRM Public Relations Manager

FM Finance Manager

In 2014, to make a greater impact, to scale up the contribution of our business to UN priorities and to align our strategy to Bahrain's Economic Vision 2030, we are looking further into the future than we ever have before.

Area	Long-Term Sustainability Goals	Target	Programmes	Champion
Safety, Health and Environment	6) Protection of Human Health, Safety & the environment by targeting Zero Harm	Zero Lost Time Accidents	Enhance SHE culture until it becomes an established natural behaviour.	SHEM
		Zero cases of Non-Compliance to Environmental Legislation	100 % Compliance to Environmental legislation.	SHEM
Learning and Development	7) Development of Human capital	Achieve yearly target of qualifying local talent to take responsible positions within the Company	Invest in employees by providing continuous development and training opportunities.	HRM
Corporate Social Responsibility and Community Engagement	8) Supporting community and community initiatives	Strategic Philanthropy: Sustained financial contributions to NGOs, Educational institutions, charity organizations etc.	Financial contributions and capacity building an important segment of our CSR activities.	PRM
		Reach out: Achieve yearly target of schools environmental awareness lectures	GPIC Employees to Impart environmental and responsible care awareness lectures to schools.	Environment Committee Chairman
		Innovation: Sustained support to GPIC/Ministry of Education Environmental Research Programme for schools	GPIC in collaboration with the Ministry of Education, Kingdom of Bahrain supports and manages the yearly Environmental Research Programme for the public and private schools in Bahrain.	Environment Committee Chairman
	9) Commitment to UN Global Compact(UNGC) Principles	Ensure implementation of the universally accepted ten principles of the UNGC	Yearly reporting to UNGC -Communication on Progress(COP).	GMM
Business Excellence & Economic Sustainability	10) Optimizing plants ( Ammonia, Methanol and Urea) availability	Actual on-stream factor >= budget on -stream factor	Enhance reliability and efficiency of plants and ensure Optimum Plants availability.	POM
	11) Maintaining the financial Health of the Company	Target Debt to Equity Ratio to optimum lowest	Optimize costs, inventories, expenditures and resource utilization to maintain financial health of the company.	FM



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# INTRODUCTION

At GPIC, sustainability is defined as the capacity to endure and persevere as an organisation within our highly dynamic and demanding industry 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 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, other stakeholders, and the communities in which we live and operate.

In 2012, we published our first biennial sustainability report for 2010-2011 "OUR PEOPLE, OUR FUTURE" in accordance to GRI 3.1 guidelines (Grade B). In continuation of this and to further enhance our transparency and diligence in our approach to monitoring, measuring and reporting our economic, environmental and social performance, we are delighted to issue our new sustainability report for 2012-2013 'Building a Greener Future'

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, and this report will also be our Communication on Progress on the implementation of the Global Compact's ten principles.

This biennial sustainability report also includes information on the various corporate social responsibility and sustainability initiatives we have invested in, in the financial years 2012 and 2013 (period ending December 31, 2013).

This is the second cycle that GPIC's Sustainability Report 2012-2013 has been prepared, assessed and reported against the GRI G3.1 guidelines. We will continue to refine our sustainability reporting and will work towards further enhancing our commitments, and target compliance with the GRI G4 framework in our future sustainability reports.

**AS SUSTAINABILITY ISSUES  
INCREASINGLY MOVE TOWARDS THE  
FOREFRONT OF PEOPLE'S MINDS,  
SUSTAINABILITY REPORTING BECOMES  
A KEY FORM OF COMMUNICATIONS.**

Mervyn King  
Chairman, GRI Board of Directors





# LEADERSHIP COMMITMENT

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

**SUSTAINABILITY IS AT THE HEART  
OF THE GPIC STORY. FOR US,  
SUSTAINABILITY IS A JOURNEY AND  
WE BELIEVE THAT TAKING THE LONG  
VIEW HAS AND WILL CONTINUE TO  
SERVE US WELL INTO THE FUTURE**







## CHAIRMAN'S MESSAGE

We know our business can only be as healthy and resilient as the communities we live and operate within



HE Isa bin Ali Al Khalifa, Chairman

**Sustainability is at the heart of the GPIC story. Together with our shareholders and other stakeholders, we've worked to build stronger, safer, healthier, and more active communities whilst also focusing on environmental conservation. We are constantly aware that our business can only be as healthy and resilient as the communities we live and operate within.**

2012 and 2013 were remarkable years in all aspects of our business including Safety, Health & Environment excellence, business continuity, record production, profitability, human capital development and women empowerment.

For over three decades, our Company has been committed to environmental care and the well-being of our people and the communities in which we operate. We have always sought new ways of combating global climate change, which has led to the evolution of our scope from a relatively narrow focus to a much broader approach integrating economic, social, environment and governance requirements within our sustainable development framework. In a further step towards our global approach to sustainability, we have become a beacon of women empowerment, a catalyst for business growth, a pioneer in the development of human talent and we have championed the importance of environmental sustainability and consolidated our vision and commitment to all of these principles through our membership and commitment to the UN Global Compact.

For us, sustainability is a journey and we believe that taking the long view has and will continue to serve us well into the future. We are calling attention to and effecting positive change on global issues that have a significant impact on building a more sustainable and resilient value chain- not only for our Company, but also for the communities we proudly serve.

Thank you for your interest in the efforts of GPIC. We appreciate you taking the time to review this report, and invite you to share your thoughts with us.

Together, I am convinced we can continue to refresh the world, inspire moments of optimism and happiness, create value and make a positive difference.

Very best regards,

A handwritten signature in black ink, appearing to be 'Isa bin Ali Al Khalifa'.

Isa bin Ali Al Khalifa  
Chairman



## MANAGING DIRECTOR'S MESSAGE

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



HE Yousef A. Rahman Al Zamel, Managing Director

**At GPIC, we have long believed that business has both an opportunity and an obligation to make the world better. Over the years, this belief has fueled advances in our operations and how we invest in our business and support our communities.**

And, as always, GPIC continues its investment in making life better for its people and the communities in which it operates during 2012 and 2013. 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's 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 optimisation. And in response to this awareness, we constantly benchmark ourselves against the best of the best. We seek to learn from others, we share our best practices and we provide leading examples of 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 within our industry, we are taking the next steps towards monitoring and reporting excellence. Our new sustainability report is aligned to GRI 3.1 guidelines and is also our Communication on Progress towards the implementation of the UN Global Compact principles.

Together, these efforts embody GPIC's continuing, 360-degree commitment to the environment and to serving the greater good. It's a commitment the people of GPIC uphold each and every day and I am incredibly proud of the positive impact this initiative will have on our future generations.

A handwritten signature in black ink, appearing to be 'Yousef A. Rahman Al Zamel'.

**Yousef A. Rahman Al Zamel**  
Managing Director



## PRESIDENT'S MESSAGE

Looking ahead, we have, for the first time introduced our long term sustainability goals that will help us in achieving our social, environmental and financial improvements incrementally and sustainably



Dr. Abdulrahman Jawahery, President

Welcome to our second biennial Sustainability Report for 2012 and 2013 on GRI 3.1 guidelines. The aim of this report is to exemplify our approach to sustainability and corporate social responsibility and also to provide our Communication on Progress for the UN Global Compact principles. Looking ahead, we have, for the first time, introduced long term sustainability goals that will help us to achieve our social, environmental and financial improvements incrementally and sustainably.

During the past decade, global recognition for the need of sustainable development has increased, with wider understanding and acceptance leading to coordinated action in many areas. The scope of sustainability as a concept has extended from a relatively narrow focus to a broader approach integrating economic, social, environmental and governance requirements within the sustainable development framework.

GPIC's focus on sustainability is embedded in everything we do – our strategy, operations and daily actions. Environmental, social and economic responsibility are key ingredients of our business ethics. Our commitment to sustainability and the UN Global Compact are now more important and relevant than ever.

Health and Safety remains a core focus of our operations. Our commitment to the well-being of our people is reflected in the Company's outstanding record on safety which continues with over 16 million man hours without a lost time accident. This accomplishment tops our list of 'Responsible Care' achievements. To maintain this success is one of our biggest challenges for 2014 and beyond.

GPIC seeks to ensure that the Company persists in safeguarding human rights across its business operations and makes its work environment safe, inclusive and diverse. As part of our commitment to women within our workforce, we continue to recruit and train new talent and provide them with ample opportunities for growth. In 2013, we also established an 'Equal Opportunity' committee to oversee gender equity practices and to ensure adherence to the human rights of women.

GPIC has long realised that responsible organisations cannot ignore climate change. It is one of the biggest global challenges that has to be addressed to ensure the sustainability of our future generations. And as such, we have continued to reduce our carbon footprint through efficient operations and the use of cutting edge technology and equipment. We have also embarked upon an ambitious plan of expanding the use of renewable energy at our facilities to further our commitment to the environmental demands of sustainability.

GPIC with its reliable plants continue to be a backbone of Bahrain's economy, supporting the Bahraini people and providing them with suitable job opportunities.

This is our second Sustainability Report and the initiatives and results that you will see here demonstrate the great progress that has been made. However, we are the first to admit that our journey is far from complete. The truth is, sustainability is a journey, not a destination. But, with an unyielding determination, a culture of innovation and responsibility and continued engagement with our stakeholders across the world, it's our hope that GPIC will continue to be a strong and enduring force for progressive growth and positive change for generations to come.

Very best regards,

A handwritten signature in black ink, appearing to be in Arabic script, enclosed within a simple oval outline.

Dr. Abdulrahman Jawahery  
President



# ORGANIZATION OVERVIEW

- Organizational Profile
- Corporate Governance
- Our Values

**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.**





## Gulf Petrochemical Industries Company

### OVERVIEW

Shareholders	<ul style="list-style-type: none"><li>• Equal Partnership between the Government of the Kingdom of Bahrain, represented by the Oil and Gas Holding Company (Noga holding), Saudi Basic Industries Corp.(SABIC) of the Kingdom of Saudi Arabia and Petrochemical Industries Co.(PIC) of the State of Kuwait</li></ul>
Date Incorporated	<ul style="list-style-type: none"><li>• December 1979</li></ul>
Number of Employees	<ul style="list-style-type: none"><li>• 560, including trainees (&gt;85% Bahrainis as of 31 Dec. 2013)</li></ul>
Principal Place of Business	<ul style="list-style-type: none"><li>• Sitra, Kingdom of Bahrain</li></ul>
Core Products	<ul style="list-style-type: none"><li>• 1200MT/D Ammonia, 1200MT/D Methanol, 1700 MT/D Granular Urea.</li></ul>
Key Markets	<ul style="list-style-type: none"><li>• USA, India, China, South Korea, Australia, Brazil, Taiwan</li></ul>
Scale of the Organisation	<ul style="list-style-type: none"><li>• Medium</li></ul>
Total Capitalisation	<ul style="list-style-type: none"><li>• US \$159 million (100% equity)</li></ul>
Sales 2012	<ul style="list-style-type: none"><li>• US\$ 430 million</li></ul>
Sales 2013	<ul style="list-style-type: none"><li>• US\$ 410 million</li></ul>
Total Assets 2012	<ul style="list-style-type: none"><li>• US\$ 539 million</li></ul>
Total Assets 2013	<ul style="list-style-type: none"><li>• US\$ 568 million</li></ul>
Net Profit 2012	<ul style="list-style-type: none"><li>• US\$ 212 million</li></ul>
Net Profit 2013	<ul style="list-style-type: none"><li>• US\$ 186 million</li></ul>
Total Products	<ul style="list-style-type: none"><li>• 2012 - 1,454,298 metric tonnes</li><li>• 2013 - 1,594,647 metric tonnes</li></ul>
Certifications	<ul style="list-style-type: none"><li>• ISO9001:2008;ISO14001:2004;OHSAS18001:2007; PAS99:2012; RC14001:2008;ISO27001:2005; ISO31000: 2009;ISO22301</li></ul>
Memberships in Key International Organisations	<ul style="list-style-type: none"><li>• UN Global Compact; National Safety Council (NSC , USA), Royal Society for the Prevention of Accidents (RoSPA, UK), International Fertilizer Industry Association (IFA), Arab Fertilizer Association (AFA), Gulf Petrochemicals and Chemicals Association (GPCA), UN Global Compact GCC Network</li></ul>
Key Awards 2012-2013	<ul style="list-style-type: none"><li>• The Arabia Social Responsibility Award; the RoSPA Chemical Sector Award; the ASTD Best Award, 2012; the American Society for Training and Development; AoN Hewitt, the Best Employer Award for the Middle East and North Africa, 2013; the IFTDO Global HRD Award, 2013</li></ul>

## ORGANISATIONAL PROFILE

**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 Government of the Kingdom of Bahrain, Saudi Basic Industries Corporation and Petrochemical Industries Company, 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 of a utilities plant, maintenance workshops, offices, stores and laboratories.**

We employ 560 people, including trainees, and over 85% 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, Dr. Abdulrahman Jawahery.

We believe in the concept of 'leading by example' and we consider ourselves as a role model in the space of environmental protection. We use practical demonstration projects to verify our environmental credentials and commitments, i.e. the fish farm, bird sanctuary, palm tree plantations, herbal and aromatic plants garden and our olive tree oasis established within our facilities demonstrates our ongoing commitment. Moreover, 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 2010. The unit captures 450 metric tonnes of carbon dioxide per day from the methanol plant reformer flue gases, recycles them to produce more methanol and urea and has significantly reduced our carbon footprint.

At GPIC, we have a robust and internationally recognised 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, which have been integrated into PAS 99. We are also ISO 27001 certified, which deals with information security and have voluntarily embraced Process Safety Management (PSM) at our facilities. Our accreditations also include Responsible care RC14001, Risk Management ISO31000 and ISO22301 Societal security- Business Continuity Management system. We have also signed up to the United Nations Global Compact (UNGC), and are committed to implementing the ten principles within the organisation.

We are a significant contributor towards the national economy of Bahrain and have been established with a paid up capital of US\$159 million, and our cumulative profits since our inception has 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/ commercial operations has contributed about US\$100 million annually into the national economy.

We are a significant contributor towards the national economy of Bahrain and have been established with a paid up capital of US\$159 million, and our cumulative profits since our inception has exceeded a billion dollars.

## BOARD OF DIRECTORS



HE Shaikh Isa bin Ali Al Khalifa - Chairman (Centre), HE Sa'ad Mohammad Al Ajmi - Deputy Chairman (4th from right), HE Yousef A.Rahman Al Zamel - Managing Director (4th from left), Mr. Ahmed Ali Al Sharyan - Board Member (1st from right), HE Mohammed bin Ali Al Yemni - Board Member (1st from left), Shaikh Fahad Bin Salman Al Khalifa - Board Member (1st from left standing), Mr. Ehmah Mahmoud Sultan - Board Member (2nd from left standing), Mr. Ibrahim Al Musaitir - Board Member ((2nd from right standing), Mr. Abdunasser Ahmed Al Babtain (1st from right standing).

## EXECUTIVE MANAGEMENT TEAM



**Sitting (from left)**, Adel Malik, (Finance Manager) Ahmed Nuruddin (General Manager, Special Projects), Abdulrahman Jawahery (President), Fadhel Al Ansari (General Manager, Manufacturing), and Yousuf Fakhroo (HR Manager).

**Standing (from left)**, Zuhair Taufiqi (Public Relations Manager), Ahmed Ghuloom (Maintenance Manager), Khalid bin Ali (Technical Services Manager), Ahmed Mahmood (Marketing Manager), Adnan Al Mahmood (IT and Knowledge Manager), Jassim Darwish (Safety, Health and Environment Manager) and Yasser A. Rahim (Plants Operation Manager).

## GPIC'S CORPORATE GOVERNANCE

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 across all our business units.

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

### GPIC'S CORPORATE GOVERNANCE FRAMEWORK



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 our mission statement, 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 framework controls and directs the way in which we do business. Our Board of Directors are responsible for the governance framework, and our shareholders play a significant role in appointing our directors and auditors and that an appropriate governance structure is put in place. The responsibilities of the board includes 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 all our stakeholders.

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 even our financial reporting will be in compliance with the laws of Bahrain.

**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.

Yet in keeping to our traditions of enabling excellence and even going beyond, we aim to raise the industry benchmark by going beyond compliance.

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 interest of all our stakeholders.

#### **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 principles are responsible for providing a basis for a system of goal setting, effective decision making, ethical standards, with the objectives of establishing a fundamental corporate entity that provides value-add to our shareholders in the long run and are in compliance with our Articles of Association. Our Board of Directors are 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**

Our Code of Conduct 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 people with a set of standards meant to assist them in avoiding any wrongdoing and to promote honest and ethical behaviour in conducting the business whilst laying down a process for reporting suspected violations of the Code. The intent of this Code is to provide a set of guidelines for all our people in the way they conduct of their business and professional activities and when dealing with colleagues, vendors, customers, contractors, government agencies and the public. The 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  
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



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. Based on this 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. Adequate audit systems are also being 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 General Manager/ 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 trends within the industry and market place.

#### Our Corporate Governance Structure

Our approach towards governance is multi-faceted. We have in place a system of audits, and reporting, both external and internal, designed to monitor and rectify any anomalies periodically.

#### 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 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 our Memorandum and Articles of Association, the duration of membership to the Board of Directors is for three years and the members' tenure can be renewed based on the shareholders' discretion. All the nine directors are non-executive directors. The shareholders ensure the Board is comprised of qualified members with diverse back grounds in the field of business and finance, engineering, marketing and other disciplines. The Board of Directors self-assessment document has been developed to enable the Board members to assess their performance annually and help to ensure that they are structured and operating in line with best practice governing principles.


#### Ethical Business Conduct

- Business Ethics
- Conflict of Interest
- Anti-Bribery and Anti-Corruption Practices
- Gifts, Gratuities and Entertainment
- Outside Employment
- Preventing Fraud and Thefts
- Representing or Speaking on Behalf of GPIC

#### Corporate Policies

Our Board 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 our operations

1. Legal and Ethics Policy
2. Accounting Policy
3. Finance and Investment Policy
4. Credit Card Policy
5. Vehicles Policy
6. Procurement Policy
7. Inventory Management Policy
8. Integrated Quality, Health & Safety, and Environment Policy
9. Enterprise Risk Management and Business Continuity Management Policy
10. Information Security Policy
11. Responsible Care Policy
12. HR policy
13. Corporate Governance 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.**

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.

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. To ensure fairness in the process, 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) by the Board of Directors. The Board shall appoint a General Manager or President for the Company and shall determine his/her authority, responsibilities and remuneration. Under the stewardship of the General Manager/ 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 and/or the Managing Director.

#### **Board Committees:**

The Board is assisted by committees that are responsible for monitoring and ensuring compliance with the law and the companies 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 proposed Projects Committee is chaired by the Chairman of the Board and includes the Deputy Chairman and the Managing Director along with the General Manager/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 for overseeing, understanding, reviewing and monitoring our short, medium and long term strategic plans from their inception through 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. The report will indicate whether the balance sheet and profit & loss accounts are a true and fair representation of the company's financial state. It will also confirm that the regular accounts are maintained as per guidelines, stock is monitored appropriately and whether information states in the report are in conformance to those maintained by the company. The report will also highlight if there has been a breach in terms of any contracts, rules & regulations pertaining to the Memorandum and Articles of association of the company during the current financial year. 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.

## CORE VALUES

### Our Values

GPIC's values define the way in which we conduct our business. They guide our behaviour and the way in which we implement our business processes.



### Excellence

We should strive for excellence in everything we do and achieve. This should be reflected in all aspects of our activities, whether this is managing a department or segregating scrap and waste. Our individual efforts, no matter how small in the grand scheme of things, will ultimately define the level of success we achieve both individually and as a company. We believe that excellence can be achieved by doing quality work and having a relentless commitment to continuous improvement.



### Integrity and Fairness

All employees are expected to demonstrate the highest levels of integrity and fairness. We are emphatic about how results are achieved and will demonstrate honest and ethical behavior based on integrity and fairness in all our activities. We foster an 'equal opportunities' environment and respect all our people without discrimination towards gender, religion, and race.

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 we give due respect to everyone.



### 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 so that the safety of all our stakeholders is ensured. We believe our safety, health and environmental responsibilities extend beyond the protection and enhancement of our own facilities and we are concerned about society as a whole.

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



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



### Professionalism

At GPIC, all employees are expected to undertake their activities in a skilled and competent manner. Careless or sub-standard work will result in a sub-standard product which is unacceptable to our ethos 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 our active involvement in the communities where we live and work. 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 safety and health.



### Creativity

GPIC believes innovation and creativity are crucial to business success. To achieve this success, we urge our employees to continually strive to improve our activities and business processes by developing new ideas and/ or adapting world class best practices.



### Teamwork

GPIC believes that high performing teams can achieve what individuals alone cannot.

Teamwork encompasses the values of individual excellence, integrity, fairness, and 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, helps our people achieve this as teams.

# UN GLOBAL COMPACT

**WE MAKE A SOLEMN DECLARATION TO  
THE UNITED NATIONS (UN) THAT WE  
WILL CONTINUE TO PROMOTE HUMAN  
RIGHTS AND EQUALITY, TO RESPECT THE  
LABOUR RIGHTS OF OUR EMPLOYEES, TO  
PROTECT THE ENVIRONMENT FOR FUTURE  
GENERATIONS AND TO FIGHT CORRUPTION  
IN ALL ASPECTS OF OUR ACTIVITIES.**

“ ”





## UN GLOBAL COMPACT

### Our commitment



GPIC's President with Queen of Belgium and UN Secretary General at the UNGC Leaders Summit in New York, USA.

GPIC is passionately committed to the United Nations Global Compact since 2012. We want to play an active and leading role in the endeavours to make globalization more socially and ecologically compatible and to raise the bar within human rights, labour rights and environmental protection and in the fight against corruption across the Kingdom.

GPIC provides Communication on Progress (COP) towards UNGC goals and principles on an annual basis (Standalone COP report issued in 2013). Our 2013 progress and the Global Compact related aspects are covered within this GRI Sustainability report 2012-2013. Our COP contains a statement by the CEO and President Dr. Abdulrahman Jawahery, expressing our continued support for the Global Compact and renewing our Company's ongoing commitment to the initiative and its principles.

#### Setting a Vision for the long-term

**To deepen impact and scale up the contribution of business to UN priorities, 2014 must be the year in which we look farther into the future than we have before. We will need to retool and reorient our approach to corporate sustainability. I encourage each of you to think beyond the next several years and set longer time horizons for your sustainability goals. What can your organization achieve in the next 10, or even 15 years ?**

Mr. Georg Kell, Executive Director, UN Global Compact

**In response to the UNGC's 'Call to Action' and to further align ourselves with Bahrain's Economic Vision 2030, where sustainability is one of the three defining principles - We launched our long-term sustainability goals for the first time on 30 April 2014.**

#### Committed to UN's Zero Hunger Challenge

GPIC is committed and convinced that poverty can be eradicated in our life times. Being a prime fertilizer producer GPIC is looking ahead as a member of the International Fertilizer Industry Association (IFA) to contribute in meeting the goals of the ZERO HUNGER CHALLENGE.

#### GPIC supports UN by running a week long campaign of My World at its facilities;

GPIC in partnership with UNEP provided an opportunity to its employees to express their opinions and raise their voice about future sustainable development goals by voting for the World They Want after 2015, a global consultation process launched right after "Rio+20." Be it better healthcare, good education, clean water and sanitation, and more job opportunities. These are key priorities of development that is sustainable in the long run.

#### GPIC's leadership acknowledged for their noteworthy efforts in the field of sustainability and corporate social responsibility

GPIC's President has been selected by the Regional Network for Corporate Social Responsibility to be the International Ambassador for Corporate Social Responsibility and last year Dr. Abdulrahman Jawahery was elected as International Fertilizer Industry association - IFA's Vice President for sustainable development.

#### Our Progress on the UN Global Compact Principles - An overview

Our sustainability report covers our progress on the Global compact principles in detail however following is a summarized view of some of our recent initiatives and the next steps that highlight our commitment;

- **Promotion and advocacy of the UN Global Compact;**  
Even though our membership with UNGC is relatively new, we have taken the initiative to promote, advocate and support the Global Compact. Based on our excellent experience with the UNGC, we are inviting all of our business partners & stakeholders to join the UNGC.

GPIC is passionately committed to the United Nations Global Compact since 2012. We want to play an active and leading role in the endeavours to make globalization more socially and ecologically compatible and to raise standards in the field of human rights, labour rights and environmental protection and in the fight against corruption.

#### GPIC Letter of Commitment to UN Global Compact

21 April 2014  
P/E089/189/14  
H.E. Ban Ki-moon  
Secretary General  
United Nations  
New York, NY 10017  
United States of America

Your Excellency,  
The principles governing the United Nations Global Compact(UNGC) have long been extolled by Gulf Petrochemical Industries Company( GPIC) Bahrain. The Company is an avid supporter and promoter of the UNGC's ethical canon and our commitment to this global alliance is worn as a badge of honour.

It therefore gives me great pride to confirm our membership of the UNGC and reaffirm our commitment to the universally accepted ten principles of the UN Global Compact. By doing so, we make a solemn declaration to the United Nations( UN) that we will continue to promote human rights and equality, to respect the labour rights of our employees, to protect the environment for future generations and to fight corruption in all aspects of our activities. What is more, we will share these values with our partner companies and espouse their rigorous use within our sphere of influence. As part of our corporate citizenship and sustainability strategy, these principles are already incorporated into our business operations; we will continue to develop our strategic plans in line with the broader development goals of the UN, including both the Millennium Development Goals and the UNGC's principles.

As one of the leading petrochemical and fertilizer industries in the Middle East, we are cognizant of GPIC's important role in the alignment of business ethics with those principles upheld by the societies from within which our staff is drawn, recognizing our reach in the national and pan-Arabian arenas.



Dr. David Nabarro (center) UN Secretary-General's special representative with GPIC's President and General Manager Manufacturing at the UN Global Compact Leaders Summit.

Our adherence to the conventions of the UNGC underline the Company's inherent belief that those businesses which have the support and respect of their stakeholders, which consider corporate social responsibility as a key measure of their success and which have an exemplary conscience as a result of this, are likely to perform better.

Areas for improvement will be defined and various actions will be taken in the years to come. Progress on these activities will form the basis of regular communications to inform on measures taken, evaluate progress and promote the concept amongst those companies that have not yet joined.

Yours sincerely,

**Dr. Abdulrahman Jawahery**  
President

**Letter of invitation from our President to GPIC's stakeholders to join the UN Global Compact on 21/1/2014**

Your Excellency,  
Warm greetings and best wishes from GPIC Bahrain. It gives me great pleasure to introduce and invite Your Excellency to consider the subject matter.

Embedding sustainability in the business practices of organisations is the way forward to achieve a more shared, secure and sustainable future. Your esteemed organisations are leaders in the field of corporate social responsibility and are, as such, role models in corporate citizenship.

At GPIC, we are mindful of the very fact that we must continue raising the bar when it comes to corporate sustainability. In 2012, we formalised our commitment by becoming a permanent member of the United Nations Global Compact (UNGC), the world's leading corporate citizenship initiative. Through this commitment we have pledged to work to alleviate poverty; safeguard the rights of our employees, contractors and the communities in which we operate; fight corruption in all its forms and protect the environment.

**As we all share a passion for sustainability, we would like to encourage Your Excellency to take a step further towards global corporate sustainability by joining us in becoming a permanent member of the UN Global Compact. By doing so, you will be formally expressing your commitment to the UN Global Compact's ten principles in the areas of labour standards, human rights, anti-corruption and the environment.**

Please find the following documents attached for your easy reference.

- I. Global compact brochure
- II. Brief introduction to UNGC
- III. How to join UNGC
- IV. Online application guideline
- V. Business commitment letter

We trust you will take this important initiative into consideration.  
Best Regards,

**Abdulrahman Jawahery**  
President  
Gulf Petrochemical Industries Co. (GPIC)  
Kingdom of Bahrain.



GPIC President with H.E Mr. Achim Steiner, UNEP Executive Director.

**GPIC President meets UNEP Executive Director  
21 October 2013**

Mr. Abdulrahman Jawahery, GPIC President, met H.E Mr. Achim Steiner, Under-Secretary-General of the United Nations and Executive Director of the United Nations Environment Programme, during a recent visit to New York, USA.

The meeting occurred during Mr. Jawahery's participation in the United Nations Global Compact Leaders' Summit, which was held in New York recently under the auspicious gaze of His Excellency Mr. Ban Ki-moon, Secretary-General of the United Nations.

Following the meeting, Mr. Jawahery, who is also Vice-President for Sustainable Development for the International Fertilizer Industry Association (IFA), made a statement detailing the beneficial outcomes of the discussion between himself and Mr. Achim Steiner.

Mr. Jawahery commented upon the invaluable nature of the meeting in strengthening the cooperation between the goals of the UN Environment Programme with GPIC and the World Federation of fertilizers; and in particular, the significance of reinforcing the scientific capacity of developing countries and countries with economies in transition in the field of environmental protection.

He added that the two sides agreed on the importance of the exchange of environmental information for policy formulation and decision making and the necessity of its integration in development, in order to fulfill the obligations of multilateral environmental agreements and to achieve the Millennium Development Goals, both nationally and internationally.

Mr. Jawahery talked about the importance of businesses, and their role as international actors in a climate of globalisation where their

influence can make a positive impact towards social, political and economic challenges. He also emphasized that the UNGC's role is to assist the private sector in managing risks and opportunities, and to help strengthen the links between communities and markets with universal principles and values.

Mr. Jawahery concluded by confirming that GPIC will continue its efforts, in cooperation with all international bodies, to build a more sustainable global economy.

- **Human Rights;**

**Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights

**Principle 2** Businesses should make sure that they are not complicit in human rights abuses

Ingrained in our organizational fabric, and formalized by our signing up to the United Nations Global Compact, is our unwavering attention to human rights in all our business activities. GPIC will ensure respect for the human rights of our employees, suppliers & contractors, women, children, communities and all stakeholders.

Refer for details: Human rights performance( GRI), Labour practices and decent work( GRI), Product responsibility performance( GRI), Society performance( GRI)

- **Human rights training**

During 2013 we organized a training course for our security personnel on " General Public Security – UN Human rights etiquette & protocol". The course will recur this year also, to ensure that all of our security personnel are appropriately trained on the UN human rights, etiquette & protocol.

- **Women Empowerment**

GPIC continued its prioritized focus on women empowerment with great progress. To date we have the highest number of female employees(23% of our total day working workforce and 8 % of our total employees).They work in all business areas namely administration, engineering, information technology, production, procurement, finance, maintenance, training, and human resources. They enjoy the privileges of a zero discrimination policy and are supported/ nurtured by the equal opportunities committee.

Note worthy steps;

- In 2013 we established an Equal Opportunities Committee within the business to oversee practices of gender equity within GPIC and to ensure adherence to the human rights for women.



Empowering Bahraini women - a priority at GPIC.

- A recent letter of appreciation from the Supreme Council of Women, Kingdom of Bahrain is a testimony of our progress towards women empowerment.

**Subject: Letter of Appreciation from the Supreme council for Women Secretariat to GPIC 's President Dr. Abdulrahman Jawahery**

4 May 2014

It is my pleasure to convey to you the greetings and appreciations of Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa, Wife of HM the King and President of the Supreme Council for Women (SCW), for your fruitful cooperation and the Gulf Petrochemical Company's (GPIC) distinct contribution to the Supreme Council for Women's endeavours.

HRH specifically appreciate the GPIC's paying the cost of the new Training Hall expansion at the SCW. Your kind words during the meeting expresses the Council's aspiration of building links with the private sector. We are highly contented with our partnership with GPIC, which undoubtedly benefit the Bahraini society and women in particular.

We look forward to continue this partnership in the future in the form of joint programs, projects and activities that would benefit our precious Kingdom.

My Sincere Thanks and Regards,,,

**Hala Al Ansari**

The Secretary-General  
Supreme Council for Women

**GPIC Equal Opportunities Committee**

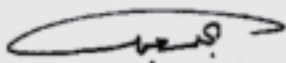
To: All Employees  
 From: President  
 Date: 5 June 2013  
 Ref: P/160/13

Subject: Equal Opportunities Committee

I would like to start by expressing my sincere appreciation to each and every one of you for all of the outstanding efforts provided to the Gulf Petrochemical Industries Company. I am pleased to inform you that as per the directives of HRH Princess Sabeeka bint Ibrahim Al Khalifa, Wife of His Majesty the King and President of the Supreme Council for Women( SCW);GPIC has introduced an Equal Opportunities Committee. The Company has completed this and each of the committee's required rules and regulations, in cooperation and coordination with the SCW's Integrating Women's Needs Department. The 'GPIC Equal Opportunities Committee' consists of the following members:

1. Fadhel Al Ansari, General Manager Manufacturing (Chairman of the Committee)
2. Najat Sharif, Human Resources Superintendent ( Vice President and Coordinator of the Committee)
3. Yusuf Ebrahim Fakhroo, Human Resources Manager (Member of the Committee)
4. Ahmed Mahmood, Marketing Manager (Member of the Committee)
5. Salwa Abdulrahim, Financial Accounting Superintendent ( Member of the Committee)
6. Entesar Falah, Purchasing Senior Supervisor ( Member of the Committee)
7. Noora Al Sharyan, Trainee Legal Adviser ( Member of the Committee)

Best Regards



**Abdulrahman Jawahery**  
 President

• **Labour standards;**

- Principle 3** Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4** Businesses should work towards the elimination of all forms of child labor
- Principle 5** Businesses should ensure effective abolition of child labor
- Principle 6** Businesses should uphold elimination of discrimination in respect of employment and occupation

**GPIC respects the rights of the labour and upholds the labour standards within the Kingdom. Suppliers and contractors will receive the same care in terms of prevention of injuries or illnesses as any of our company employees.**

**Refer for details; Human rights performance(GRI),Labour practices and decent work(GRI)**

GPIC launched an e-learning and certification program for contract employees on Safety known as IMIST (International Minimum Industry Safety Training) based on the UK based OPITO guideline for Oil And Gas Industries. 30 contract employees have undergone the pre-assessment and are in process towards the certification programme.

• **Environmental Protection,**

- Principle 7** Businesses should support precautionary approach to environmental challenges.
- Principle 8** Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9** Businesses should encourage the development and diffusion of environmentally friendly technologies.

**In line with the principle no. 7, 8 &9 of the UN Global Compact with respect to the Environment we have made a commitment to continuously improve our efforts to promote environmental responsibility and to contribute towards the development and use of environmentally friendly technology. We also share responsibility for protecting people's health, safety, security and the environment. This includes everyone**





Climate change - a global concern.

at GPIC and our activities have a positive impact on everyone within the business

Refer for details; Environmental performance(GRI), Product responsibility performance(GRI)

#### Climate change:

As part of our commitment to environmental sustainability we have launched our renewable energy programme which includes the use of solar energy in all our buildings outside the process areas. Moreover we have also finalized our road map to phase out refrigerants that have high global warming and ozone depleting potential such as HCFCs from our facilities.

#### Sponsoring award for Environmental Sustainability

In 2006 GPIC in collaboration with RoSPA launched the RoSPA International Dilmun Environmental Award. The award is in its eight cycle and GPIC supports it logistically and financially and also participate in the judging panel. Since the launch of the initiative, a number of organisations have participated in the award from a diverse range of chemical, construction, utilities, consumer companies. The winner of 2012 International Dilmun Environment Award is Chivas Brothers, which is a testament to the diverse nature of participants and award winners. The 2013 winners are City Development Limited, UK, for their innovative environmental initiatives in the Construction sector and the expandability of such approaches to other companies. The ultimate objective of the initiative as with any other bench marking exercise is continual improvement. Many of the Companies are participating in the award on yearly basis and they see it as a platform to benchmark themselves against the best in class and a step forward to achieving pinnacle of success in EHS excellence with focus on environmental sustainability.

#### Collaboration with UNIDO and UNEP

We have worked extensively with UNEP to demonstrate that industrial development can be carried out in a manner that is respectful to both communities and the Environment.

In 2013, to exhibit our solid commitment towards environmental sustainability and active contribution to the global knowledge sharing on the state of the environment, GPIC supported UNEP for the translation and printing of GEO-5 book in Arabic.

- **Anti-corruption;**

**Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.

**GPIC is committed to conducting business in an environment of honesty and integrity and all members of staff are expected to share this commitment. The Company has a zero tolerance for corruption and is committed to the avoidance of any corruption within the organization.**

Refer for details; Society performance( GRI)

#### Zero cases of Corruption

GPIC had zero cases of corruption during the period 2012 -2013. This is a testimony of our robust systems, procedures and practices with respect to ethical business conduct.

#### Training on anti-corruption

As part of its commitment to the UNGC principles on anti-corruption recently a number of GPIC employees attended specific trainings & conferences. Examples are;

- Forensic Auditing Workshop, London
- Asia Pacific fraud conference, Singapore
- 15th Annual Regional Audit Conference, Dubai
- 3rd Annual ERM conference, Dubai
- 6th Annual internal auditors forum, Dubai

#### Anti-corruption Policy

- At present we are in the process of finalizing our new anti-fraud and anti-corruption policy and the new revised version will be issued in 2014.

# SUSTAINABILITY OVERVIEW

- Sustainability Strategy
- Sustainable Framework
- Stakeholders Engagement
- Our Committees
- Our memberships in key organizations
- Risk Management

**AT GPIC WE DEDICATE OURSELVES  
AND OUR BUSINESS PRACTICES  
TO SUSTAINABILITY — THE  
BETTERMENT OF SOCIETY, THE  
ENVIRONMENT AND THE ECONOMY**





# SUSTAINABILITY STRATEGY

**GPIC's sustainability strategy is centred on the United Nations' pillars of sustainable development: People, Planet and Profit. We measure our success on social responsibility, care for the environment and profitability.**

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

Our business model is based on principles of sustainable development as we appreciate that all our operations and activities impact, either directly or indirectly, the welfare of all our stakeholders, as well as the environment.

#### **Economic Vitality:**

First and foremost, we consider ourselves as a corporate citizen of Bahrain. As such, we ensure that our business model is geared towards Bahrain's economic needs. We create opportunities for a much wider community than our direct suppliers and customers, helping us to fulfill the economic promise to the nation as a whole.

#### **Business Continuity:**

We believe that the real key to profitability is being reliable and maintaining business operations within our market conditions. 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.

#### **Business Growth:**

We believe that in order to add value for our 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 will be embarking on a major expansion project to build a multi-billion dollar ammonia and granular urea plant adjacent to our existing facilities.

#### **Human Talent Development:**

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. Without our people, our reputation would not be what it is today, so we focus on nurturing them and developing them throughout their careers.

#### **Women's Empowerment:**

GPIC has a responsibility to be a role model for empowering women in Bahrain's industrial sector. GPIC will pursue its strategic priority to employ more women in various positions, as allowed by the

laws of Bahrain. We have also established an Equal Opportunity Committee to oversee practices of fairness towards gender equity, and to ensure adherence to women's rights.

#### **Social Progress:**

Another set of key stakeholders we have identified are the communities that host our business and our people. We are aware of the fact that negligence in our business could cause damage to our surrounding communities and that it is our 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 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.

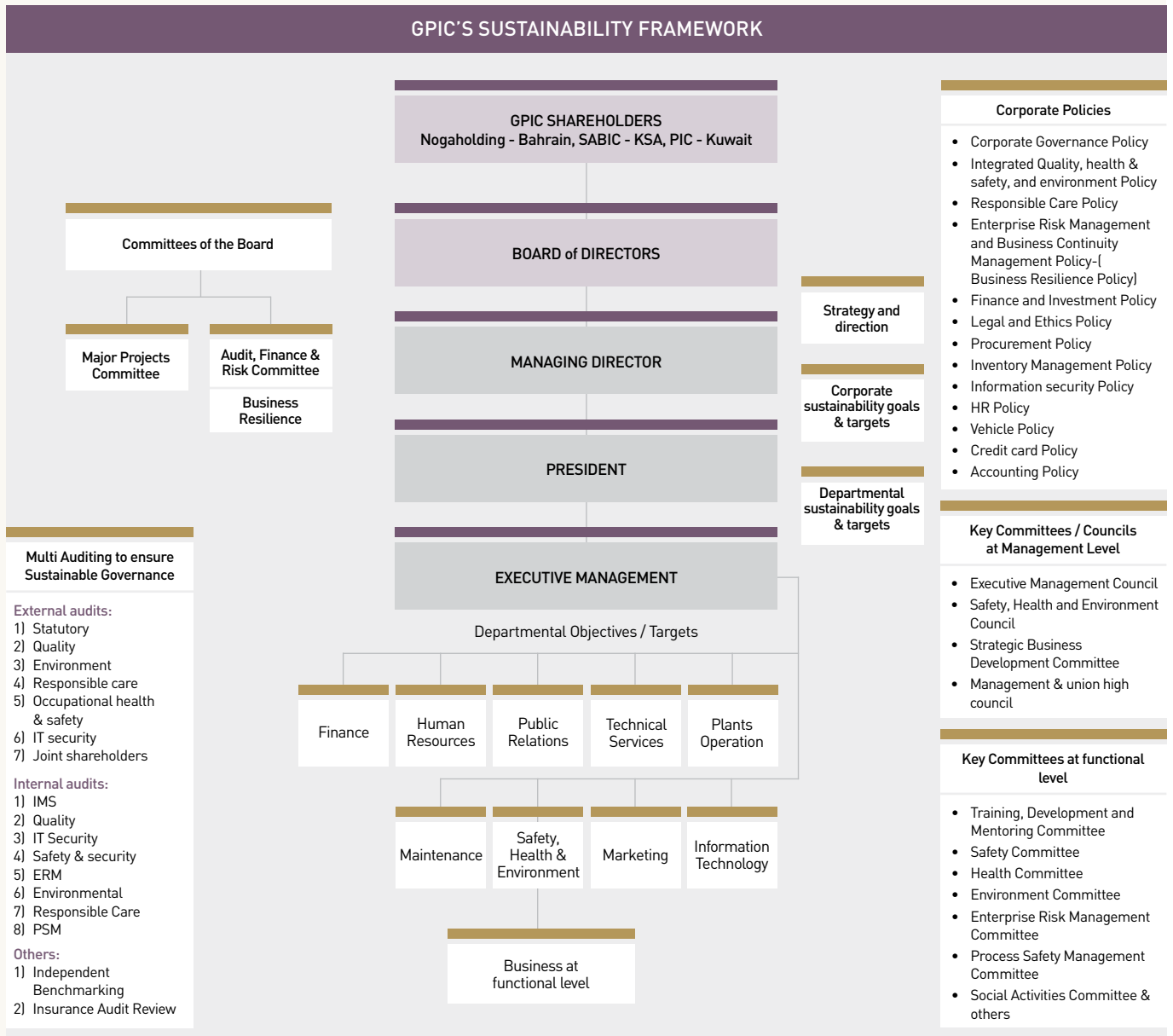
#### **Environmental Sustainability and Climate Change:**

As the world's climate begins to change, businesses cannot afford to ignore the impact it has on the environment. We have committed ourselves to some of the most stringent standards towards environmental management, and 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 are committed to being compliant to ISO 14001:2004 and Responsible Care management system RC 14001:2008.

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 on factors of social responsibility. We believe that being successful is about sharing opportunities; it is about trying to make the world a better place, by creating a 'win-win-win' situation for us, our stakeholders and the planet.

# SUSTAINABILITY FRAMEWORK

GPIC's focus on sustainability is embedded in everything we do – our strategy, operations and daily actions



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)

**Plan: Management and direction:**

Our Board 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 policy governing quality, safety, security, health, environment and social responsibility is 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's 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 regulatory requirements.

Our Board 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
- Societal Security- Business Continuity Audit – ISO-22301
- Risk Management - ISO 31000
- Joint Shareholders Audit –Nogaholding, Sabic and PIC

Salient Internal Audits:

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

Others:

- Independent Benchmarking
- Insurance Audit Review
- PSM
- DAFF (Department of Agriculture, Fisheries and Forestry of Australia)
- 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 ENGAGEMENT

Whenever we do business, our stakeholders' wellbeing is a key priority. We strongly believe in the importance of engaging meaningfully and transparently with our local, regional and global stakeholders

## OUR STAKEHOLDERS



GPIC believes that being a responsible producer of petrochemicals and fertilizers means, among many other things, respecting the interests of our stakeholders and interested parties, 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.

We continually seek dialogue at the, national, regional and international levels with representatives from government, industry, society, employees, shareholders, customers and suppliers; and strive to build a long term relationship with all our key stakeholders. This way we can increase our responsiveness to their concerns, find new ways to reduce our environmental impact, balance business efficiency with economic success and, ultimately, continue to make a more competitive, profitable and sustainable enterprise.

We engage with a wide cross-section of stakeholders and interested parties, and 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.

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 2012 and 2013. Although the mode of engagement is yet to be formalised and customised at some levels, most of our direct engagement activities generate productive ideas, thoughts and concerns that have made GPIC more focused in building strong and successful relationships with its stakeholders and provide tangible benefits to the community.



We follow a systematic approach for identifying and selecting our key stakeholders, which includes listing all the stakeholders that may have an impact on the company's performance, and select the key stakeholders based on their current and long term impact on our performance. The identification and selection process includes a ranking system for the potential stakeholders, followed by group discussions with line managers.

**1. Shareholders:**

Our shareholders are all co-owners of the business and they have a share in its success and 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 feels valued and reaches their potential.

**Key interests**

- Corporate governance
- Long term future of the company, its impact and sustainability
- Enterprise risk management
- Overall sustainability performance ( economically, environmentally and socially)
- Corporate strategic plans and progress
- Corporate level audits
- Human talent development, and employee satisfaction
- Corporate objectives and progress

**Examples of Engagement**

- Regular Board meetings and other meetings
- Councils, forums and committees at local and regional levels
- On- line communication tools such as e-mails, websites

**2. Our People :**

**Why identified as a stakeholder?**

Our people are the basis of our success. We rely heavily on our ability to attract, recruit and retain the highest quality of talent. We realise 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**

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

**Examples of Engagement**

- Multiple forums throughout the year in which employees are encouraged to share their views with executives about a variety of issues within the Company.
- Strategic executive management and management meeting during the 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 shop floor to top-tier management level
- Involvement in functional committees and councils
- Printed publications, such as the company magazine
- On-line communication tools such as e-mails, websites, intranet
- Regular Labour Union meetings with employees and management
- Open face to face discussions
- Conferences, forums, presentations
- Suggestion schemes
- Regular sectional meetings
- Regular shift talks



### 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

- Open to visits by community members to our industrial areas
- Environmental awareness lectures delivered by GPIC employees to Bahrain schools at various levels
- Media (electronic and press)
- 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 have an 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 Kingdom of Bahrain's vision 2030
- Sustainability of raw materials
- Waste management, effluents and recycling activities
- Security

#### Examples of Engagement

- Conferences and speaking engagements
- Presence at various business leader forums and policy advisory groups



Our children, our future.

- Working closely with local authorities during the planning and implementation of new projects
- Working closely with regulators related to environment, safety and health to ensure legal compliance
- Regular audits by government officials
- GPIC representation and participation in governmental entities, committees and task groups
- GPIC President's representation as a member of the Shura Council (Upper House of the Bahrain Parliament) and other governmental entities

### 5. Suppliers:

#### Why identified as a stakeholder?

We aim to build long term relationships with our suppliers based on transparency and accountability. They are also indirect representatives of our brand in the market place.

#### 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 human rights for the work force

#### Examples of Engagement

- Supplier conferences, forums and workshops
- Day to day communications between suppliers, vendors, buying teams and technologists
- Meetings with suppliers
- Formal feedback from contractors, vendors.

As part of our commitment towards UN Global Compact, GPIC 's President has written a letter of invitation to all the stake holders of GPIC inviting them to become members of UNGC.



Media a key stakeholder for GPIC.

**6. Media:**

**Why identified as a stakeholder?**

We engage with the media to ensure that the public perception of GPIC is a true and fair one. It is our aim to enhance and protect our image and reputation as a responsible business within the community through our commitment and actions.

**Key interests**

- Our progress on sustainability and CSR
- Share GPIC's achievements and best practices regionally and internationally
- Enhance GPIC's reputation
- Value addition to promote unity amongst the people of Bahrain

**Examples of Engagement**

- Responses to media requests for information and interviews
- Conferences and speaking engagements
- GPIC 's official website
- GPIC's engagement of media to cover most of its official events held internally and externally
- GPIC 's publications and newsletters
- Press releases in key newspapers
- TV and Radio interviews of GPIC's President

**7. Non- governmental organisations (NGOs)**

**Why identified as a stakeholder?**

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

**Key interests**

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

**Examples of Engagement**

- Conferences and speaking engagements
- Correspondence
- Face to face discussions
- Communicating our position on a range of social and environmental issues
- Responding to information requests and surveys
- Bench marking surveys
- Financial support towards capacity building the organisations

**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**

- Feedback through marketing and online feedback forms
- Audits via buyer surveys
- Customer feedback evaluation forms
- Customer invitational and group meetings

GPIC marketing manager on a field visit in Brazil to meet customers.



The examples of recent feedback received from some of the stakeholders groups are as follows:

Stakeholder group	Issues of Interest	Our Response
Shareholders	Replace GPIC 's existing perimeter fence with a new higher one for enhanced security	GPIC has responded to this by installing a new fence, the job is in progress and will complete in 2014.
Governmental bodies	The Ministry of Electricity and Water ( EWA) requested GPIC to support EWA power grid load sharing during daily peak demand in summer months	GPIC responded by agreeing to increase their in house power generation 1400-1600 hrs. every day to off load EWA power grid.
Employees	To provide maternity medical insurance for female employees .	GPIC has introduced maternity medical insurance for its female employees since 2012.
NGOs	InJAz , Bahrain requested to accelerate the provision of volunteers to support its youth development initiatives	GPIC responding by increasing its volunteers from 26 to 36
	UN Global Compact encourages its members to advocate and pass on the mission of UNGC to other non- members	GPIC 's President has written a letter of invitation to all the stake holders of GPIC inviting them to become members of UNGC.
Vendors	After completion of every maintenance turnarounds the vendors and contractors provide feedback through a structured feed- back system for improving the system future turnarounds.	All the feedback are converted to turnaround recommendations for further evaluation and implementation.
Customers	Reach out to ammonia and urea buyers through marketers	Arrange at least one annual joint meeting with ammonia and urea buyers
	Share best practices between GPIC, Sabic, PIC	Make use of the training programs offered by Sabic Training Center in Riyadh , KSA

## 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.

Committees play a pivotal role not only in the day to day running of our business but are also a focal point in the innovation process.

Since our last report, we have introduced some new committees such as, the Sustainability reporting committee, the Responsible care committee and the Equal opportunities committee that focuses on women's rights.

We have over thirty committees, councils and teams which are instrumental in enabling business excellence across our organisation. The objectives and charter of some of the key committees and councils are as follows:

Committee	Objective	Charter	Chair
The Executive Management Council (EMC) Committee	Overall planning, implementation and follow-up of the company's strategies, objectives and goals.	<ul style="list-style-type: none"> <li>Review the company's mission, vision, strategic and corporate objectives and business planning.</li> <li>Review/Develop all management systems and standards.</li> <li>Develop the Annual Company Business Plan &amp; Budget.</li> <li>Finalise the year's operating budget before presenting to the Board of Directors for approval.</li> <li>Review the implementation and status of the approved operating budget.</li> <li>Develop the Company Succession Plan.</li> </ul>	President
Strategic Business Development Committee (SBDC)	To explore opportunities for the future growth of the company.	<ul style="list-style-type: none"> <li>Develop strategies and plans for future company expansion and growth.</li> <li>Implementation of Strategy 2020.</li> <li>Preparation of project proposals for Executive Management &amp; Board of Directors' approval.</li> <li>Preparation of feasibility studies.</li> <li>Coordination with external organisations in relation to business development.</li> </ul>	President
Safety, Health and Environment Council (SHEC)	Establish and oversee company policies and strategies for Safety, Health, Environment and Responsible Care in the complex.	Oversee Occupational Health and Safety, Responsible Care and Process Safety Management implementation and maintenance.	GMM-General Manager Manufacturing
Sustainability Reporting Committee (SRC)	To coordinate all activities related to sustainability reporting.	<ul style="list-style-type: none"> <li>Prepare and publish a biennial sustainability report on GRI guidelines.</li> <li>Prepare and publish an annual UN Global Compact Communication on Progress report.</li> <li>Spread awareness of Sustainability and the UN Global Compact.</li> </ul>	GMM -General Manager Manufacturing



Committee	Objective	Charter	Chair
Training, Development and Mentoring Committee (TDMC)	To oversee all issues related to the training and development of employees and recruitment of key personnel.	<ul style="list-style-type: none"> <li>Set the training and development strategies and policies.</li> <li>Monitor all training, development and mentoring programmes.</li> <li>Responsible for the recruitment of senior staff, graduates and engineers and monitoring their progress.</li> <li>Set the criteria for the promotion of supervisory staff.</li> <li>Manage the Succession Plan for the company.</li> </ul>	GMM -General Manager Manufacturing
Management and Union High Council (MUHC)	To strengthen the relationship between the company management and the labour union in order to achieve both parties' interest.	<ul style="list-style-type: none"> <li>Discuss issues with the GPIC Labour Union and agree strategies that affect GPIC employees.</li> <li>Agree plans for efficiency enhancement, cost reduction, safety, security etc.</li> </ul>	President
Accident Investigation committee (AIC)	To ensure all major accidents are addressed properly and lessons are 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)	To ensure that day to day routine matters are discussed and addressed in a timely manner.	<ul style="list-style-type: none"> <li>Discuss issues with the Labour Union on routine issues.</li> <li>Follow actions agreed upon.</li> <li>Propose issues to be discussed by the Management and Union High Council.</li> <li>Promote cooperation between management and the Labour Union.</li> </ul>	GMM- General Manager Manufacturing
Ladies' Working Committee (LWC)	To promote the role of women in the company and society.	<ul style="list-style-type: none"> <li>Carry out activities in support of women inside and outside the company.</li> <li>Organise special events for women.</li> <li>Coordinate with external women's organisations.</li> </ul>	HRS- Human Resources Superintendent
Equal Opportunities Committee (EOC)	To oversee equal opportunity initiatives in the company.	<ul style="list-style-type: none"> <li>Encourage the implementation of equal opportunities within the company.</li> <li>Establish equal opportunity rules and regulations.</li> <li>Coordinate with Bahrain's Supreme Council for Women.</li> </ul>	GMM-General Manager Manufacturing

GPIC COMMITTEES (continued)

Committee	Objective	Charter	Chair
Process Safety Management Committee (PSMC)	To oversee the implementation of the Process Safety Management System and ensure its smooth operation.	<ul style="list-style-type: none"> <li>Carry out activities in support of women inside and outside the company.</li> <li>Organise special events for women.</li> <li>Coordinate with external women's organisations.</li> </ul>	TSM- Technical Services Manager
Responsible Care Committee (RCC)	To oversee the implementation of Responsible Care.	<ul style="list-style-type: none"> <li>Establish an implementation and review plan for RC codes for the next 2 to 4 years.</li> <li>Create sustainable reviews/ updates on new issues of Responsible Care.</li> </ul>	SHEM- Safety, Health and Environment Manager
Innovation & Patent Committee (IPC)	Creating an innovation culture across the organization.	<ul style="list-style-type: none"> <li>Develop strategy and policy for implementing and managing innovation and generating patents in GPIC in the areas of products, process, marketing and organization.</li> </ul>	ITKM- IT and Knowledge Manager.
Environment Committee	Promote internal and external environmental awareness	<ul style="list-style-type: none"> <li>Manage internal and external environmental projects.</li> <li>Promote responsible care initiatives/ awareness.</li> </ul>	PHES-Product handling and export superintendent.
Health Committee	Promote and organize health and responsible care awareness activities.	<ul style="list-style-type: none"> <li>Manage the GPIC Anti-smoking program.</li> <li>Responsible for hygiene and food quality in main canteen and club canteen</li> </ul>	CMO-Chief medical officer.
Safety Committee	Promote safety and responsible care awareness and training.	<ul style="list-style-type: none"> <li>Discuss and recommend issues pertaining to safety in the complex.</li> <li>Organise and support activities pertaining to GPIC's SHE week.</li> </ul>	SHEM- Safety, Health, & Environment Manager.

## MEMBERSHIPS OF ASSOCIATIONS AND ADVOCACY ORGANISATIONS

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.

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



### International/Regional Associations and Committees

- UN Global Compact
- UN Global Compact GCC Network
- Gulf Petrochemical and Chemical Association(GPCA)
- Arab Fertilizer Association (AFA)
- International Fertilizer Industry Association (IFA)
- National Safety Council – USA
- Royal Society for the prevention of accidents ( RoSPA- UK)
- Saudi Basic Industries Corporation( SABIC), KSA



GPIC President attending 82<sup>nd</sup> IFA annual conference in Sydney, Australia.

### Bahrain Associations and Committees

- National Oil and Gas Authority( NOGA) –Bahrain
- Supreme Council for Youth and Sport
- Bahrain Polytechnic
- National Initiative for the Development of Agriculture
- InJAz Bahrain
- Crown Prince's International Scholarship Programme
- Bahrain Institute of Public Administration
- Bahrain Training Institute
- Ministry of Social Development
- Ministry of Education
- Ministry of Labour
- Ministry of Industry and Commerce
- University of Bahrain
- Organising Committee for Bahrain Companies and Establishment Football League
- Major Companies Environment Networking Committee

The GPIC ERM-BCM (Business Resilience) Policy has been prepared and issued to all stakeholders and is also publicly available on our website [www.gpic.com](http://www.gpic.com)

## Risk Management at GPIC

### Integration of Enterprise Risk Management (ERM) with Business Continuity Management (BCM)

After the successful implementation and adoption of the Enterprise Risk Management (ERM) programme, our leadership decided to drive the next strategic step towards combining the Business Continuity Management (BCM) with ERM. Integrating BCM as part of a comprehensive ERM programme allows complete understanding of the environment of business risk faced by GPIC. This integration creates efficiencies on how we react towards catastrophic risks.

A Business Resilience Committee has been established and is one of the top management's priorities. We sought the assistance of a well established international third party certification body to provide their professional assessment of our systems and procedures in preparation for certification for ISO 22301 Societal Security – Business Continuity Management System. Several in-house workshops were conducted for the Business Resilience Committee members and

senior staff in order to ensure a consistent level of understanding and knowledge of the integrated systems. GPIC established its ERM initially based on the COSO ERM framework. In 2012, we aligned the framework to ISO 31000 Risk Management which provides a robust framework to effectively identify, assess and manage risk when consistently implemented and maintained. We identified key risks (ERM risks) at the enterprise level and defined the risk owners, risk sponsors, risk champion, risk appetite and mitigation plans for these ERM risks and consolidated them into a Risk Register.

The BCM established the Business Impact Analysis and the recovery plans to get back into normal business again with specified time bound in order to control and mitigate any potential business losses and the consequential financial cost implications incurred from such interruptions.

The GPIC ERM-BCM (Business Resilience) Policy has been prepared and issued to all stakeholders and is also publicly available on our website [www.gpic.com](http://www.gpic.com)

Enterprise Risk Category	Risk No.	ERM Risk
Business	1	Bank failure jeopardizing company deposits
	2	Legal liability to third party and property damage
	3	Delay /fault in collection of receivables
	4	Volatility in market price
	5	Increase in price of gas and power
Information and Data	6	Loss of electronic data and hard copies
Operational	7	Loss of ability to export( damage to ship loading facilities/closure of shipping lanes due to political instability and natural calamities.
	8	Operational Hazards (Plant operational failure, accidents and SHE related issues)
People	9	Failure to attract or retain Staff
Regulatory	10	Non Compliance with regulatory/ legislative requirements Concerning Safety, health, environment, process and product handling aspects.
Reputation	11	Damage to Reputation
Strategic	12	Change in shareholders
	13	Reduction/Interruption/Limitation of gas/power supply





# 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, and creating long term value for our shareholders.

We are aware that our operations have major direct and indirect impacts, and are taking steps to increase the positive impacts whilst reducing any negative impacts. Our direct impacts include shareholder returns in the shape of dividend or payment to investors

in shape of return on loans, payment of taxes to the Government, payment of salaries and benefits to employees, payment to suppliers etc. while our indirect impact includes the economic betterment of local communities through improvements in business environment and investments.

We aim to be the growth partner for all our stakeholders by utilising local suppliers within our supply chain where possible, employing Bahraini nationals and contributing to the local community.

The financial and operational results for the years depict that the Company operates in a continually evolving market with ample opportunities for future growth. 2012 -2013 were good earning years for GPIC, due to the significant recovery in the global ammonia, urea and methanol market from the 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 resulting in sustained profitability. Our profits amounted to US\$212 million in 2012 and US\$186million in 2013

The future of our industry looks positive and we are well positioned for continued earnings growth in 2014 and beyond. For a full account of GPICs financial performance, please see the 2012 and 2013 GPIC Annual Reports.

### ASPECT : ECONOMIC PERFORMANCE

#### EC1 Direct economic value generated and distributed

Component	Data 2013	Data 2012
<b>Direct economic value generated US\$</b>	<b>420,199,900</b>	<b>430,609,100</b>
Revenues		
<b>Economic value distributed US\$</b>		
Major operating costs	80,347,576	74,123,451
Employee wages and benefits	50,442,104	46,700,778
Payment to providers of capital	186,000,000	211,740,000
Payment to Government	93,298,344	87,201,775
Community Investments	9,910,293	10,831,035
<b>Economic value retained US\$</b>		
<b>Retained earnings</b>	<b>201,582</b>	<b>12,060</b>

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 2014 and beyond is the increased natural gas price, hence to remain competitive and sustainable we have to maintain business continuity in a safe and reliable way with higher efficiencies and cost optimisation

FINANCIAL STATEMENT RATIOS						
Ratios	2013	2012	2011	2010	2009	2008
Current Ratio	7.28	4.44	12.27	8.22	9.57	11.20
Debt/ Equity Ratio	0.09	0.11	0.07	0.08	0.08	0.07
Debt Ratio	0.09	0.10	0.07	0.07	0.07	0.07
Operating Cash Flow/Assets	34.98%	49.37%	22.10%	26.40%	27.66%	69.61%
Net operating margin percentage	44.85%	48.88%	58.70%	43.80%	39.98%	64.61%
Net Profit margin	45.00%	49.17%	40.54%	43.04%	39.65%	64.41%
Return on Total Assets ( ROA)	34.15%	38.50%	47.26%	28.25%	21.99%	55.46%
Return on Equity ( ROE)	36.40%	43.67%	53.30%	47.40%	40.77%	65.42%
Account Receivable Turnover	5.43	5.17	5.14	4.55	5.00	7.05
Inventory Turnover	11.17	11.58	8.80	14.84	5.25	4.61

BALANCE SHEETS (Expressed in thousands of US\$)						
Ratios	2013	2012	2011	2010	2009	2008
<b>Non- Current Assets</b>						
Property, plant & equipment	406,441	396,954	352,850	352,031	333,100	300,091
Total Non- Current Assets	406,441	396,954	352,850	352,031	333,100	300,091
<b>Current Assets</b>						
Inventories	15,492	14,379	12,474	9,391.6	10,433	23,251
Trade and other receivables	80,727	73,988	92,604	84,829	56,148	52,163
Cash and cash equivalents	65,373	53,856	103,125	62,445	73,121	147,451
Total Current Assets	161,592	142,223	208,203	156,665	139,703	222,865
<b>Total Assets</b>	<b>568,033</b>	<b>539,177</b>	<b>561,053</b>	<b>508,697</b>	<b>472,802</b>	<b>522,956</b>
<b>Equity</b>						
<b>Capital and Reserves</b>						
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	94,886	94,687	94,841	94,814	94,613	99,050
Proposed Dividends	186,001	151,739	190,140	137,999	105,001	150,000
<b>Total Equity</b>	<b>519,387</b>	<b>484,926</b>	<b>523,481</b>	<b>471,313</b>	<b>438,114</b>	<b>487,550</b>
<b>Liabilities</b>						
<b>Non-current Liabilities</b>						
Employee Benefits	26,455	22,236	20,477	18,317	19,451	15,510
<b>Current Liabilities</b>						
Trade and Other Payables	22,191	32,015	17,095	19,067	15,238	19,896
<b>Total Liabilities</b>	<b>48,646</b>	<b>54,251</b>	<b>37,572</b>	<b>37,384</b>	<b>34,689</b>	<b>35,406</b>
<b>Total Equity and Liabilities</b>	<b>568,033</b>	<b>539,177</b>	<b>561,053</b>	<b>508,697</b>	<b>472,802</b>	<b>522,956</b>

\*\*\* 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.

# US \$ 2.06 billion

dividend to Shareholders since inception

## Our profits and dividends to Shareholders

Year	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	301,000,000
2009	105,000,000	105,000,000
2010	138,000,000	138,000,000
2011	265,000,000	265,000,000
2012	212,000,000	212,000,000
2013	189,000,000	186,000,000

### EC2 Financial Implications and other risks and opportunities for the organisation's activities due to climate change

Financial implications due to climate change include the economic costs of the adverse effects of climate change and risk/ opportunities related to actions to reduce greenhouse gas emissions.

GPIC has no major financial implication posed due to climate change. All the operations are safe from the impacts, however, extreme weather change may affect operations. The weather patterns are evolving and sudden changes in weather are no more a novelty or a coincident.

We are cognizant of the fact that businesses have to play their role in combating global climate change. Our climate change

projects/ investments started with the installation of urea project in 1996 and the selection of granulation technology, followed by CDR project commissioning in 2009 to further reduce our GHG emissions.

GPIC has also embarked upon a long term plan to expand the use of renewable energy at its facilities. We are progressing towards phasing out HCFCs from our operations. Energy/ water conservation and resource efficiency remains a key priority for us and we retrofitted our ammonia converter basket in 2012 that resulted in considerable energy savings.

Mindful of the fact of water shortage in a changing climate, we have embarked upon an automatic irrigation system project for optimum use of water at our green areas. However, we have not yet quantified the impacts of this in monetary terms.

EC3 Coverage of the organisation's defined benefit plan obligations		
Component	Response 2013	Response 2012
Coverage of the organisation's defined benefit plan obligations	GPIC ensures that our people's compensation and benefit plans are in line with our overall strategy. We have also introduced a new early retirement policy (voluntary) 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, comprehensive health insurance covering all our people and their families, loans, indemnity, annual bonus etc.	Same as 2013

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
Emergency Loan	Yes	Yes
Settling in Loan	Yes	Yes
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 ( Subsidized)	Yes	Yes
Uniform	Yes	Yes
Scholarship programme for staff	Yes	No

EC4 Significant financial assistance received from Government		
Component	Response 2013	Response 2012
Significant financial assistance received from Government	No Significant financial assistance received from Government during 2013	No Significant financial assistance received from Government during 2012

# US \$ 3.52 billion

contribution towards Bahrain's economy since inception



**EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation**

According to the policy of the Company all kinds of recruitment are made on merit and no personal preferences are accorded to any other aspect. GPIC is an equal opportunity employer.

Our HR/recruitment policy highlights the need to tap into local talent first prior to looking for alternate talent.

GPIC's senior management is 100% Bahrainis. GPIC has a well-established Succession Plan and Talent Management. We are committed to empowering the indigenous community beyond the stipulated nationalization requirements.

**ASPECT: MARKET PRESENCE**

**EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation**

Even though there is no Minimum Wage Law in Bahrain covering all type of jobs still GPIC maintains its standard entry level wage higher than the minimum wages in many similar organisations. The minimum entry level wage at GPIC is 780 US\$.

**EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operations**

Locally based suppliers are defined by the Company as 'Suppliers within Bahrain'. Wherever possible we prefer to procure from local suppliers. We always promote local suppliers as a priority, and nearly 40% of our approved suppliers include local suppliers.

The following factors are considered in selecting suppliers.

- 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.

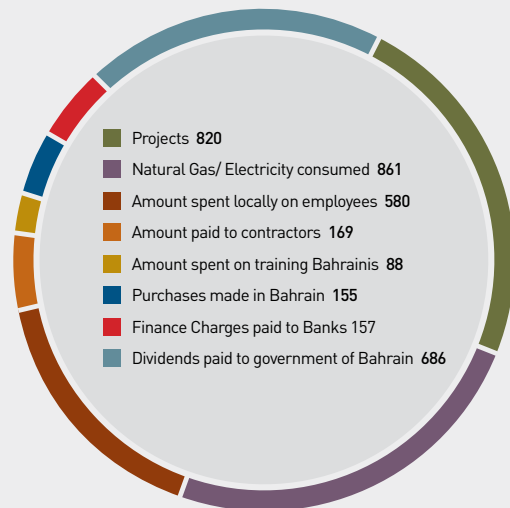
**ASPECT: INDIRECT ECONOMIC IMPACTS**

**EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement**

Since inception, GPIC has injected US\$ 3.52 billion into the economy of Bahrain.

This contribution has been made in several areas, including employment, training, procurement, regular dividends to the Government, purchases made within Bahrain, etc.

**Total Cash contributions towards the national economy since inception**  
Cash injected into the economy of Bahrain up to December 2013  
US\$ Million



Total Cash injected since inception: **US\$ 3.52 Billion**  
Average Annual Contribution for last 10 years: **US\$ 217.0 Million**



GPIC supports Bahrain youth development by providing 30 employees each semester each year as volunteers for teaching and coaching students at inJAZ , Bahrain.

### Initiatives during the year 2012-2013

Initiatives	Brief
Supporting local technical institutions (includes vocational, technical, educational):	<p>Crown Prince Education program ,Ministry of Education, Bahrain Technical institute (BTI), Bahrain Polytechnic, University of Bahrain , Injaz, Tamkeen.</p> <ul style="list-style-type: none"> <li>• US\$ 265,960 every year to Crown prince education program, US \$ 19,000 every year to Ministry of education, Bahrain.</li> <li>• GPIC supports Bahrain youth development by providing 30 employees each semester each year as volunteers for teaching and coaching students at inJAZ , Bahrain.</li> </ul>
Involvement with Schools in Bahrain	<p>Number of schools engaged per year = 30</p> <p>Type of engagement: Environmental awareness lectures, Coaching to secondary school students, Environmental Research Program</p>
Scholarships for children of employees and community	<ul style="list-style-type: none"> <li>• Number of scholarships bestowed to employees children in 2013: 31 / 2012: 42</li> <li>• Level of scholarships: university level</li> <li>• Number of scholarships for community children (not employees of the company):2013: 2 / 2012 :4</li> <li>• Approximate monetary value: US\$ 3700 per semester for the employees children sponsorship &amp; US\$ 70 monthly stipend for the University of Bahrain Scholarship students plus the university fees and books expenses</li> </ul>
Key Social Contributions 2012/2013 GPIC 's leadership believes that corporate social responsibility goes beyond the traditional Philanthropy. It is about building bridges and partnerships to make the difference.	<p>Donations and Sponsorships (The following are some of the recent examples, for a detailed outlook visit our website <a href="http://www.gpic.com">www.gpic.com</a> and browse the section press releases and media).</p> <ul style="list-style-type: none"> <li>• Ministry of Social Development</li> <li>• AlRahma Centre for disabled</li> <li>• Bahrain Cancer Society</li> <li>• inJAz, Bahrain</li> <li>• Ministry of Education, Bahrain</li> <li>• Crown Prince's Scholarship Programme</li> <li>• King Hamad Hospital Campus</li> <li>• Second West Asian Federation for Ladies</li> <li>• Bahrain Women's Union</li> <li>• First National Occupational Safety and Health -Conference and Exhibition</li> <li>• Bahrain Football Association</li> <li>• Bahrain Athletics Association</li> <li>• Bahrain Golf Association</li> <li>• Bahrain Tennis Association</li> <li>• Bahrain Special Olympics for people with intellectual disabilities</li> <li>• GPIC becomes the diamond sponsor to hold the first ever Bahrain international CSR conference</li> <li>• Bahrain Handicapped sports federation</li> <li>• Bahrain Society for child development</li> <li>• UNEP for supporting environmental sustainability</li> </ul>
Please refer to social performance indicators section for details	Page 105 to 106

### EC 9 Understanding and describing significant indirect economic impacts, including the extent of impacts.

GPIC's ERM and BCM addresses all the potential risks and impacts including the economic impacts.

## PRODUCTION PERFORMANCE

# 1,594,647 tonnes

Highest ever combined production  
( Ammonia + Urea + Methanol) achieved in 2013

### Production Performance

**We produced record volumes of quality products and in 2013 we achieved the highest production ever in the history of the Company.**

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. The United States retained its share as the biggest importer of the Company's urea as it captured 52% of the total urea exports.

Our chief source of pride during this achievement was the excellence of our SHE performance whilst a simultaneous drive towards process safety excellence that gained momentum. To maintain the operations of our plants at the optimum, we further reviewed and enhanced our staff training and development programs. During 2012 and 2013 we reached several significant milestones, key amongst them being the successful execution of 'Turnaround 2012' where all the turnaround related objectives were very safely and efficiently accomplished. During 2012 we constructed and successfully commissioned a new HP steam boiler and a new Sodium Hypochlorite unit.

#### Our Achievements:

During turnaround 2012 a number of capital projects were implemented that further enhanced the reliability and productivity of the plants. Post-turnaround 2012 performance of the plants was par excellence with record production and business continuity. The following summarises the achievements on the production side in 2013.

#### Ammonia Plant:

- In January 2013 Ammonia plant achieved the highest ever daily production of 1,352 tonnes.

#### Methanol Plant:

- In January 2013 Methanol plant achieved the highest ever daily production of 1,269 tonnes.
- Methanol plant achieved highest ever monthly production of 39,091 tonnes in December 2013.
- Methanol plant achieved highest ever daily average production of 1,261 tonnes during a month, in December 2013.
- Methanol plant achieved highest ever daily average production of 1,236 tonnes over the whole year.

#### Urea Plant:

- In December 2013 Urea plant achieved the highest ever daily production of 2,034 tonnes.
- Highest ever monthly Urea production of 62,209 tonnes was achieved in December 2013.
- In April 2013 the average daily Urea production was 2,010.3 tonnes for operating days. This is the highest ever daily average Urea production achieved in a month.
- Urea plant achieved highest ever daily average Urea production of 1,946 tonnes for the whole year.
- The yearly Urea production of 687,760 tonnes was the highest achieved so far.

#### Total combined Production

- In January 2013 the highest ever daily total production of 4,645 tonnes was achieved.
- Highest ever monthly total production of 140,411 tonnes was achieved in December 2013.
- Highest ever yearly production of 1,206,754 tonnes was available for sale.
- The yearly total production of 1,594,647 tonnes was highest ever achieved

#### Exports

- On 30/06/2013, GPIC made a land mark by loading the 2000th Ship, while loading Methanol ship M.T. STOLT SNELAND.
- GPIC maintains its compliance with the DAFF (Department of Agriculture, Fisheries and Forestry) and the HQS (Hunter Quality Solutions) certifications for its Urea export to Australia and New Zealand respectively as level-1 Gold Status.)

#### Our Challenges

Significant challenges experienced during the reporting period include the following;

- In 2013, we experienced Urea Reactor liner leak and the urea plant had to be shut down for 11.66 Days.
- Ammonia plant Process Gas Cooler fouling continued causing an increase in the process side temperature resulting in operating the reformer with reduced temperature.
- Ammonia plant Low temperature shift converter catalyst bed Pressure drop is gradually increasing and is running on the higher side.
- We experienced a bottom floor plate leak of the refined methanol intermediate storage tank T-1903. The tank was decommissioned and the floor plates were replaced.
- The Final methanol storage tank T-7201B floor plates also developed a leak. The tank was decommissioned and annular plates were replaced.

The United States retained its share as the biggest importer of the Company's urea as it captured 52% of the total urea exports.

## Our Performance 2012-2013

Yearly Production and Export Performance Data	Units	2012			2013		
		Budget	Actual	Deviation	Budget	Actual	Deviation
Ammonia Production	MT	420,000	411,260	-2.08%	452,340	460,610	1.83%
Methanol Production	MT	614,725	626,985	1.99%	660,450	687,760	4.14%
Urea Production	MT	414,510	416,053	0.37%	437,980	446,277	1.89%
<b>Total Cumulative Production</b>	<b>MT</b>	<b>1,449,235</b>	<b>1,454,298</b>	<b>0.35%</b>	<b>1,550,770</b>	<b>1,594,647</b>	<b>2.83%</b>
Ammonia Exports	MT	69,605	62,566	-10.11%	75,880	70,876	-6.59%
Methanol Exports	MT	414,510	412,925	-0.38%	437,980	440,992	0.69%
Urea Exports	MT	614,725	630,602	2.58%	660,450	680,627	3.06%
<b>Total Exports</b>	<b>MT</b>	<b>1,098,840</b>	<b>1,106,093</b>	<b>0.66%</b>	<b>1,174,310</b>	<b>1,192,495</b>	<b>1.55%</b>
<b>On stream Factor (1)</b>							
Ammonia	%	91.80	90.88	-1.00%	98.36	99.81	1.47%
Methanol	%	93.44	93.96	0.56%	98.36	98.92	0.57%
Urea	%	91.53	92.51	1.07%	97.81	96.81	-1.02%
<b>Utilization Factor (2)</b>							
Ammonia	%	104.17	103.04	-1.08%	105.00	105.37	0.35%
Methanol	%	101.00	100.82	-0.18%	101.67	103.00	1.31%
Urea	%	107.94	108.92	0.91%	108.82	114.50	5.22%
<b>Capacity Utilization(3)</b>							
Ammonia	%	95.63	93.64	-2.08%	103.27	105.16	1.83%
Methanol	%	94.38	94.73	0.37%	100.00	101.89	1.89%
Urea	%	98.80	100.77	1.99%	106.44	110.84	4.13%
<b>Plant outages</b>							
Ammonia	Days	30.00	33.39	11.30%	6.00	0.71	-88.17%
Methanol	Days	24.00	22.11	-7.88%	6.00	3.93	-34.50%
Urea	Days	31.00	27.40	-11.61%	8.00	11.66	45.75%

### Notes:

- 1) On stream factor is the Operating days as percentage of calendar days
- 2) Utilization factor is the percentage of the design capacity utilized based on operating days
- 3) Capacity utilization is the percentage of design capacity utilized based on calendar days
- 4) Urea plant had 11.66 days of plant outages. 45.75% more than the allocated 8 days outage during 2013.
- 5) 2012 is a turnaround year

## OUR EXPORTS

# 2,000

Cargo ships loaded and exported  
to the world since 1985

Yearly Exports performance Data	Units	2012			2013		
		Budget	Actual	Deviation	Budget	Actual	Deviation
Ammonia Exports	MT	69,602	62,566	-10.1	75,883	70,875	-6.6
Methanol Exports	MT	414,510	412,925	-0.4	437,980	440,846	0.7
Urea Exports	MT	614,725	630,602	2.6	660,450	680,627	3.1
Total Exports	MT	1,098,837	1,106,093	0.7	1,174,313	1,192,347	1.5

		Unit	2012		2013	
			Tonnes	Percentage	Tonnes	Percentage
Ammonia export by region	India	MT	26,049	41.6	12,950	18.3
	Indonesia	MT	5,250	8.4	0	0.0
	South Africa	MT	5,131	8.2	0	0.0
	Taiwan	MT	14,494	23.2	19,456	27.5
	South Korea	MT	7,000	11.2	11,472	16.2
	Australia	MT	0	0.0	13,499	19.0
	China	MT	4,642	7.4	13,499	19.0
	<b>TOTAL</b>	MT	<b>62,566</b>	<b>100</b>	<b>70,875</b>	<b>100</b>
Urea export by region	Australia	MT	47,908	7.6	16,497	2.4
	Usa	MT	379,482	60.2	350,132	51.4
	Thailand	MT	65,666	10.4	103,864	15.3
	India	MT	12,299	2.0	0	0.0
	Pakistan	MT	50,356	8.0	0	0.0
	Sudan	MT	19,492	3.1	0	0.0
	Brazil	MT	39,114	6.2	87,602	12.9
	Uruguay	MT	15,000	2.4	39,460	5.8
	Bangladesh	MT	-	0.0	27,500	4.0
	Philippines	MT	-	0.0	15,000	2.2
	Tanzania	MT	-	0.0	27,500	4.0
	Argentina	MT	-	0.0	11,545	1.7
	Local	MT	1,285	0.2	1,527	0.2
<b>TOTAL</b>	MT	<b>630,602</b>	<b>100</b>	<b>680,627</b>	<b>100.0</b>	
Methanol export by region	China	MT	245,883	59.5	250,547	56.8
	USA	MT	65,785	15.9	90,546	20.5
	Europe	MT	27,090	6.6	13,540	3.1
	Singapore	MT	33,507	8.1	70,862	16.1
	Korea	MT	2,000	0.5	0	0.0
	Taiwan	MT	38,488	9.3	0	0.0
	Brazil	MT	0	0.0	5,031	1.1
	Thailand	MT	0	0.0	10,250	2.3
	Local	MT	172	0.0	70	0.0
	<b>TOTAL</b>		<b>412925</b>	<b>100</b>	<b>440846</b>	<b>100</b>

## SAFETY AND HEALTH PERFORMANCE

# +16 million

Man Hours without LTA as of December 2013

**When it comes to a safe and healthy workplace, there can be no compromise. That's why we do everything we can to create and maintain a safe work environment for our employees and contractors.**

Our biggest challenge is not to just maintain our achievements but to build on it and reduce our workplace injuries in order to attain our objective of a Zero Harm Workplace.

GPIC promotes a SHE plus (Safety, Health, Environment & Security) culture within the organization and also amongst our surrounding communities by maintaining a zero harm workplace. We firmly believe that all work related injuries and illnesses are preventable, 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.

### Our Achievements

GPIC achieved a strong Responsible Care performance in 2012-2013, particularly in the area of employee health and safety. We achieved over 16 million man hours without a lost time accident till the end of 2013. We continue to benchmark our SHE performance with the best in class. In 2012 our biggest challenge was to have a safe turnaround, which we achieved without any LTA. 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 continue to reinforce our occupational and process safety during 2012-2013 and on an ongoing basis.

### Our challenges

- During 2012 we had experienced a lost time accident of a contract worker when he got injured while manually handling an electrical panel in a sub-station.
- Our recordable incidence rate for 2013 for GPIC employees has increased from 0.789 (2012) to 1.176 (2013) primarily due to minor injuries.



GPIC participates in the United Nations My World Survey.

- We had one reportable process safety incident in 2012, when an equipment under pressure was offered for maintenance resulting in ammonia release and minor exposure to several employees and contractors without injuries.

### 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 taken 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

## SAFETY AND HEALTH PERFORMANCE (continued)

### Sick leaves 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
2012	5486	2.6	2.76	2.4	1.92	3.08	2.83	3.03	1.97	1.51
2013	4963	2.4	2.39	2.24	0	2.65	2.57	2.65	1.59	1.05

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

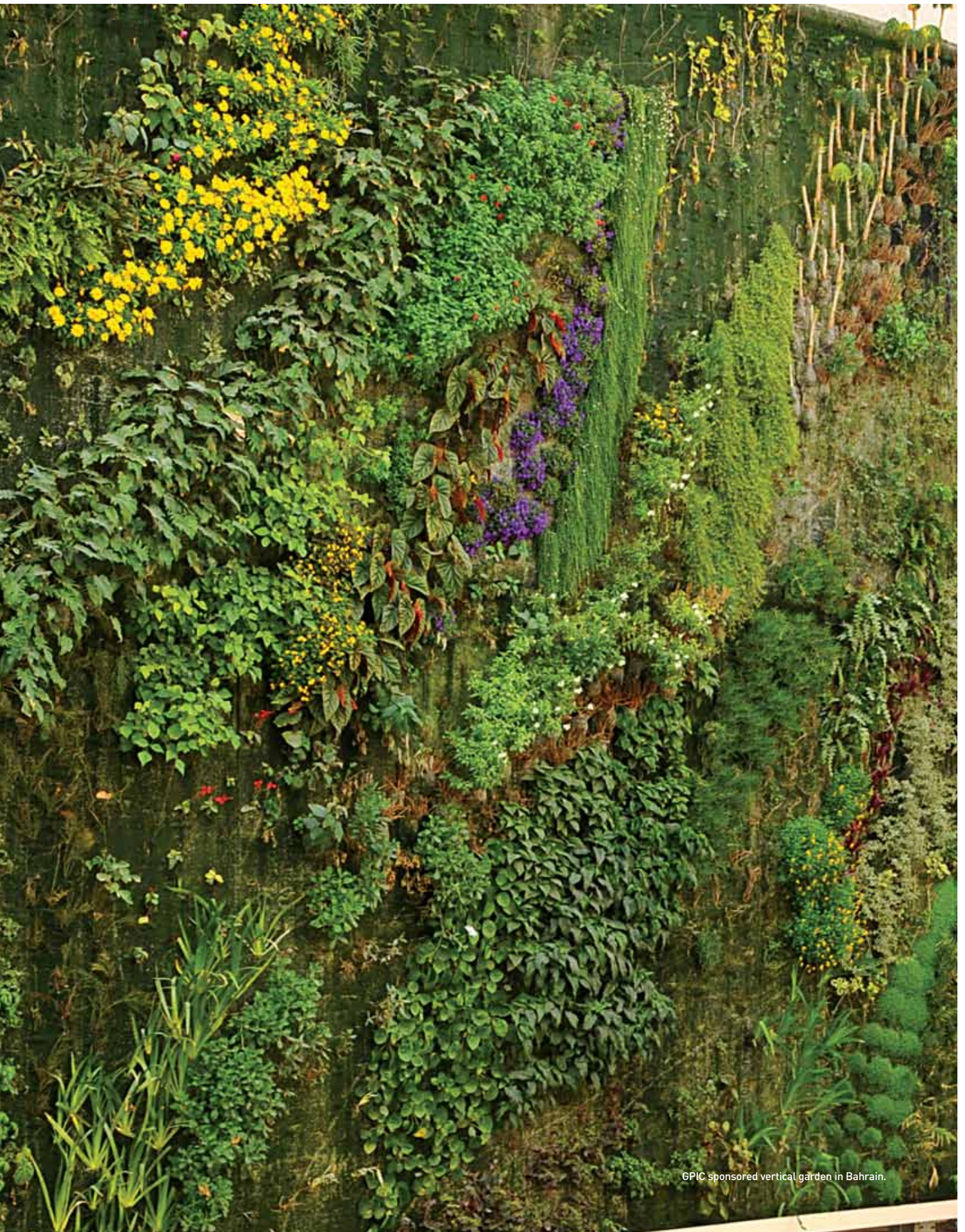
(No. S.L days X 100)

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

### Incident statistics

	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
2012	0	1	0	0.452	16
2013	0	0	0	0	Non TA year

Notes: 1) Recordable injury rate and incident rate is calculated based on 200,000 hours worked.



GPIC sponsored vertical garden in Bahrain.

# ENVIRONMENTAL IMPACT

- Environmental Strategy
- Environmental Performance

**GPIC HAS COMMITTED ITSELF TO SOME OF THE MOST STRINGENT OF STANDARDS WHEN IT COMES TO ENVIRONMENTAL MANAGEMENT BECAUSE IT BELIEVES THAT THE WAY ANY ORGANISATION MANAGES ENVIRONMENTAL ISSUES IS A CRUCIAL MEASURE OF ITS STANDARDS OF CORPORATE SOCIAL RESPONSIBILITY, COMPETITIVENESS AND VISION.**







# CO<sub>2</sub>

emissions reduction achieved by 0.12 million tonnes annually through the carbon dioxide recovery plant



GPIC a habitat for migrating birds.

GPIC has consistently demonstrated that a rapidly growing company in a highly competitive emerging market can, not only meet its environmental responsibilities, but also dramatically reduce its carbon footprint whilst simultaneously improving profitability.

**'We believe that the way any organisation manages environmental issues is a crucial measure of its standard of corporate social responsibility, competitiveness and vision.'** Dr. Abdulrahman Jawahery, GPIC President

### Goals and Policy;

The overall objective of the Company is to continually improve on environmental performance as per the Company policies. Efforts are made to adopt cleaner and newer technologies for environmental impact abatement.

The Company has a well-established environmental policy which is part of the Integrated Quality, Health, Safety and Environment Policy. Environmental protection and sustainability is also part of the Company's Responsible Care Policy.

### Our challenges, impact and response

Core objectives of the GPIC environmental policy and strategy include complying with regulatory requirements and reducing our environmental footprint.

GPIC is dedicated to excellent performance in terms of environmental impact. We strive to promote industry leading standards, environmental sustainability and stewardship.

Our biggest environmental challenge is the location of our facilities, which is surrounded by sea, neighbouring facilities and the residential communities. We as a Responsible care company are mindful of the challenges and hence follow a precautionary approach when it

comes to environmental sustainability. Sustainability is embedded in everything we do, our strategy, operations and daily actions.

### Safeguarding the Environment

Compliance to the Environmental legislations, reducing energy consumption and emissions, resource conservation, energy efficiency, hazardous waste management and pollution prevention are some of our main priorities towards the environmental challenges we face at GPIC.

### GHG emissions

Manufacturing of fertilizers is a relatively clean but highly energy intensive process. In a global context, the greatest environmental impact is from GHGs emitted during the production of ammonia and methanol along with the emissions from fossil fuel fired boilers and gas turbines.

We have reduced our GHG emissions significantly by capturing and recycling CO<sub>2</sub> through our urea plant (commissioned 1998) and the carbon dioxide recovery unit (commissioned 2009)

### Energy efficiency

In recent years, GPIC has embarked on energy saving projects, the latest being the ammonia converter revamp that involved the replacement of Uhde converter basket with Haldor Topsoe S-200 series basket that resulted in a reduction in the synthesis loop pressure and a net energy saving of 0.17 Gcal/MT of ammonia produced. Furthermore our equipments have been technically upgraded to optimize energy efficiency, and energy-saving programs have been successfully implemented in our other facilities. Improving energy efficiency at our ammonia plant has the added benefit of reducing CO<sub>2</sub> emissions.

### Other impacts

Other, more regional, impacts from GPIC production plants include emission of acidifying gases (NO<sub>x</sub> and SO<sub>x</sub>) and particulate matter and ammonia from the urea granulator stack. All such impact is monitored closely to ensure that allowable levels are not exceeded, and several steps have been taken to reduce emissions, for instance, operational improvements and investments in clean technologies such as the ultra low NO<sub>x</sub> burners in our new HP steam boiler.

GPIC uses sea water for its desalination plants and cooling purposes which involve risk of contamination. However with stringent controls, monitoring and treatment the company ensures the allowable limits are not exceeded. Ground water monitoring is also done to ensure the leaking process fluids and chemicals do not contaminate the sea water and are detected in time. In 2012, use of chlorine from sea water system was eliminated and Sodium Hypochlorite was introduced as an alternative.

**We believe that the way any organisation manages environmental issues is a crucial measure of its standard of corporate social responsibility, competitiveness and vision.**

Dr. Abdulrahman Jawahery, GPIC President

It is important for GPIC to operate in compliance with permitted levels stipulated by the regulators. The environmental performance of each plant is shown in unit reports where emissions are compared to permitted levels.

GPIC's manufacturing processes does not produce a significant amount of solid hazardous waste. All hazardous waste is dealt with in conformance to regulations. This includes use of catalysts, which are sold to recycling agents. Managing hazardous liquid waste is a challenge in Bahrain and in GPIC. To deal with this issue we have constructed an double HDPE lined evaporation pond that will be commissioned in Q1 2014.

#### **Strict environmental standards**

All GPIC plants are operated under strict national environmental standards and have established environmental management systems, developed in cooperation with industry associations and regulatory authorities, based on the ISO 14001 standard.

Internal performance data is routinely checked and reported to regulatory authorities. Data is also collected by the government environmental inspectors during the mandatory bi-annual site visits.

#### **Global engagement and sustainability**

In addition to the commitment and responsibilities we have for our own operations, we are engaged in environmental efforts at several levels, i.e. creating impact, efforts towards environmental sustainability and stewardship. One of these examples is our commitment to the UN Global Compact's 10 Principles including the three principles on environmental sustainability. We take environmental stewardship very seriously and in this context we are the joint Sponsors of the yearly RoSPA International Dilmun Environmental Award that is given to the companies with outstanding Environmental management system

#### **GPIC's Environmental Strategy:**

As the world's climate begins to change, businesses cannot afford to ignore the impact it has on the environment. We have committed ourselves to some of the most stringent of standards when it comes to environmental management because it believes that the way any organisation manages environmental issues is a crucial measure of its standards of corporate social responsibility, competitiveness and vision.

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 towards business sustainability.



GPIC expanded its fish farm in 2012 - 2013.

We have adopted a multi-pronged strategy with respect to managing our environmental footprint and have prioritized our investments accordingly.

Throughout the life cycle of our products and operations, we aim to manage their environmental impacts.

#### **Environmental review at design stage**

An environmental impact study and review at the design stage is carried out for all minor and major projects as well as engineering modifications. We identify environmental impacts and seek to avoid them or minimize them. Any gaps or concerns highlighted as part of the environmental impact study are addressed to ensure an environmentally sustainable project.

#### **Reliable operations with minimum business interruption**

We believe that by operating the plants in an efficient and reliable manner with minimum production interruptions and down-time the environmental impacts from our operations will be minimum. Hence to achieve this we invest on reliability, state of the art technology & equipment, and training & development of our employees.

#### **Monitoring and control of emissions ,effluents and waste**

As a part of our RESPONSIBLE OPERATIONS we actively monitor our gas emissions ,liquid effluents and waste generation and have initiated several measures to reduce our carbon footprint and improve our overall environmental footprint.

#### **Resource Efficiency and conservation**

We ensure that we are maximizing the efficiency of our resource utilization for everything from water to energy to raw materials to minimize wastage from our manufacturing processes, and making our facilities greener and more eco-friendly.



We take care of the marine life.

#### Strict Compliance to Legislative and regulatory requirements

We ensure regulatory compliance to applicable environmental laws and legislations. This important aspect is embedded in our policies.

#### Benchmarking for continual improvement

Furthermore we benchmark ourselves against some of the highest global standards by pursuing internationally recognized certifications such as the EMS ISO 14001:2004, Responsible Care RC 14001:2008 and others.

#### Regular Audits

In addition to internal audits our facilities are frequently audited by professional third party organisations to ensure that we are holding ourselves to the standards we have committed ourselves to.

#### Environmental awareness

We are also actively engaged in inculcating a culture of environmental responsibility amongst our people and the community. We train our employees and provide them with skills, competencies and empowerment to continuously improve in their professional and personal lives.

#### Biodiversity and protection of natural habitats

Our production site now hosts:

- a fish farm where about 80,000 sea bream fish are released into the deep sea annually to enrich marine life,
- a bird sanctuary which hosts birds of different species, and
- a number of gardens specifically made to plant rare indigenous, aromatic and desert plants to form a case study for educating school students on environmental natural presentation.

#### Environmental care beyond borders

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. Our RESPONSIBLE OPERATIONS strategy ensures that we do not impact adversely on our neighbouring communities. The key goal is to manage our business processes to produce an overall positive impact on society.

#### Climate Change Commitments :

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

GPIC has been able to implement some projects such as the urea plant and the carbon dioxide recovery plant that have reduced the company's carbon footprint and greenhouse gas emissions, thereby helping to reduce our impact towards climate change. The Carbon Dioxide Recovery (CDR) plant commissioned in 2010, captures 450 MT/Day of CO<sub>2</sub> from methanol reformer flue gases and recycles it back into core processes. Hence reducing our carbon footprint in addition to increasing resource efficiency and production augmentation. This project is a best example of how we combine business strategy with environmental sustainability.

#### Commitment to UN Global Compact Principles on Environmental sustainability

Environmental Sustainability

The concept of 'environmental sustainability', while a broad one, rests on a central tenet: meeting human needs without undermining the capacity of the planet's ability to support life. Environmental sustainability forms one of the three integrated dimensions of 'sustainable development', alongside the economic and social dimensions. Far from being only about the preservation of natural resources, environmental sustainability is fundamental to poverty reduction, human development and wellbeing.

Source: UN

We are actively engaged in inculcating a culture of environmental responsibility amongst our people and the community.

GPIC is a member of the UN Global Compact and is committed to the support and implementation of the Global Compact's principles on environmental sustainability.

- Support a precautionary approach to environmental challenges
  - We can be never be certain that an economic activity has positive or at least neutral effects on sustainability and when we are not certain of the impacts we follow a precautionary approach.
  - We Think before we act and carryout an Environmental impact assessment for any significant change.
- Undertake initiatives to promote greater environmental responsibility
  - We have well defined roles and responsibilities when it comes to policy making and goals setting. The risks and opportunities with regards to environmental sustainability are assessed in a structured manner.
- Encourage the development and diffusion of environmentally friendly technologies
  - Whenever we go for a new equipment or a plant we always assess the potential environmental, social and economic impacts( adverse and positive) and cover all the aspects including the following
    - o Conserve natural resources
    - o Reduce quantity of waste and effluent generated
    - o Reduce pollution
    - o Create local Income
    - o Improve working conditions
    - o Reduce raw materials, energy and water costs
    - o Reduce waste disposal and transportation costs
    - o Increase returns by selling waste materials for re-use
    - o Reduce costs from potential liabilities, risks and accidents
    - o Improve productivity

#### Towards a Green Environment

GPIC considers itself a role model in the protection of the environment and was the first industrial company to use practical demonstration projects to verify the environmental credentials of its operations.

Though GPIC's site is built on an environmentally unpromising 60 hectares of reclaimed land consisting of sand and rock; GPIC has managed to create an oasis of award-winning gardens, a bird sanctuary and a fish farm. The fish farm is placed strategically adjacent to and downstream from the plant's effluent discharge to the



GPIC goes solar.

sea. It works as an indicator for us to monitor our pollution levels as well on an ongoing basis. The fish farm is a thriving project for us and has demonstrated success factors in the way our plants are being operated. Every year, thousands of fish are released into the Arabian Gulf to replenish depleted stocks whilst many of the remainder are given, together with dates from our date palms, to local charities.

Since our inception we have felt the need for maintaining environmental balance. Possible environmental impacts have always been thoroughly examined and studied. All the necessary measures and steps are then carefully taken into account to maintain such a balance. Although more than 28 years have passed since the plants went on-stream, all the plants are still operating according to the strictest local and international environmental standards.

The Urea plant, which came into operation in 1998, was subjected to the same environmental review at the design stage. We even insisted on installing a granulation process for the production of final solid product rather than the more conventional prilling process, despite the higher cost of construction and licensing. The choice of this technology has paid off and has resulted in reduced emissions of urea dust.

In 2008, GPIC became one of the first petrochemical companies in the Middle East to embark on the 450 tonnes/day Carbon Dioxide Recovery (CDR) Project. The project was initiated to cut down Greenhouse gas emissions and improve the overall efficiency of resources, as it has also facilitated the additional production of methanol and urea at the complex.

# +1 million

Fish released into Bahrain's territorial waters from GPIC's managed fish farm since 1996



Expanding greenery to reduce our carbon footprint.



#### GPIC Environmental Projects:

- Charity Garden:** GPIC launched its environmental programme in March 1992 with a Charity Garden. Built on an area of 1,500 m<sup>2</sup>, the yield from this garden has exceeded over 14 tonnes of fruit and vegetables which are then donated to charities and families in need. Recently, fruit trees and date palms have also been added to enhance the output of the Charity Garden.
- Fish Farm:** With the aim of demonstrating environmental accountability, setting a good example to other industries and replenishing dwindling fish reserves in regional waters, the company embarked on constructing a fish farm close to the sea water outlet in November 1996. Different kinds of tropical fish found in Bahrain's waters, like Black Sea Bream (Shim), Mullet (Meid) and Rabbit fish (Saffee), are being bred in the farm so that their growth can take place in a congenial atmosphere. Later, these fish are released into the sea.
- Bird Sanctuary:** The evident improvement in the environment around GPIC has encouraged us further to enhance our special focus on the surroundings and especially Bahrain's bird life. The bird sanctuary was commissioned on 9th September 2001 where a small nesting area and a fresh pond were created for the birds to enjoy a natural habitat, with a view to the continual improvement of the environment around the GPIC complex. Built on a coastal strip of 600,000m<sup>2</sup>, 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 in number and size and are playing an important role in marine ecology and environmental protection.
- Herbal and Medicinal Plants Garden:** The Herbal and Medical Plants Garden was inaugurated on 9th May 2005 under the patronage of His Highness Shaikh Abdullah bin Hamad Al Khalifa, Governor of the Southern Governorate and Chairman of the Public Commission for the Protection of Marine Resources, Environment and Wildlife. Covering an area of 1200 m<sup>2</sup>, this innovative project was launched with the prime objective of preserving indigenous herbs and plants that were once used by inhabitants to treat various illnesses. The garden currently contains 20 types of herbs and shrubs. This garden has also become a very useful platform for researchers, school students and dignitaries from which to benefit. These efforts have contributed greatly to GPIC winning several accolades, including the GCC Environmental Award for the Best Establishment Adhering to Environmental Legislations.
- H.H Shaikha Sabika bint Ibrahim Al Khalifa Aromatic Plants Garden:** In March 2009 Her Highness Shaikha Sabika bint Ibrahim Al Khalifa, wife of His Majesty the King, opened the Aromatic Plants Garden at the GPIC Complex bearing her name. This is a unique garden mainly designed to feature all the perfumed aromatic plants and herbs in the Kingdom.
- Queen Margrethe II Olive Oasis : H.M. Queen Margrethe II of Denmark, accompanied by H.R.H. 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. The Oasis contains more than 300 plants.

- **Green belt at GPIC:** Tree plantation and care for the environment is taken up very religiously at GPIC. At present, we have more than 2870 trees and plants at our facilities. Expansion of the green belt at the company's periphery in the second quarter of 2013 has increased the green area to 83473 m<sup>2</sup>, which is 12.64% of the total area of 660000m<sup>2</sup>.

#### Environmental Awareness

GPIC believes that caring for the environment goes beyond the borders of our facility. In 2001, GPIC, in collaboration with the Ministry of Education, embarked on conducting the Environmental Awareness Lectures to Public and Private schools in Bahrain every year. To date the programme has completed 311 visits to schools in Bahrain and more than 27,000 students have benefited from the lectures. In 2012, 2,500 students and in 2013 2,700 students attended environmental awareness lectures.

The Environmental Awareness Programme for schools is one of our initiatives towards protecting the environment and society. It aims to enhance the awareness of students regarding 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, GPIC launched its Environment Research Programme – Environment Award for secondary school students in collaboration with the Ministry of Education, 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 and many others.

#### Global Engagement and Stewardship

In 2007, The International Dilmun Award was launched. This environmental award is sponsored by GPIC as part of the Royal Society for the Prevention of Accidents (RoSPA) awards programme. The name 'Dilmun' was given to reflect the history of Bahrain and in recognition of GPIC's commitment and contribution to safety, health and the environment.

After winning the 2005 RoSPA's Sir George Earle Trophy, GPIC approached RoSPA with a proposal regarding the introduction of a new award which recognizes organisations that excel in environmental management and initiatives with the aim to expand these efforts to other organisations. As a result, RoSPA agreed to introduce a new award with more of an emphasis on the environment, rather than purely health and safety. Accordingly, and since then, GPIC has sponsored the award both financially and logistically and will continue its sponsorship based on the outstanding reputation and popularity the award is gaining.

The International Dilmun Award's key objective is to recognize excellence in environmental as well as health and safety management. The aim is to recognize participating organisations for their management of environmental issues and the effectiveness of their corporate social responsibility, competitiveness and vision. Thus ensuring the strategic management of environmental issues and their integration in the heart of organisational management systems and decision making processes.

We are strongly cooperative with the United Nations Environmental Programme (UNEP) at both local and international levels. We have participated in several initiatives and campaigns spearheaded by UNEP.

#### Environmental Research Programme Statistics

Period	Academic Years	Received Projects	Participating Schools	Selected Boy Schools	Selected Girl Schools
1	2004 – 2005	85	26	8	13
2	2005 – 2006	83	23	8	12
3	2006 – 2007	84	24	10	10
4	2007 – 2008	99	30	11	9
5	2008 – 2009	73	26	9	11
6	2009 – 2010	64	23	10	10
7	2010 – 2011	82	25	10	10
8	2011 – 2012	48	20	9	11
9	2012 – 2013	62	24	9	11
10	2013 - 2014	77	31	8	9
<b>Total</b>		<b>757</b>	<b>252</b>	<b>92</b>	<b>106</b>



GPIC's bird sanctuary.

**Our recent technical environmental projects**

We are aware that the manufacturing of fertilizers is a relatively clean, but highly energy intensive process and a source of greenhouse gases. However, we remain consistently dedicated to excellent performance in terms of environmental impact and we continuously endeavour to reduce our impact through the constant implementation of environmental strategies.

**Strict environmental standards**

GPIC plants are operated under strict national environmental standards and have established environmental management systems, based on the ISO 14001 standard. Internal performance data is routinely checked and reported to regulatory authorities. Some of the recent salient technical environmental projects are:

- The use of chlorine for the disinfection of sea water intake has been phased out and a new sodium hypochlorite unit installed in 2012, thus we have implemented a more environmentally acceptable alternative.
- Energy saving through the ammonia converter retrofit in 2012. The original Uhde design converter basket was replaced with a Topsoe design Series S-200 basket. The new basket enabled the reduction in operating pressure from 312 barg to 275 barg and an energy saving of 0.17 Gcal/MT of ammonia produced.
- The Green IT Concept expansion at GPIC has resulted in substantial energy savings.
- In order to make GPIC free from ozone depleting substances, such as class 2 HCFC's, we are undergoing a phased replacement of ACs using R-22 with an environmentally friendly refrigerant. During 2012/2013 about 100 units have been replaced with environmentally friendly refrigerants.
- A new HP Steam boiler has been installed and commissioned in 2013. "One of the salient features is the use of ultra-low NOx burners that has resulted in reducing NOx emissions by 50%, as compared to standard NOx emissions".
- GPIC's changed from old high pressure sodium vapour lamps to energy efficient LED lamps. So far, 35 LED fittings have been replaced with a net saving of 12775KWh per year achieved. The energy saving from the total project will be 182500 KWh per year.
- GPIC is further expanding the use of renewable energy at its facilities, after the successful experience of solar water heating at one of the company buildings.
- GPIC is constructing an evaporation pond at its facilities to manage liquid waste. The project will complete by Q1 2014.

**GRI G3.1 Performance Indicators**

ASPECT : MATERIAL			
EN1 Material used by weight or volume			
Component		Data 2013	Data 2012
Material	Unit	Quantity	Quantity
Natural Gas	MMSCF	45,548	43,379
Lubricant(Lube oil)	Liter	23,269	1,44,140
Chemicals	KG	7,445,269	7,346,453
Catalyst	M3	Nil	338.5
Paper	Kg	7975	10685
Diesel	liter	190000	85000
Petrol	liter	280000	175000

Note: The quantity of lube oil used in 2012 is significantly more because a number of oil replacements took place during the maintenance turnaround 2012. Similarly a number of catalysts were replaced in 2012 during the Turnaround. The consumption of diesel was significantly higher in 2013 as a diesel powered air chiller was used to cool the hot spots of the ammonia reformer and a similar chiller was used in the urea reactor during the 11.66 days of unplanned outage of the urea plant. Since 2005 we have recycled 50 tonnes of paper. (Waste to charity programme)



In order to make GPIC free from ozone depleting substances, such as class 2 HCFC's, we are undergoing a phased replacement of ACs using R-22 with an environmentally friendly refrigerant.

EN2 Percentage of materials used that are recycled input materials		
Component	Data 2013	Data 2012
Percentage of materials used that are recycled input materials	0%	0%

EN4 Indirect energy consumption by primary source			
Component		Data 2013	Data 2012
Component	Unit	Quantity	Quantity
Natural Gas	GJ	1,545,490	1,172,793
Imported power	MWH	128,799	97,739

Note: Imported power is on the higher side in 2013, due to contractual obligations to limit the natural gas consumption below the maximum permitted levels. Hence the load on the in-house gas turbine was maintained lower and the balance power requirement was met by importing more power

ASPECT : ENERGY			
EN3 Direct energy consumption by primary energy source			
Component		Data 2013	Data 2012
Component	Unit	Quantity	Quantity
<b>Direct energy consumption by primary energy source (Non –renewable)</b>			
Natural Gas	GJ	36,654,554	35,092,603
The Company does not consume renewable energy			

EN5 Energy saved due to conservation and efficiency improvements		
Component	2013	Data 2012
	Response	Response
Energy saved due to conservation and efficiency improvements	<p>There was a saving of 605,887 GJ of energy. The reduction in energy is due to investments in equipments &amp; upgrades during Turnaround 2012. The salient were:</p> <ol style="list-style-type: none"> <li>1. Replacement of ammonia converter basket and primary reformer tubes with improved design</li> <li>2. Replacement of methanol synthesis catalyst with fresh catalyst.</li> </ol>	<p>During 2012, due to scheduled turnaround, there was unproductive energy consumption to facilitate safe shutdown and start up process.</p>

EN6 Initiatives to provide energy- efficient or renewable energy based products and services and the reductions in energy requirements as a result of these initiatives.	
Component	Response 2012/2013
EN6 Initiatives to provide energy- efficient or renewable energy based products and services and the reductions in energy requirements as a result of these initiatives	<p>The Company has taken a number of initiatives for energy conservation and efficiency and the use of renewable energy.</p> <ul style="list-style-type: none"> <li>A project has been launched with a defined road map till 2019 to expand the use of renewable energy at GPIC. As part of this project a number of buildings will be provided with solar lighting and solar water heating. Total investment US\$ 0.8 million for phase 1.</li> </ul> <p>Other salient renewable energy initiatives include;</p> <ul style="list-style-type: none"> <li>Shower and change building Electrical water heater replaced with Solar water heating system (Saving of about 5KW load). Total investment US\$ 6,700.</li> <li>A net electrical energy saving of 14,181 KWH/year is achieved.</li> </ul>

**EN7 Initiatives to reduce indirect energy consumption and reductions achieved**

The Company has taken many initiatives to reduce indirect energy consumption. These initiatives include efforts to reduce paper usage by promoting paper less communication( SAP, email, intranet server, on line data repository, e- dispatch notes, smart screens replacing the conventional flip charts in conference rooms, e- log books of shift personnel, e- dispatch notes are just a few of the many examples). Transportation fuel saving is achieved through regular use of tricycles within the Complex and also through pool and shared transport.

Replacement of Incandescent lamps with LED type in buildings and street lights have resulted in energy savings . Old High pressure Sodium vapor lamp wattage of 210W is replaced with 110W LED lamps. It reduces the power consumption by 100W for each fitting. So far 35 LED fittings replaced and saving of 3500W (ie. 3.5KW x 10hrs per day x365 days =12775Kwh saving per year).After completing the replacement of 500 Street light fitting energy saved will be 50000W= 50KW (50KW X 10hrs x 365=182500 KWh saving per year) .GPIC has also upgraded its IT servers with state of the art low energy servers as part of its GREEN IT initiative.

**ASPECT : WATER**

EN8 Total water with draw by source			
		Data 2013	Data 2012
Component	Unit	Quantity	Quantity
Sea Water	M <sup>3</sup> /year	345,582,000	333,354,000

**EN9 Water sources significantly affected by withdrawal of water**

No water sources are significantly affected by withdrawal of water.

EN10 Percentage and total volume of water recycled and re-used			
		Data 2013	Data 2012
Component	Unit	Quantity	Quantity
Sea Water	M <sup>3</sup> /year	1,671,165	1,573,842
	percentage	0.48 %	0.47 %

Since 2005 we have recycled 50 tonnes of paper. (Waste to charity programme)

**ASPECT : BIODIVERSITY**

**EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**

GPIC is constructed on a reclaimed land of 60 hectares with a close proximity to the sea shore. We are mindful of our responsibility towards biodiversity and preservation of natural habitats. 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, more than one million Sea Breems 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 600,000m<sup>2</sup>, 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 habitats. 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 Herbal Garden was officially inaugurated on 9th May 2005. It was expanded later to include a rare arid plants garden with an overall area of more than 26,800m<sup>2</sup>.

In 2009, Her Royal Highness Princess Sabika bint Ebrahim Al 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 Margarethe Olive Oasis. The oasis contains more than 300 trees.

Expansion of green belt at the company's periphery in second quarter of 2013 has increased the green area to 83473 m<sup>2</sup> which is 12.64% of the total area of 660000m<sup>2</sup>. In addition to this we have planted hundreds of mangroves along the shore leading to our complex.

During 2012-2013 the fish farm was further expanded.

The total area of habitats preserved is summarized as:

- Total green area developed and preserved inside the complex 8.3 Hectares
- Bird sanctuary 4.2 Hectares
- Fish farm- more than 0.23 Hectares



GPIC maintains a fish farm very close to its sea water outfall and also a nearby bird sanctuary. These are practical demonstration projects that verify the effluents and emissions from the complex are not affecting the marine and wild life adversely. More over the green areas inside the complex and a number of vegetable and fruit plants are also a testimony to this. The sea water inside the fish farm is regularly monitored for its compatibility to marine life.

As GPIC has plans for a new project at the same site in the near future a comprehensive marine base line study will be carried out.

**EN12 Description of significant impacts of activities, products and services on biodiversity in protected areas.**

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.

**EN13 Habitats protected or restored**

GPIC fish farm, bird sanctuary are protected Habitats.

**EN14 Strategies, current actions and future plans for managing impacts on biodiversity**

At GPIC we have dedicated working committees overseeing the natural habitats and bio diversity projects such as fish farm, bird sanctuary. The environment in and around GPIC is monitored with respect to air and water quality. The sea water inside the fish farm is closely monitored by our quality control laboratory.

We also plan on undertaking a comprehensive biodiversity study in and around GPIC for our future project.

# 50% NO<sub>x</sub>

reduction in new boiler stack emissions by using  
ultra low NO<sub>x</sub> burners

## EN 15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations

Our operations do not affect any number of IUCN Red list species within the habitats around our premises.

### ASPECT: EMISSION, EFFLUENTS and WASTE

## EN16 Total direct and Indirect greenhouse gas emissions by Weight

Material	Unit	Data 2013	Data 2012
		Quantity	Quantity
Total greenhouse gas emissions as the sum of direct and indirect emissions in tonnes of CO <sub>2</sub> equivalent.	MeT	1,124,155	1,010,786
CO <sub>2</sub> Emissions from direct energy		916,287	865,914
CO <sub>2</sub> Emissions from Imported electricity		91,994	69,823
CO <sub>2</sub> Emissions due to Granulation Washing		3,673	3,192
CO <sub>2</sub> Emissions due to Urea Shutdown		17,003	749
CO <sub>2</sub> Emissions due to Diesel combustion		509	228
CO <sub>2</sub> Emissions due to Petrol combustion		647	404
CO <sub>2</sub> Emissions due to R-22 consumption		376 **	49
CO <sub>2</sub> Emissions due to R-404A consumption		1,672	605

\*\* R-22 consumption is high in 2013 due to fugitive leaks from Nitrogen plant's refrigeration system.

Scope 1 and Scope 2: We have calculated our scope 1 and scope 2 emissions. We also plan on calculating scope 3 emissions in the future.

## EN17 Other relevant indirect greenhouse gas emissions by weight

Component	Unit	Data 2013	Data 2012
		Quantity	Quantity
The sum of indirect GHG emissions identified in tonnes of CO <sub>2</sub> equivalent	MeT	91,994	69,823

## EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved

Initiatives	CO <sub>2</sub> Before (Annual basis)	CO <sub>2</sub> After (Annual Basis)	Net reduction
GPIC has taken a number of initiatives since commissioning of its plants in 1985 to reduce greenhouse gas emissions. Salient ones are as below:			
1. Urea plant commissioned in 1998	1.30 x 10 <sup>6</sup> Met	1.12 x 10 <sup>6</sup> Met	0.18 x 10 <sup>6</sup> Met
2. Carbon dioxide recovery plant commissioned in 2009	1.12 x 10 <sup>6</sup> Met	1.0 x 10 <sup>6</sup> Met	0.12 x 10 <sup>6</sup> Met
3. The extent of GHG emissions reductions achieved in 2012 ( tonnes of CO <sub>2</sub> )	137,713		
4. The extent of GHG emissions reductions achieved in 2013( tonnes of CO <sub>2</sub> )	131,531		

EN19 Emissions of ozone-depleting substances by weight			
		Data 2013	Data 2012
Material	Unit	Quantity	Quantity
R-22	tonne	0.208***	0.027

\*\*\* Higher consumption of R-22 in 2013 due to leaks , passing PSV in nitrogen plant's refrigerant unit, which was attended.

EN20 NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight			
		Data 2013	Data 2012
Material	Unit	Quantity	Quantity
NO <sub>x</sub>	tonne	1,076	1,014
SO <sub>x</sub>	tonne	3,354	3,750
VOC	tonne	30	26
PM <sub>10</sub>	tonne	135,123	139,810

EN21 Total water discharge by quality and destination			
		Data 2013	Data 2012
Destination	Unit	Quantity	Quantity
Sea water	M <sup>3</sup>	343,911,000	331,780,000

Note: The discharge water quality was as per the permissible standards as per the Bahrain Environmental Standards Ministerial Order NO 3 of 2001.

EN22 Total weight of waste by type and disposal method.			
		Data 2013	Data 2012
Type	Unit	Quantity	Quantity
The total amount of waste (hazardous & non-hazardous) in tonnes by type for composting.	tonnes	nil	nil
The total amount of waste (hazardous & non-hazardous) in tonnes by type for reuse.	tonnes	nil	nil
The total amount of waste (hazardous & non-hazardous) in tonnes by type for recycling	tonnes	300 tonnes catalyst sold to overseas CERTIFIED recycling agencies	172 tonnes catalyst sold to overseas recycling agencies.
		359 tonnes of metal scrap sold to CERTIFIED recycling agencies	88.5 tonnes of metal scrap sold to recycling agencies
The total amount of waste (hazardous & non-hazardous) in tonnes by type for landfill.	tonnes	97.33 tonnes hazardous waste disposed at Government landfill site	143 tonnes hazardous waste disposed at Government land fill site.
		Since 2005 we have recycled +50 tonnes of paper as part of our waste for charity programme	



Beach cleaning by GPIC employees.

**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**

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 to the biodiversity and related habitats however during an unlikely catastrophic failure/ loss of secondary containment the sea water and the related habitats can be significantly affected. To counter this GPIC has a put in place a robust Preventative maintenance and inspection regime and has sound operating and emergency response procedures.

**EN26 Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation**

Our products do not have any significant adverse impact on the environment however we have taken a number of initiatives to further reduce our impact on the environment; Few recent examples are as below;

- The CO<sub>2</sub> recovery plant that captures 450 MT/D of CO<sub>2</sub> from the flue gases of methanol plant reformer and hence plays a significant role in reducing the GHG emissions.
- The use of ultra low NOX burners in the newly installed HP steam boiler resulting in 50% lower NOX emissions as compared to the old boilers.
- Chlorine has been phased out from GPIC and a new Sodium Hypochlorite plant has been installed as a safer and eco-friendly alternative for sea water conditioning.
- In order to make GPIC free from Ozone depleting substances A phased replacement of aging ACs and ones using R-22 with environment friendly refrigerant is in progress. During 2012/2013 about 100 units have been replaced with environment friendly refrigerants.
- Expansion of green belt at the company's periphery in second quarter of 2013 has increased the green area to 83473 m<sup>2</sup> which is 12.64% of the total area of 660000m<sup>2</sup>
- During 2012, we implemented a noise reduction project by replacing a steam vent silencer in process condensate stripper resulting in a noise reduction from 95decibel to 81 decibel(A).
- GPIC's efforts towards energy conservation projects continue. 500 street lights in the complex are being replaced from old high pressure sodium vapour lamps to the energy efficient LED lamps. So far 35 LED fittings have been replaced with a net saving of 12775KWh per year achieved. The energy saving from the total project will be 182500 KWh per year.

**EN23 Total number and volume of significant spills**

We did not experience any significant spills during the reporting period however there were several incidents of minor spills.

- Spillage of approx. 500 liters of fuel (petrol ) due to overflow at the garage. Most of the spill was recovered.
- Spillage of 200 liters of catalyst contaminated waste water due to blocked drainage. 50 litres of contaminated soil was remediated.
- 100 liters of Benfield solution leaked from glands of a valve and spilled on paved area , which was contained and cleaned.
- Refined methanol tank floor plate developed leak and approximately 500 liters of methanol contaminated the soil. Soil was remediated.
- 200 liters of MDEA solution leaked and spilled on paved area and was recovered.
- Minor methanol spill into the sea due to a passing thermal relief valve on methanol export system. The defective PSV was attended.
- Minor diesel spill on paved area due to disconnection of a filling hose. The leak was contained and cleaned

**ASPECT: PRODUCTS AND SERVICES**

**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**

NIL

- Energy saving through ammonia converter retrofit in 2012 The new basket enabled the reduction in operating pressure from 312 barg to 281 barg and an energy saving of 0.17 Gcal/MT of ammonia produced.

**EN27 Percentage of products sold and their packaging materials that are reclaimed**

- 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.

**ASPECT: COMPLIANCE**

**EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulation**

- There were no monetary fines on the Company for any non-compliance related to environmental laws during the reporting period.

**ASPECT: TRANSPORT**

**EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the work force**

- GPIC has not yet undertaken a review of the complete transport related impacts of its operations including that from supply chain, travel to and from work, product freight transport i.e shipping. However, this is currently under consideration.



Building a greener future.

**ASPECT: COMPLIANCE**

**EN30 Total environmental protection expenditures and investments by type**

Component	2013	2012
• Hazardous Waste disposal costs	16000 USD	17200 USD
• Expenditure on non-technical environmental projects ( Fish farm expansion, outer gate greenery expansion, auto irrigation system)	717,600 USD	

# PEOPLE AND THE COMMUNITY

- Our Employees
- Our Community

**AT GPIC OUR PEOPLE ARE OUR BIGGEST ASSET. THEIR LOYALTY, PASSION AND DEDICATION ARE THE DRIVING FORCES BEHIND THE COMPANY'S SUCCESS. EVERY ACTION WE TAKE FOCUSES ON OUR PEOPLE.**







# 23%

(Considering day workers) of our employees are female employees



Our dedicated employees.

### Our goal and Policy

We aim to maintain good labour management relations through implementation of good labour practices. GPIC values human resources as an important capital and believes in treating employees fairly, promoting diversity and inclusion, providing open feedback and ensuring compliance with laws, regulations and Company's own code of conduct. We also endeavour to educate employees and ensure their health and safety.

At GPIC we have a well- defined HR policies to manage HR priorities that are based on Bahrain's Labour Law. Succession planning, development of local talent, recognizing and rewarding the prestigious talent and leadership development are part of our HR development vision.

### Our Human Resources Strategy

#### Our Organization

GPIC currently employs 560 people including trainees. A Bahrainisation level of 90% was achieved by the end of 2013. The training and development of Bahraini nationals is a main priority for our management, and 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 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's capabilities and succession plans are also reviewed periodically.

Our investments in training and development continue to grow. The company invested about US\$ 8.44 million in 2012 and US\$ 9.1 million in 2013.

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. 2012 -2013 saw important progress in our strategy to maintain 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 also included this into our Enterprise Risk Management and have taken necessary action to demonstrate 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 also sponsor and support key educational programmes across Bahrain, along with also providing scholarships for our employees' children.

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

We have 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 in GPIC is 18 years – 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. 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 even in nominations for training etc.

Our HR development strategy aims to achieve a progressive integration of Bahraini nationals into our work force through the implementation of a well-structured and systematic career development scheme.

In 2011 we launched our bridging programme that enables experienced employees to further develop their skills by pursuing their education till 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 a 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 a 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 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 they build up towards potential leadership positions.

We identify people with potential based on their aspirations, engagement and ability, and we support them in their development



We support Toastmasters for leadership development.

to enhance 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 represent the indigenous community.

#### 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. 23 % (Considering day workers) 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:

- Carry out activities in support of women inside and outside the company.
- Organise special events for women.
- Coordinate with external women 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, monitoring carefully 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.



Health care at its best.

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.

**Health Care:**

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 hrs. basis for any emergency needs. All our people undergo regular health checks. We also facilitate several awareness lectures on industrial hygiene and occupational health. 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.

GPIC aligns and becomes part of the global awareness programmes related to health, safety and the environment. Recently we hosted a campaign on breast cancer that concluded with a 'Think Pink' walk that involved our people and our management.

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 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.

**Innovation and Creativity:**

GPIC believes that innovation and creativity are crucial to business success. We provide 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:**

Our commitment towards labour rights is ingrained across the organization and are agreed upon between the Executive Management and the Labour Union at the beginning of each year. GPIC is 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 partners 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.

**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 duly 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 recognize sustained performance, outstanding performance, Best Suggestion of the Year, Environment Personality of the Year, Safety Personality of the Year, Safe Driver of the Year, etc.

**Employee Benefit Scheme:**

GPIC ensures that our people's compensation and benefit plans are in line with our overall strategy. We have also introduced a new voluntary 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

**Discipline, respect, positive attitude, loyalty, hard work, knowledge, fairness, transparency and urge for learning are the fundamental values for our success.**

Dr. Abdulrahman Jawahery, President.

include a savings scheme, health insurance covering all our people and their families, loans, indemnity, annual bonus etc.c.

### **Our Human Resources Performance 2012- 2013**

GPIC achieved most of its objectives with regards to training and development of our Bahraini employees during 2012-2013.

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.

- GPIC's investments in training and development continued to grow. The Company invested about US\$ 8.44 million in 2012 and US\$ 9.1 million in 2013. GPIC started a programme supported by Hay Group over the last year, which began a systematic development approach for Senior Management. Managers and the Superintendents received 360 degree feedback through the Emotional Competency Inventory on-line questionnaire in 2012. We were keen to increase our emotional intelligence as a leadership group, because of the global research showing that personal qualities are what makes the difference to business performance.
- In 2013, GPIC launched an electronic library, having more than 1800 titles covering various subjects.
- GPIC's Academy of leadership and learning has also been accredited by the US National Safety Council (NSC) as a recognized centre for first-aid training.
- GPIC trained 215 students in various departments of the company under the supervision of qualified employees.
- The number of e-learning users have increased to 217 [2013] from 34 in 2008.
- We adopted a company-wide mentoring programme and a total of 100 employees are currently benefitting from the process.
- 50 comprehensive training courses were launched in the areas of Safety, Health and the Environment in collaboration with safety media.

### **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, 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 which is both a challenge and an opportunity to induct young employees into our work force.



Our well-trained employees.

**We have lost 85 experienced employees (mostly due to early retirement) over the past two years and in their place we have recruited 72 new comers into GPIC. It is our responsibility, to train and familiarise the new comers with the GPIC culture and the one family spirit that distinguishes us from all the other companies . Discipline, respect, positive attitude, loyalty, hard work, knowledge, fairness, transparency and urge for learning are the fundamental values for our success. Hence, our programmes must take into consideration the teaching and monitoring of these values."**

Dr. Abdulrahman Jawahery, President.

The second challenge, which is also common to our industry, is 'complacency'. We have launched several programmes which will assist in combating complacency. These programmes include 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.

# US\$ 9 million

Spent on training and development in 2013

## GRI G3.1 Performance Indicators - SOCIAL PERFORMANCE INDICATORS LABOUR PRACTICES AND DECENT WORK

ASPECT:EMPLOYMENT				
LA1 Total workforce by employment type, employment contract and region				
Total Workforce broken by gender				
	Employees by gender	Female Employees *	Male Employees	Total Employees
2007	No. of Employees	38	498	536
	Percentage	7.1%	92.9%	
2008	No. of Employees	36	503	539
	Percentage	6.7%	93.3%	
2009	No. of Employees	37	521	558
	Percentage	6.6%	93.4%	
2010	No. of Employees	37	542	579
	Percentage	6.4%	93.6%	
2011	No. of Employees	41	526	567
	Percentage	7.2%	92.8%	
2012	No. of Employees	49	533	582
	Percentage	8.4%	91.6%	
2013	No. of Employees	49	521	570
	Percentage	8.6%	91.4%	

\* The percentage of women employees includes day workers and shift workers.

List of employees left GPIC in 2012 & 2013				
	2012		2013	
	Bahraini	Non-Bahraini	Bahraini	Non-Bahraini
Reached Retirement Age	2	2	3	6
Early Retirement - Illness	32	0	13	0
Resignation	4	5	3	5
Termination	2	1	2	1
Total	40	8	21	12
	48		33	

List of employees joined GPIC in 2012 & 2013				
	2012		2013	
	Bahraini	Non-Bahraini	Bahraini	Non-Bahraini
Joined	36	26	8	2
Total	62		10	

LA2 Total workforce by employment type, employment contract and region								
	Number of employees who resigned from the company	Male Employees	Female Employees	Bahraini	Pakistani	Indian	British	Turnover
2009	16	16	0	10	2	4	0	2.8%
2010	14	14	0	6	1	6	1	2.4%
2011	7	6	1	4	0	3	0	1.2%
2012	14	14	0	8	0	6	0	2.0%
2013	8	7	1	3	0	4	1	1.0%

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations		
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
Emergency Loan	Yes	Yes
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

LA 15: Return to work and retention rates after parental leave by gender		
Gender	Return to work rate	Retention rate
Male	NA	NA
Female	100%	100%

87%

of our employees are GPIC Labour Union members

ASPECT: EMPLOYMENT			
LA4 Percentage of employees covered by collective bargaining agreements			
Year	Number of Employees as members of labour union	Total Employees	% of employees in labour union
2009	430	558	77.06%
2010	488	579	84.28%
2011	502	567	88.54%
2012	501	582	86.08%
2013	500	570	87.71%

#### LA5 Minimum notice period (s) regarding significant operational changes, including whether it is specified in collective agreements

The Company has well established conditions of service which are in line with the labour law of the Kingdom of Bahrain. The Company complies to ministerial order 36 of 2012 that clearly specifies the minimum notice period from either party. Either party to a contract of employment may terminate it upon giving the other party 30 days prior notice and such contract shall remain effective during the notice period and the parties thereto shall be bound by all the obligations arising there from.

#### ASPECT: OCCUPATIONAL HEALTH and SAFETY

#### LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

100% of the work force is represented through the members of the labour union in key committees related to safety and health. Even in the Safety, health and Environment Council which is the top tier EHS council the labour union chairman represents the workforce.

LA7 Rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities by region				
Total work force( Employees)				
Whether first aid is included in injury rate	No			
Lost days mean	Scheduled work days			
Lost day count begins	Lost day count begins the day after the incident			
Rate of Injury by region and gender	Organisation(E)		Contractor(C )	
2012	Male	Female	Male	Female
Fatalities	0	0	0	0
Lost Time Injury Incident rate	0	0	0.452	0
Recordable Cases Incidence Rate	0.789	0	1.807	0
Restricted Work Case	1 (Combined E+C)			
Medical treatment case	3			
First aid injuries	32			



LA7 Rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities by region				
Total work force( Employees)				
2013	Male	Female	Male	Female
Fatalities	0	0	0	0
Lost Time Injury Incident rate	0	0	0	0
Recordable Cases Incidence Rate	1.176	0	0.398	0
Restricted Work Case	0 (Combined E+C)			
Medical treatment case	9			
First aid injuries	18			

During 2012 we had one lost time accident for a contract worker. (Compensation was as per Baharin Labour Law)  
 GPIC has achieved over 16 million man hours of work without a lost time accident till 31 December 2013.

ASPECT: OCCUPATIONAL HEALTH and SAFETY								
LA8 Education, training, counseling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases								
Program Recipient	Education / training		Counseling		Prevention / risk control		Health Awareness	
	Yes	No	Yes	No	Yes	No	Yes	No
2012								
Workers	✓		✓		✓		✓	
Workers families		✓		✓	✓		✓	
community		✓		✓	✓		✓	
2013								
Workers	✓		✓		✓		✓	
Workers families		✓		✓	✓		✓	
community		✓		✓	✓		✓	

The Company conducts various programmes for training, counseling, prevention/risk control and health awareness to ensure the wellness of our employees, their families and the community at large.

**Programmes include;**

- Periodic health checks of employees including blood samples, ECG, Audiometry.
- Breast cancer screening and awareness.
- Antismoking programme campaigns and Quit Smoking counseling for smokers.
- Obesity management.
- Health campaign on Diabetes, Blood Pressure and Fat composition

- Distribution of "What you should know about breast cancer" Booklet for the wives of GPIC Employees in 2012.
- Distribution of the "Good Life Booklet-2013" for the employees during the SHE Week.
- A workshop titled "Self Breast Examination" was conducted for GPIC female employees in 2013.

**LA9 Health and safety topics covered in format agreements with trade unions**

Labour union members are part of the Company's top tier committees such as SHE council, Safety committee, Environment and Health Committees and all safety and health related topics are discussed during regular committee meetings. All employees are provided with a comprehensive health coverage and insurance.

20%

employees attended training on  
business etiquette in 2013

ASPECT: TRAINING AND EDUCATION			
LA10 Average hours of training per year per employee by employee category			
S.N	Classification	2012 (Description)	2013
1	Total Training Hours	25866 Hrs	36082 Hrs.
2	Total Trainings	1324 Trainings	2379 Trainings
3	Total number of employees undergone training	436	533
4	Total Training Hours for Management staff	4771 Hrs	7597 Hrs.
5	Total number of staff who attended management courses	59	244
6	Total number of staff who attended non- management courses	377	516
7	Total Training Hours for Non - Management staff	21095 Hrs	28485 Hrs.
8	Total Management Staff Trained	234 Trainees	470 Trainees
9	Total Non - Management Staff Trained	1090 Trainees	1909 Trainees
10	Average hours of training per year per employee for Management staff	20.38 Hrs.	16.16 Hrs.
11	Average hours of training per year per employee for Non - Management staff	19.35 Hrs.	14.92 Hrs.
12	Total Training Hours for Females	5165 Hrs.	5729 Hrs.
13	Total Training Hours for Males	20701 Hrs.	30353 Hrs.
14	Average hours of training per year per employee for Female	26.08 Hrs.	15.35 Hrs.
15	Average hours of training per year per employee for Male	18.38 Hrs.	15.13 Hrs.

#### LA11 Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

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 develop them to be a successful corporate citizen.

##### Trainings to develop:

- Supervisory Skills
- Leadership Skills
- SAP Competency based Performance Management & Appraisal Systems
- Classroom Trainings
- Other behavioral interventions

##### Some further examples include.

- 1) E-Learning,
- 2) Toast masters
- 3) Facilitating higher education

#### LA12 Percentage of employees receiving regular performance and career development reviews

100% of our employees are subject to regular performance reviews.



**ASPECT: TRAINING AND EDUCATION**

**LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.**

**% age of employees category by gender, minority and age group**

Data 2013

Employee Category	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	35-50	>50
Management	47	2	40	9	1	27	21
Staff	474	47	417	104	190	244	87

**% age of employee by gender for minority and age group**

Data 2013

Gender	Minority Group		Age Group		
	Muslim	Non-Muslim	<30	35-50	>50
Male	413	108	163	251	107
Female	44	5	28	20	1

**% Age of individual in governance bodies by gender, minority and age group**

Governing Body	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	35-50	>50
Board of Directors	9	0	9	0	0	3	6

**LA14 Ratio of basic salary and remuneration of women to men by employees category, by significant locations of operation.**

Distinction based on talent and merit and not gender. 1:1

# HUMAN RIGHTS

**ENGRAINED IN OUR ORGANIZATIONAL FABRIC, AND FORMALIZED BY OUR SIGNING OF THE UNITED NATIONS GLOBAL COMPACT, IS OUR UN-WAVERING ATTENTION TO HUMAN RIGHTS IN ALL OUR BUSINESS ACTIVITIES.**





## HUMAN RIGHTS



Our lady employees comforting the sick.

### Goal and Policy;

The Company aims to encourage protection of human rights through organization wide policies. Respecting the rights of all is an integral part of our Corporate governance policy, the Bahrain's Labour law and the UN Global Compact principles .

### Human Rights of Employees

GPIC will ensure respect for the human rights of our employees as established in the ILO's Declaration on Fundamental Principles and Rights at Work and the Bahrain Labour Law, including non-discrimination, prohibition of child and enforced labour, freedom of association and the right to engage in collective bargaining, prohibition of harassment, providing equal opportunity to employees, and being fair and equitable.

GPIC's goal is to achieve zero injuries and illness in the working environment as well as emphasising the off-the-job safety of all employees. Strict compliance with all applicable SHE policies, standards and practices is maintained, for the benefit of the company's human capital.

GPIC will provide a work environment that is pleasant, healthy and free from intimidation, hostility or other offensive behaviour towards employees, contractors, vendors or customers. The working atmosphere will contribute to the achievement of economic and social development, while providing the opportunity for creativity and innovation.

GPIC's policy is to honour and respect the right of all employees to practise their religious beliefs with dignity.

Employees will obey all local laws and regulations. The company will maintain appropriate levels of awareness to protect both the company's and employees' interests by anticipating the legal requirements that may arise from new laws and regulations,

new business endeavours or modifications of existing business arrangements. GPIC's grievance handling system aims to ensure that any and all cases of grievances are filed.

We will provide equal employment opportunities to all applicants and employees. Recruitment for all employment vacancies will be based upon relevant qualifications, skills, experience and eligibility.

All decisions that directly affect an employee's employment status will be fair and equitable, in terms of:

- a) advancement
- b) development and training
- c) the disciplinary process

Our employees are encouraged to make suggestions or contribute ideas that help improve any aspect of the work process, including production. All such constructive ideas and suggestions will be valued, as part of motivation and innovation.

GPIC aims to ensure the confidentiality of all employee information; that personnel records, medical or any other records relating to employees are maintained accurately and securely.

We encourage all our employees to be good corporate citizens in that, at work, they will be in a suitable mental and physical condition in order to perform their duties in a safe and effective manner. The employees of the company are also encouraged as individuals to maintain good relationships with society, including participating effectively in professional societies, licensed charities and community centres in the Kingdom of Bahrain.

### Human Rights of Suppliers and Contractors

Suppliers and Contractors will receive the same care in terms of prevention of injuries or illness as company employees. Contractors also enjoy a work environment that is as pleasant, healthy and free from intimidation, hostility or any other offensive behaviour.

Our Suppliers and Contractors will be able to place their trust and confidence in GPIC's ability to conduct its affairs in a transparent and ethical manner, pursuant to a standard of fundamental honesty and fair dealing.

Those who contract to work with or supply GPIC will benefit from any conflict of interest or even the chance of one being declared at the earliest possible stage. Contractors and Suppliers will also benefit from guidance in such matters from the GPIC HR Department. Anyone who deals with GPIC may be assured that their business will be transacted without fear of bribery or corruption as well as freedom from coercion or undue influence.

GPIC seeks to ensure that the Company continues to safeguard human rights across its business operations and make its work environment safe, inclusive and diverse.

**Human Rights of Women**

GPIC aims to remain as a role model in empowering women with in Bahrain’s industrial sector. We pursue our strategic priority to employ more women in various positions as allowed by the laws of Bahrain. We have also established an Equal Opportunities Committee to oversee practices of fairness between men and women and to ensure adherence to the human rights of women.

**Human Rights of Children**

GPIC will uphold the human rights of children by the deliberate and methodical support of children in education, innovation, environmental awareness, health, safety, road safety, responsible care and social responsibility.

GPIC will do its utmost to protect the human rights of children in that the company will never employ children to work for it and will also do its utmost to ensure that all other business with which we have dealings do the same.

**Human Rights of Communities**

GPIC will at all times respect the cultures, customs and values of the people in the communities in which we operate. The company will involve the community and protect its rights through open, transparent, and amicable partnership with NGOs, local charities, sports clubs, ministries, and parliamentary representatives.

The company will serve as a source of positive influence within the community by contributing, within the scope of our capabilities, to the promotion and fulfillment of community human rights through improving economic, educational, environmental and social conditions.

Further, GPIC will seek to have open dialogue with stakeholders and participate in community engagement activities.

GPIC will share with the community its performance indicators and concerns. We have made our integrated Quality, Health & Safety, Environment Policy and the Responsible Care Policy available to the public by hosting it on our company’s website.

**GRI 3.1 PERFORMANCE INDICATORS : HUMAN RIGHTS PERFORMANCE INDICATORS**

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

**HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.**

NIL .GPIC is a member of the UN Global Compact and strictly adheres to its charter and the principles related to human rights. However no formal human rights screening has been done and we plan to do in the future and will report in our next report in 2016.



GPIC President upholding the rights of children.

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

**HR2 Percentage of significant suppliers ,contractors and other business partners that have undergone screening on human rights and actions taken.**

NIL. The Company has not carried out any screening of significant suppliers and contractors or other business partners on human rights . However the Company plans to carryout human rights screening in future.

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

**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.**

In 2013 the Company has carried out specific training for its security personnel on UN Human Rights and etiquette. Moreover the Company’s Code of Conduct covers these issues. The copy of the same is provided to each employee and each employee signs the code of conduct. 4% of our total work force has undergone UN Human rights and etiquette training in 2013 and another 4% is planned in June 2014.

ASPECT: NON-DISCRIMINATION

**HR4 Total number of cases of discrimination and actions taken**

In 2012 and 2013 there were no cases of discrimination. The Company strictly follows non- discrimination policy.



GPIC respects the rights of all employees.

**ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

**HR5 Operations 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**

The employees' right to exercise freedom of association and collective bargaining has never been violated by the Company. The Company's employees have their own labour union.

**ASPECT: CHILD LABOUR**

**HR6 Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labor**

No operation has risk of child labour. GPIC strictly complies with labour laws. The information of suppliers has not been included in this review. Moreover the Company respects the rights of all and is committed to the UN Global Compact principles on human rights which includes principle number 5 'Abolition of child labour'

**ASPECT: FORCED AND COMPULSORY LABOUR**

**HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour**

No operation has risk of forced or compulsory labour. The Company strictly complies with the labour laws. The information of suppliers has not been included in this review. Moreover the Company respects the rights of all and is committed to the UN Global Compact principles on human rights.

**ASPECT: SECURITY PRACTICES**

**HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations**

In 2013 the Company has carried out specific training for its security personnel on UN Human Rights and etiquette. Moreover the Company's Code of Conduct covers these issues. The copy of the same is provided to each employee and each employee signs the code of conduct. 35% of our security personnel are trained on Human rights in 2013 and another 35% are due in 2014.

**ASPECT: RIGHTS OF INDIGENOUS PEOPLE**

**HR9 Total number of incidents of violations involving rights of indigenous people and actions taken**

There were Zero incidents of violations involving rights of indigenous people.

**ASPECT: ASSESSMENT**

**HR10 Percentage and total number of operations that have been subject to human rights reviews and/ or impact assessments.**

The Company has not carried out any human rights review and/ or impact assessment during the year. However, the Company plans to carry out human rights screening in the future.

**ASPECT: REMEDIATION**

**HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.**

No grievance related to human rights filed during the year.



## OUR SOCIAL INVESTMENT STRATEGY

At the forefront of our social responsibility comes the safety of our employees and the citizens of Bahrain.

### Our goal and Policy;

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 or 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

### Our social investments

GPIC has also contributed over US\$ 3.52 billion into the national economy of Bahrain since inception. This contribution has been made in several areas such as employment, training, procurement, dividends to the Government and, most importantly, in the form including local businesses into our supply chain.

### 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 : University of Bahrain, Bahrain Training Institute, Bahrain Polytechnic, Bahrain's National Committee for Safety, The Royal Society for the Prevention of Accidents(RoSPA, UK), National Safety Council(USA), Gulf Petrochemical and Chemicals Association(GPCA), International Fertilizers Association(IFA), Arab Fertilizers Association(AFA); to name but few. This allows us to positively influence decision making in issues such as health, safety,



School children visit GPIC.

environment, education, sport, etc. We have always leveraged this presence to bring in up-to-date legislations, enhanced quality and tighten 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, financial, in-kind, and time towards 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 also support and participate in the Bahrain Institute for Banking and Finance (BIBF) Executive Development Program in association with Darden School of Business (USA).



Our children needs guidance.

To encourage good educational skills, we also recognize & 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 inJAZ Bahrain programme (a non profit organisation led by Her Highness Shaihka Hessa bint Khalifa Al Khalifa and affiliated to Junior Achievements of the USA) that provides a curriculum and teaching of high school students to prepare them for the work environment for smooth transition into the business world. We support it financially (US\$ 200000 annually), 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 programmes.

#### Letter from GPIC President to CEOs of Companies supporting INJAZ

"As Chairman of the Board OF inJAZ, I sincerely hope you will review the figures below and where possible increase the number of volunteers from your individual organisations. As we are all aware, the INJAZ programmes are of great importance to develop and educate the younger generations of Bahrain who without a doubt will be the leaders of the future. We must all do our part to support INJAZ and help to make this year even more successful than in the past. Her Highness Sheikha Hessa deserves our full support to realise her vision and aspirations.

Just for your information, at GPIC we have added 10 additional volunteers to make the total number of volunteers for this semester 36 instead of 26." Dr. Abdulrahman Jawahery, President

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," entertainments 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 families at home too. The family get together, held annually, 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.

As a way forward, during the SHE week in 2013, 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.

We have taken a unique approach and have published a series of books, leaflets and educational aids to share knowledge not only within the industry but with the society as a whole. The publications are suitable for all age categories.

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 from our existence.

#### Our social committees:

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

- To propose overall policy and management of the activities and social functions in GPIC Club and other social activities.
- To organize GPIC Camping activities.
- To coordinate with external organizations for social events.

Other committees that are actively involved with the community are:

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

In recognition of the amazing efforts and astounding success that GPIC has enjoyed on the Corporate Social Responsibility front and the un wavering commitment by its leadership, GPIC's President Dr. Abdulrahman Jawahery was selected as the International Ambassador for Corporate Social Responsibility by the regional network for CSR.

**Our CSR Achievements 2012-2013;**

Since inception GPIC has learned that we can only achieve a competitive advantage by weaving social and environmental considerations into our business strategy. This ethos has become the fundamentals of our Sustainability and Corporate Social Responsibility Strategy. We try to give a human touch to whatever we do.

We were the winners of the Arabia CSR award in 2012 in the 'Small Businesses' category and the second runner up in 2013 in the 'Medium Businesses' category. Winning the Arabia CSR award, is in itself a recognition of our unwavering commitment and ongoing contribution to social responsibility. The success motivates us further to meet future challenges. It inspires and reinforces our commitment to manage our business processes to produce an overall impact on society.

ASPECT: LOCAL COMMUNITY	
S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs.	
Component	Response
Percentage of operations with implemented local community engagement, impact assessments, and development programs.	<p>100%. The local community is engaged by the Company in identifying the needs of the community, impact of Company operations on the Community and development of programs towards creating value in the life of the community. The activities for long term sustainable social interventions have been carried out in these main areas as listed below.</p> <p>Community investment;</p> <ol style="list-style-type: none"> <li>1. Strategic philanthropy (Donations and sponsorships)</li> <li>2. Capacity building</li> <li>3. Educational Support</li> <li>4. Women Empowerment</li> </ol> <p>Environmental Protection and awareness;</p> <ol style="list-style-type: none"> <li>1. Safe &amp; Eco-friendly operations</li> <li>2. Visits to GPIC by members of the community</li> <li>3. Reach out programs by GPIC employees delivering environmental awareness lectures to school children</li> <li>4. Industrial training at GPIC for students during summer break.</li> </ol> <p>Employment opportunities to the local community;</p> <ol style="list-style-type: none"> <li>1. The Company provides ample opportunities of suitable employment at its facilities and the Bahraini population gets the priority.</li> </ol>

ASPECT: CORRUPTION	
S02 Percentage and total number of business units analysed for risks related to corruption.	
100 % - all business units were analysed for risks related to corruption.	

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 organisation's anti-corruption policies and procedures.
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As part of its commitment to the UNGC principles on anti-corruption recently a number of GPIC employees attended specific training & conferences. Examples are; Forensic Auditing Workshop, London, Asia Pacific fraud conference, Singapore, 15th Annual Regional Audit Conference, Dubai, 3rd Annual ERM conference, Dubai, 6th Annual internal auditors forum, Dubai. Moreover these issues are covered under the code of conduct for directors and employees. The copy of the same is provided to each employee and each employee signs the code of conduct.

The Company provides ample opportunities of suitable employment at its facilities and the Bahraini population gets the priority.

**S04 Actions taken in response to incidents of corruption**

The Company did not experience any incident related to corruption during the reporting period 2012/2013. No actions were taken as there were Zero incidents of corruption.

**ASPECT: PUBLIC POLICY**

**S05 Public policy positions and participation in public policy development and lobbying**

The Company plays an active role in policy development through various Governmental and non-governmental organisations and Forums. 1) Company's President is the member of Shura Council (Upper House – Bahrain Parliament) of the Kingdom of Bahrain and other memberships are highlighted under the section 'Memberships' on page 53

**S06 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country**

The Company has not provided any financial or in-kind contribution to political parties, politicians and related institutions. The applicable laws strictly prohibit companies from making any financial contribution to political parties.

**S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.**

The Company did not pay any fines for non-compliance during the reporting period and there were no monetary sanctions.

**ASPECT: COMPLIANCE**

**S08 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulation.**

The Company did not pay any fines for non-compliance during the reporting period and there were no monetary sanctions.

**S09 Operations With Significant Potential or Actual Negative Impacts on Local Communities**

GPIC provides a great number of economic and social benefits to the local communities in which it operates. GPIC operates in a highly regulated and monitored industry. We work closely with state officials and regulators on operations, expansions and sales to ascertain the environmental impact of industry activities on local communities. Through this collaboration, GPIC has identified and implemented mitigation opportunities that safeguard local communities from potential negative impact.

**S010 Prevention and Mitigation Measures Implemented in Operations With Significant Potential or Actual Negative Impacts on Local Communities**

GPIC is committed to conducting business in a manner that protects the health and safety of our employees, contractors, customers and communities. In order to assess and ensure the safety of our operations and communities, GPIC instituted a robust Business Resilience strategy that comprises of the Enterprise Risk and the Business Continuity Management system. Furthermore, we have an established process safety management system (PSM) that ensures we prevent catastrophic failures and releases of hazardous chemicals by implementing the elements of PSM in our business strategy. GPIC is a Responsible Care Company where community awareness and emergency response are part and parcel of our community outreach programme. We carry out drills for emergency preparedness and have a mutual aid contract with neighbouring Companies for assistance during emergencies.

Environmental impact is an increasingly important issue against which all human activities must be weighed. GPIC has been a leader in habitat conservation, which mitigate potential environmental impacts on the communities in which we operate.



Night view of GPIC Employees Club.

# PRODUCT STEWARDSHIP

**GPIC ATTAINED THE PRESTIGIOUS IFA (INTERNATIONAL FERTILIZER INDUSTRY ASSOCIATION) PROTECT & SUSTAIN EXCELLENCE CERTIFICATION IN Q1 2014, WHICH AGAIN SIGNIFIES THE IMPORTANCE GPIC MANAGEMENT ATTACHES TO THE UNDERLYING PRINCIPLES OF PRODUCT STEWARDSHIP.**





## PRODUCT STEWARDSHIP



We produce for the welfare of humanity.

GPIC produces the highest quality fertilizers and petrochemicals at the company's state of the art complex for the welfare of people around the world. We at GPIC envisage, initiate and effectively see through interventions in the areas of sustainable and responsible business practices, thus setting a precedent for others to emulate.

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. Keeping this objective in view, GPIC has become part of the global voluntary initiative to drive excellence in safety, health and environmental management by becoming accredited to the RC 14001 Management System in 2010.

By attaining the RC 14001 certification, GPIC has demonstrated its seriousness and staunch commitment towards continual improvement and its establishment of product stewardship principles across its functional operations, whether it is the upstream supply of raw materials, manpower, services and spare parts or its downstream product supply chain. Today the company is proud of the fact that in the selection of suppliers for materials and manpower, it gives preference to local suppliers who have service facilities in Bahrain and a satisfactory level of national manpower.

We consider our approach to product stewardship as our commitment to SHE PLUS (Safety, health, Environment and Security) aspects throughout the product life cycle. We clearly identify risks relevant to our product life cycle and try to mitigate them. As a tool of continual improvement and benchmarking, GPIC attained the prestigious IFA (International Fertilizer Industry Association) Protect & Sustain Excellence Certification in Q1 2014, which again signifies the importance GPIC Management attaches to the underlying principles of Product Stewardship.

We at GPIC, work very closely with our marketers, customers, suppliers and contractors to foster the safe and secure use, transport and disposal of Urea fertilizer, Ammonia and Methanol by providing

comprehensive hazard and risk information to them. We also ensure that we communicate product risks to our stakeholders, listen to their concerns and consider their perspectives on the matter.

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

- Use innovative solutions during the engineering and design stage of the new projects or modifications to the existing plants to ensure the reduction of our own environmental impact and carbon footprint.
- 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 in the form of booklets and guidelines on product risks and handling procedures including material safety data sheets (MSDS), distributed to all personnel involved in products transport, such as ships and trucks.
- Arrange meetings with local buyers and make them aware of the GPIC way in 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. One of the most important points on the agenda of each of these meetings is to gauge the level of customer satisfaction and attain feedback on finding ways to further improve our processes and operations.
- Use a responsible methodology of collection, recycling and disposal of contaminated product in line with local environmental standards and legislations.
- Observe mandated external independent surveyor inspections of Product Handling Facility and ship cargo tanks to ensure full compliance with the buyer's requirements and international standards.
- Maintain GPIC compliance with Level – 1 (Gold Status) by the Department of Agriculture, Fisheries and Forestry (DAFF) Australian Quarantine Inspection Services (AQIS), which in turn provides an added value to all GPIC Urea customers around the world. This accreditation specifies stringent guidelines that ensure the GPIC product is fully controlled from the source until it reaches the end user and is adequately protected from any objectionable contaminants and pollutants.
- Ensure that GPIC's Marine Terminal is in compliance with the International Ships & Port Security (ISPS) according to IMO regulations and the 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.
- 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.



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.

- Ensure that GPIC Urea and Methanol products are registered under the European REACH programme (Registration, Evaluation, Authorisation and Restriction of Chemical Substances) (UREA REG# 01-2119463277-33-0095 & METHANOL REG# 01-2119433307-44-0005). This is the case for GPIC procedures with regard to product and service information and labeling, with particular reference 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.
- Invite customers to visit the company's complex to exchange views and ideas with regard to working procedures and further enhance business relationships.
- Fully extend technical support as deemed required/necessary.

#### Supply Chain for Bulk Chemical Distribution and Transportation

Chemical type	Name	Capacity (Volume in M3 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 fire protection and fire-fighting system have been provided.
Petrochemicals	Product Methanol	424,000 tonnes	Maritime.	Labeling provided. Proper safety measures and fire protection and fire-fighting system have been provided.

#### Bulk chemical storage and warehousing facilities

Chemical type	Name	Size/Capacity (Volume in M3 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, 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 below.	Two warehouses of the size 25x70 meters area and 6.3 meters 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.

We observe mandated external independent surveyor inspections of Product Handling Facility and ship cargo tanks to ensure full compliance with the buyer's requirements and international standards.

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

Chemical name	Composition	Physical State
Potassium carbonate	K <sub>2</sub> CO <sub>3</sub> , 98%	Solid
Diethanol Amine	[HOCH <sub>2</sub> CH <sub>2</sub> ] <sub>2</sub> NH, 93%	Liquid
Potassium metavanadate	KVO <sub>3</sub> , V <sub>2</sub> O <sub>5</sub> 66%, K <sub>2</sub> O 33-36%	Solid
B-51 Antifoam	Not available.	Liquid
Potassium nitrite	KNO <sub>2</sub> , 97%	Solid
Methyle Diethanol Amine	[HOCH <sub>2</sub> CH <sub>2</sub> ] <sub>2</sub> NHCH <sub>3</sub> , 98%	Liquid
Rhodorsil [416] Antifoam	100% active Polydimethyl siloxan oil compound	Liquid
Microbiocide	Not available.	Liquid
Caustic soda	NaOH, 45% solution.	Liquid
Sulphuric acid	H <sub>2</sub> SO <sub>4</sub> 96%	Liquid
Caustic Soda Flakes	NaOH 98%	Solid
Hydrazine	N <sub>2</sub> H <sub>4</sub> 22%	Liquid
Tri Sodium Phosphate	Na <sub>3</sub> PO <sub>4</sub> 98%	Solid
Di Sodium Phosphate	Na <sub>2</sub> PO <sub>4</sub> 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 <sub>2</sub> SO <sub>3</sub> 98%	Solid
Calcium Hypo-chlorite	Ca(OCL) <sub>2</sub> 65%	Liquid
Calcium Chloride	CaCl <sub>2</sub> 77%	Solid
Sodium Bicarbonate	NaHCO <sub>3</sub> 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



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

Catalyst name	Composition	Physical Sate
Mercury guard	Activated carbon	Solid
Primary reformer catalyst	NiO 9-15%, Balance 85-90% MgAl <sub>2</sub> SO <sub>4</sub> , CaAl <sub>2</sub> SO <sub>4</sub>	Solid
Secondary reformer catalyst	NiO 9%, MgO 25-39%, Al <sub>2</sub> O <sub>3</sub> 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 <sub>2</sub> O <sub>3</sub> 10-15%	Solid
Methanator catalyst	Ni 27%, balance Alumina	Solid
Ammonia synthesis catalyst	Fe <sub>3</sub> O <sub>4</sub> 94%, Balance oxides of Ca, Al, K	Solid
Methanol synthesis catalyst	CuO, ZnO, Al <sub>2</sub> O <sub>3</sub>	Solid
Hydrogen removal catalyst	Platinum 0.3%, balance Alumina	Solid
Zinc oxide catalyyst	ZnO 99.5%, rest Al <sub>2</sub> O <sub>3</sub>	Solid
Hydrogenation catalyst	2% NiO, 10 % MoO <sub>3</sub> . &balance 80-90% Al <sub>2</sub> O <sub>3</sub>	Solid

**GRI 3.1 Performance Indicators: Product Responsibility**

ASPECT: CUSTOMER HEALTH AND SAFETY		
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures		
Component	Life cycle stage	Response
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	Development of product concept	The Company's products are in two categories 1) Urea and ammonia are additive for enhancing agricultural produce and due care had been given to health and safety. 2) The third product is methanol, which can be used as fuel additive to households, pharmaceuticals, etc and hence due care has been given to health and safety.
	Research and Development	Products are already developed and the Company does not conduct any in-house research and development.
	Certification	No certification is required. However, the Company has obtained all the key certifications and we are one of the few Companies who are certified to ISO9001:2008; ISO14001:2004; OHSAS18001:2007; PAS99:2012; RC14001:2008; ISO27001:2005; ISO31000:2009; ISO22301
	Manufacturing & production	Yes
	Marketing & promotion	The marketing of our three products is done by our share holding companies Sabic & PIC. The health and safety risks are communicated through product safety information, labeling and MSDS.
	Storage, distribution & supply	The health and safety risks are communicated through product safety information, labeling and MSDS.
	Use & Service	The health and safety risks are communicated through product safety information, labeling and MSDS
	Disposal	Not applicable.
	Reuse/Recycling	For ammonia product it is exported as ammonia and also recycled to produce urea.

Note: All products of the Company are subject to health and safety analysis.

**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.**

There were no recorded cases/ incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle.

**ASPECT: PRODUCT & SERVICE LABELLING**

**PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements**

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), OHSAS 18001 (Health & Safety Management) and Responsible Care RC 14001. We ensure that GPIC Urea and Methanol products are registered under the European REACH programme (Registration, Evaluation, Authorisation and Restriction of Chemical Substances) (UREA REG# 01-2119463277-33-0095 & METHANOL REG# 01-2119433307-44-0005). This is the case for GPIC procedures with regard to product and service information and labeling, with particular reference 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.

In 2012-2013, GPIC was not subject to any fines for non-compliance with laws or regulations concerning the provision and use of products and services.

Maintain GPIC compliance with Level – 1 (Gold Status) by the Department of Agriculture, Fisheries and Forestry (DAFF), which in turn provides an added value to all GPIC Urea customers around the world. This accreditation specifies stringent guidelines that ensure the GPIC product is fully controlled from the source until it reaches the end user and is adequately protected from any objectionable contaminants and pollutants.

**PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling by type of outcomes**

GPIC has not identified any material non-compliance with regulations or voluntary codes concerning product and service information and labeling. Our Customer Complaints form provide us feedback. Moreover, quarterly coordination meetings with Marketers keep us updated.

**PR5 Practices related to customer satisfaction including results of surveys measuring customer satisfaction**

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.

**ASPECT: MARKETING COMMUNICATIONS**

**PR6 Programmes for adherence to laws, standards and voluntary codes related to marketing communications including advertising promotion and sponsorship**

The Company adheres to the laws, standards, and voluntary codes related to marketing communication, including advertising, promotion and sponsorship. The voluntary codes include but not limited to fair competition ethics, social norms, cultural values and honest disclosure of benefits/features of the product. The Company reviews its compliance with the laws, standards and voluntary codes on a regular basis which are dependent on the nature of the activity.

**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**

During 2012-2013, 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 provide us feedback. Moreover, quarterly coordination meetings with Marketers keep us updated.

**ASPECT: CUSTOMER PRIVACY**

**PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data**

The Company has not received any substantial complaint regarding breaches of customer privacy during the year.

**ASPECT: COMPLIANCE**

**PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services**

In 2012-2013, 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 provide us feedback. Moreover, quarterly coordination meetings with Marketers keep us updated.

# LEADING EXCELLENCE AWARDS

**DURING 2012-2013 GPIC WAS  
HONORED WITH NUMEROUS AWARDS  
RECOGNISING OUR PASSIONATE  
COMMITMENT AND ONGOING  
CONTRIBUTION TO SUSTAINABILITY.**





## LEADING EXCELLENCE AWARDS

### SOME OF OUR KEY ACHIEVEMENTS INCLUDE:

#### 2012

- **The RoSPA Chemical Sector Award**  
GPIC won this award for the twelfth time in twelve years. This award is presented by the Royal Society for Prevention of Accidents (RoSPA) and is given to the winner following an extensive evaluation of its Safety, Health and Environment Management Systems, including strength of leadership, effective participation by the workforce, effective communication, risk analyses, performance monitoring and evaluation and personal initiatives. GPIC also received RoSPA's Distinguished Service Award in recognition of GPIC's contribution to the cause of occupational health and safety, both nationally and internationally.
- **The ASTD Best Award 2012**  
GPIC is the only company in the Middle East to win this award. This award is presented by the American Society for Training and Development (ASTD) to businesses and companies for the training and development of their people. ASTD is the world's largest professional association dedicated to the training and development field.
- **The Risk Management certification ISO 31000**  
The Risk Management certification ISO 31000 is issued after a detailed audit and assessment by the British Standards Institute (BSI) UK. GPIC is the first petrochemical company in the Middle East to receive this certification.
- **The Arabia Corporate Social Responsibility Award**  
GPIC won this award for the second time. This is a pan-Arabian award which is given to an organization that is most effective and focused in the areas of social responsibility, sustainability, environmental protection, corporate governance, transparency and other global standards. It is awarded by the Arabia CSR network based in United Arab Emirates.
- **Sustainability report accreditation by GRI**  
GPIC attained new heights in sustainability reporting by achieving GRI checked application level of B for its Sustainability Report 2010-2011, 'Our People Our Future'.





GPIC received RoSPA's Distinguished Service Award in recognition of GPIC's contribution to the cause of occupational health and safety, both nationally and internationally.

## 2013

- **Resource Development Award 2013 from International Federation of Training and Development organization (IFTDO)**  
Overall Winner and Best HRD Practice Category Winner  
We received this award in recognition for our human resources development practices. This award celebrates the projects that have made a real impact, as well as, the effort and application of the people who have made them possible.
- **AoN Hewitt- Best Employer Award for the Middle East and North Africa 2013.**  
This award is given to institutions that excel in employees engagement to drive workforce performance. This is illustrated through high customer satisfaction and low staff turnover.
- **E-Government Excellence Award for the year 2013**  
Multi Sector Award in the e-Education Category  
The e-Government Excellence Award Program has been created under the Patronage of H.H. Sheikh Mohammed Bin Mubarak Al Khalifa as a strategic platform for the e-Government to recognize, reward and showcase the pioneering ICT initiatives taken by the Kingdom of Bahrain's community.
- **ISO 22301 Societal Security-Business Continuity Management System**  
GPIC is the first company in the Middle East to receive this certification  
ISO 22301 specifies requirements to plan, establish, implement, operate, monitor, review, maintain and continually improve a documented management system to protect against, reduce the likelihood of occurrence, prepare for, respond to, and recover from disruptive incidents when they arise.
- **The RoSPA Award of Excellence for 2013**  
GPIC received two awards from Royal Society for the prevention of accidents (RoSPA) namely, International Safety Award and Safety Award in Chemical Sector.
- **GPIC achieved 'CREDIT' ranking in British Safety Council International Safety Award.**  
The International Safety Award recognizes institutions by benchmarking their health and safety performance with best practices.



# WHAT OTHERS SAY ABOUT GPIC...

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 SUCCESSSES.

“ ”



## WHAT OTHERS SAY ABOUT GPIC

Please convey my thanks and appreciation to our colleagues in GPIC for their dedication and hard work to project GPIC's image as a unique Company in what it does

Yousif Al Zamel  
GPIC Managing Director & Executive VP  
- Chemicals, Sabic, KSA



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.

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

Dear Dr. Jawahery,

I write you this message and hope you receive it in good health and utmost prosperity.

First of all, I am truly indebted to you for the rapturous welcome, VIP treatment and great hospitality I received from you especially, the management team and all staff during my short stay in Bahrain. Such treatment reasserts Ex-GPIC employees pride of their affiliation to this prolific organisation and continue to act as GPIC ambassadors.

Corporate Social Responsibility has been around us for tens of years. However, many business leaders, especially in our part of the world, were either oblivious or considered it just another fad that will fade by time. The latter were thus never true believers but half-heartedly embraced it for business image. Their contributions and achievements were therefore both minimal and short lived.

On the contrary, the CSR model you have engineered at GPIC was one of total dedication that flowed seamlessly from

top to bottom. It is the rigidity and sustainability of the CSR programmes you put in place that indeed distinguished GPIC from any other organisation worldwide. The myriad awards won internationally in this field speak for themselves.

Your role, Bu Reem, in all these achievements cannot be over emphasised. Your true belief in a better standard of living and well being for everybody on earth and your fervent desire to give the opportunity to everyone around you to participate in this noble cause, ensured maximum participation not only by all GPIC employees but also those who were privileged enough to be associated with you globally. The pride and joy for such contributions, I'm sure were overwhelming.

Few days back you were selected by the Regional Network for Corporate Social Responsibility to be the International Ambassador for Corporate Social Responsibility. Indeed, I would argue who would better carry the flag and shoulder this responsibility other than you?

I would therefore like to take this opportunity to congratulate you from the deepest of my heart for yet another great achievement. This indeed was long overdue; the services you bestowed upon the society were immense and shall remain for generations to benefit from and remember.

I also congratulate GPIC management team members for their contribution and support to you in this marvelous achievement.

Abdulameer Almulla  
Ex GPIC employee  
27 April 2014

GPIC exhibits solid commitment towards environmental sustainability and active contribution to the global knowledge sharing on the state of the environment

Iyad Abumoghli, Director, UNEP ROWA



WHAT OTHERS SAY ABOUT GPIC (continued)

We 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

Dr. Fatima Al Balooshi  
Minister of Human Rights and Social Development



Dr. Fatima Al Balooshi Human Rights and Social Development Minister

Dear Dr. Jawahery,

I came across the article published on local newspapers Tuesday, April 8, 2014 entitled "Fitness and Health of GPIC Employees are top Management Priorities".

I would like first to express my sincere thanks and appreciation for the efforts exerted by your company in Promoting and improving the health and wellbeing of its employees as well as its keenness to mark the celebration of the world health day (WHD). I truly appreciate the GPIC interest and dedication towards creating a healthy living culture in the community, emphasizing the importance of the periodic medical examination to detect diseases and put in place early management to reduce morbidity. There is no doubt that the employees' health is one of your top priorities and I especially admire the company's medical Clinic which offers top medical services in a modern and friendly environment. It is that kind of dedication that will help this company grow to its full potential.

Thank you and Please accept my regards and best wishes.

Sadiq Bin Abdul Karim Al Shehabi,  
Minister of Health, Kingdom of Bahrain  
April 14, 2014

"I thought I should let you know how touching and incredible your generosity and hospitality were during our visit on Tuesday /Wednesday 18th n 19th of March. On behalf of Gabriel and myself , I would like to sincerely thank you all for the amazing opportunities we had for our mutual meetings and gatherings with your wonderful teams as well as our visit to your fascinating plants.

It was really distinguished days in our entire life and deeply appreciated fruitful cooperation, friendly spirit and great support extended to us by your entire teams. Again, I really appreciate your time, conspicuous care and usual support to our company. As well, I would like to extend my gratitude and genuine thanks for the whole team for the memorable treatment and services rendered to us.

It has been a pleasure being amongst you. Actually you have succeeded in making our short stay in State of Kuwait kingdom of Bahrain an unforgettable one. Your courtesy exceeded any expectations. It is vital to highlight too the difficulties I faced to find the proper wordings to express how this trip touched our deep heart.

Looking forward to reciprocate and have you all here in Switzerland-Argentina and/or Egypt very soon,

Adel Attia  
Ameropa's delegation (urea customer)  
25 March 2014



Sheikha Hessa Bint Khalifa Al Khalifa,  
Executive Director, inJaz Bahrain

"Returning to Riyadh, I would like to thank you and the GPIC Team for taking an excellent care of me and my colleagues, the directors of the board. The professional Organisation of the Board Meeting, Committees and the Year End Gathering contributed greatly to the success of these events. So, Please convey our best thanks and appreciation to all colleagues who took part in this effort.

Also, please pass our thanks and appreciation to all our employees, their families and to our retired employees, who participated in the Year End Gathering which created a warm atmosphere and demonstrated the real family ties between GPIC and its employees (old or young, retired or on the job). Before closing ,I would like to point out that your inspiring leadership has been instrumental in embedding GPIC values that built a strong corporate culture, so thank you for your valuable contributions and for a job very well done."

Yousef A. Al-Zamel  
Executive Vice President, Corporate Strategy & Planning (CS&P)  
Saudi Basic Industries Corporation  
28 December 2013

"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

"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

WHAT OTHERS SAY ABOUT GPIC (continued)

The recognition of GPCA reflects your dedication, commitment and hard work for which you all deserve praise and tribute

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



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

"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

"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 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



Teresa Budworth,  
Chief Executive, Nebosh



His Excellency Mr Abdurahman Jawahery  
President  
Gulf Petrochemical Industries Co. (BSC) (GPIC)  
P O Box 26730  
Manama  
Kingdom of Bahrain

31 December 2012

Dear Abdurahman,

**GPIC Annual Celebration**

Thank you so much for your generous hospitality during our visit to Bahrain. It was a privilege and an honour to meet with your Board of Directors and share in the celebration of GPIC's achievements in 2012. It was particularly important to me personally, that your own major contribution to health and safety was recognised. It was a wonderful occasion and I was so pleased that there was an opportunity to celebrate your work in promoting a health and safety culture and assisting colleagues in Bahrain, the GCC and in the Petrochemical and the fertiliser industries to safeguard their people and protect the environment.

Our Board of Trustees and I are extremely grateful to you for your continued support for NEBOSH as our Ambassador, and for the letters you have sent to your business colleagues promoting our qualifications and the part they can play in improving safety and productivity in the workplace.

Please let me know when you will be visiting the UK. I would like to return some of your hospitality and also Neil would like to arrange for you to meet Lord Mckerzie of Luton at the House of Lords. The invitation to visit the Health and Safety Laboratory in Buxton still stands and I know that Eddie Morland, the CEO would greatly enjoy showing you their facilities and explaining the work they are doing on major hazards.

I really enjoyed learning more about Bahrain, and its history and culture during this visit, particularly the Dilmun period. I am looking forward to reading your colleague Nancy's book and her observations on the history of Bahrain.

I wish you and your colleagues in Government every success in promoting human rights and maintaining peace and stability in the Kingdom of Bahrain. I very much value the warmth and friendship I have found in Bahrain and I greatly admire the leadership which has been shown by you and your colleagues in promoting education, equality and health and safety. All the very best for 2013.

Yours sincerely

**TERESA BUDWORTH**  
Chief Executive

"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

Dear Abdulrahman Jawahery - Chairman - GPCA  
Responsible Care Committee,

I just wanted to write a special note of thanks, I attended your presentation at the RC event last week, it was most beneficial to me on many levels.

I would also like to add, that I have visited GPIC several times and met the senior management team, senior and more junior plant engineers etc and I can honestly say, there is a fabulous atmosphere within your company, I now understand what your presence brings to this company.

I congratulate you on a professional work force, who are motivated with love and not with terror.

Your family must be proud of your achievements.

Warm regards & Intentions.

David Hewitt  
Business Development Manager | Petrochemical &  
Chemical  
Endress+Hauser Instruments International AG, Middle  
East Support Center  
16/12/2012

Janet Froetscher  
President, National Safety Council, USA



May 17, 2013

Abdulrahman Jawahery  
President  
GPIC  
P.O. Box 26730  
Manama, Kingdom of Bahrain

Dear Abdulrahman,

Thank you so much for keeping us informed of your progress on eliminating cell phone use while driving. I continue to be inspired by your commitment and resourcefulness in getting this safety message to the people of Bahrain.

I commend you on your innovative approach of working with a known figure such as Mr. Buheji to reach as many citizens as possible. We have received the CD's of the public safety message and want to thank you for sharing them with us. We will house them in the NSC Library so others can benefit from them.

I sincerely thank you for your efforts in bringing this important safety message to so many. You are a true leader in this effort. I often use GPIC as an example of what organizations can do in this area as I speak with other groups. You continue to be an inspiration to many.

Please continue to keep me abreast of other updates on your campaign as they arise.

All the best,

Janet Froetscher



Dr. Jawahery receiving the award in London.

### GPIC GOES GAGA

Apr 27 2014, By dtnews

#### GPIC competed with top 500 companies in the world for this high-five moment.

Bahrain Inc is on cloud nine with Gulf Petrochemical Industries Company (GPIC) bagging three of the world's most coveted awards constituted by the British Safety Council. GPIC has leapfrogged at least 500 top global companies to emerge first. Bestowing the awards on GPIC, the award committee evaluated that the company had maintained stupendous professional standards in the areas of both occupational safety and health. The company has put in great efforts to disseminate the culture of safety and occupational health in the Kingdom, the committee observed. "No single company has ever won three or more awards in a single night in the Council's 40-year history," an overwhelmed president of the company Dr. Abdulrahman Jawahery told DT News over phone from London.

Established in 1957 by James Tyre, the British Safety Council is one of the world's leading health and safety organisations. Its efforts had led to the groundbreaking 1974 British Health and Safety at Work Act apart from the compulsory introduction of seat belts in vehicles.

#### Bahrain in spotlight

Gulf Petrochemical Industries Company (GPIC) has put Bahrain in spotlight by winning three International Safety Awards from the British Safety Council.

Most coveted honours in the field of safety management, the International Safety Awards are widely perceived as an international benchmark when it comes to health and safety management in various industries and sectors.

GPIC was announced the winner from the shortlisted nominees at the International Safety Award Gala Dinner held at the Grosvenor House in London on Friday.

Announcing the winners were British Safety Council Trustees Chair Lynda Armstrong and Chief Executive Alex Botha. The finalists included more than 500 global organisations from across the globe.

Overwhelmed with the rare honour, GPIC President Dr. Abdulrahman Jawahery told DT News from London, "This is a great honour for Bahraini industry. GPIC, through the support of the Board and the employees have achieved remarkable results, proving that teamwork is the key to success."

He also added that no single company had ever won three or more awards in a single night in the society's 40-year history.

"At GPIC, we've a success strategy – when you reach the peak, you've to create new peaks for yourself. I'm proud that our employees, our labour unions and executives recognise this responsibility and themselves brave new heights," he said.

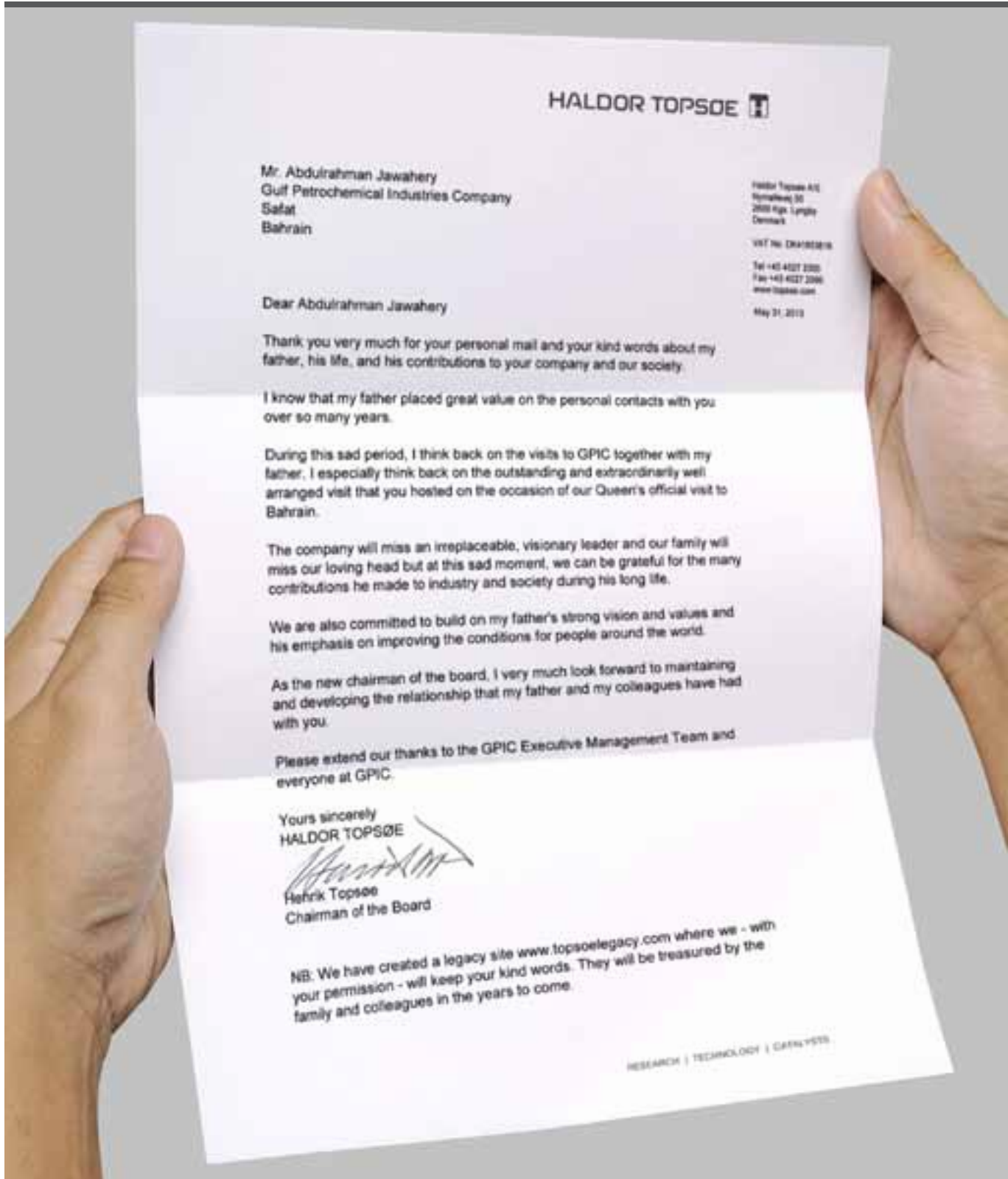
More than a honour for a particular company, he pointed out that promoting Bahrain is the main objective of achieving such honours.


"We see the leadership, His Majesty King Hamad bin Isa Al Khalifa, Prime Minister HRH Prince Khalifa bin Salman Al Khalifa and Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister HRH Prince Salman bin Hamad Al Khalifa undertaking trips abroad to actively promote Bahrain. If the leaders are doing this, then it is very much the job of all chief executives to do the same and support this effort," Dr. Jawahery asserted.

By Roberto Carrillo

Bahrain is on cloud nine with Gulf Petrochemical Industries Company (GPIC) bagging three of the world's most coveted awards constituted by the British Safety Council.





HALDOR TOPSØE 

Mr. Abdulrahman Jawahery  
Gulf Petrochemical Industries Company  
Safat  
Bahrain

Haldor Topsøe A/S  
Nyhavnsgade 50  
2000 Nya Lyngby  
Denmark

VST No. DKA1852818

Tel +45 4527 2000  
Fax +45 4527 2000  
www.topsøe.com

May 31, 2013

Dear Abdulrahman Jawahery

Thank you very much for your personal mail and your kind words about my father, his life, and his contributions to your company and our society.

I know that my father placed great value on the personal contacts with you over so many years.

During this sad period, I think back on the visits to GPIC together with my father. I especially think back on the outstanding and extraordinarily well arranged visit that you hosted on the occasion of our Queen's official visit to Bahrain.

The company will miss an irreplaceable, visionary leader and our family will miss our loving head but at this sad moment, we can be grateful for the many contributions he made to industry and society during his long life.

We are also committed to build on my father's strong vision and values and his emphasis on improving the conditions for people around the world.

As the new chairman of the board, I very much look forward to maintaining and developing the relationship that my father and my colleagues have had with you.

Please extend our thanks to the GPIC Executive Management Team and everyone at GPIC.

Yours sincerely  
HALDOR TOPSØE



Henrik Topsøe  
Chairman of the Board

NB: We have created a legacy site [www.topsøelegacy.com](http://www.topsøelegacy.com) where we - with your permission - will keep your kind words. They will be treasured by the family and colleagues in the years to come.

RESEARCH | TECHNOLOGY | GREENNESS



# GRI INDICATORS

Including Oil & Gas  
Sector Supplement







## GRI INDICATORS

STANDARD DISCLOSURES PART 1 : PROFILE DISCLOSURES						
1. STRATEGY AND ANALYSIS						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported\	Reason for omission and explanation for the reason of omission	Remarks
1.1	Statement from the most senior decision makers of the organisation	Fully	3, 14 - 20			
1.2	Description of Key impacts, risks and opportunities	Fully	3, 8 - 9, 42, 54			
2. ORGANISATIONAL PROFILE						
2.1	Name of the Organization	Fully	23			
2.2	Primary brands, products and/ or services	Fully	23 - 24			
2.3	Operational structure of the organization	Fully	43			
2.4	Location of organization's headquarters	Fully	23 - 24			
2.5	Number of countries where the organization operates	Fully	23 - 24			
2.6	Nature of ownership and legal form	Fully	28			
2.7	Markets served	Fully	23, 66			
2.8	Scale of the reporting organization	Fully	23, 66			
2.9	Significant changes during the reporting period	Fully	23, 148			
2.10	Awards received in the reporting period	Fully	118			
3. REPORT PARAMETERS						
3.1	Reporting period for information provided	Fully	12			
3.2	Date of most recent previous report	Fully	12			
3.3	Reporting cycle	Fully	12			
3.4	Contact point for questions	Fully	149			
3.5	Process for defining report content	Fully	45, 149			
3.6	Boundary of the report	Fully	149			
3.7	State any specific limitations on the scope or boundary of the report	Fully	149			
3.8	Basis for reporting	Fully	12, 24			
3.9	Data measurement techniques and the bases of calculations	Fully	149			
3.10	Explanation of the effect of any re-statements of information	Fully	149			

**STANDARD DISCLOSURES PART 1 : PROFILE DISCLOSURES**  
**3. REPORT PARAMETERS**

Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported\	Reason for omission and explanation for the reason of omission	Remarks
3.11	Significant changes from previous reporting periods	Fully	12			
3.12	Table identifying the location of the standard disclosures I the report	Fully	136 - 147			
3.13	Policy and current practice with regard to seeking external assurance for the report	Fully	149			

**4. GOVERNANCE, COMMITMENTS AND ENGAGEMENTS**

4.1	Governance structure of the organization	Fully	26 - 29, 50 - 52, 96 - 97			
4.2	Indicate whether the Chair of the highest governance body is also an Executive Officer	Fully	26 - 29			
4.3	The number of members of the highest governance body that are independent and/or non-Executive members	Fully	26 - 29			
4.4	Mechanisms to provide recommendations or direction to the highest governance body	Fully	26 - 29			
4.5	Linkage between compensation and the organization's performance	Fully	26 - 29, 90			
4.6	Processes in place to ensure conflicts of interest are avoided	Fully	26 - 29, 149			
4.7	Process for determining the qualifications and expertise of the members of the highest governance body	Fully	26 - 29			
4.8	Internally developed statements of mission or values, codes of conduct and principles	Fully	26 - 31			
4.9	Procedures of the highest governance body for overseeing the organizations identification and management of performance	Fully	26 - 29			
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Fully	26 - 29			
4.11	Explanation of the organizations precautionary approach or principle	Fully	54, 72 - 85			
4.12	Externally developed charters, principles or other initiatives to which the organization subscribes or endorses	Fully	26 - 29			
4.13	Memberships in associations	Fully	53			

STANDARD DISCLOSURES PART 1 : PROFILE DISCLOSURES 4. GOVERNANCE, COMMITMENTS AND ENGAGEMENTS						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission and explanation for the reason of omission	Remarks
4.14	List of stakeholder groups engaged by the organization	Fully	45 - 49			
4.15	Basis for identification and selection of stakeholders with whom to engage	Fully	45 - 49			
4.16	Approaches to stakeholder engagement	Fully	45 - 49			
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded	Fully	45 - 49			

STANDARD DISCLOSURES PART II - DISCLOSURE ON MANAGEMENT APPROACH DMAS						
G3.1 DMAs	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission and explanation for the reason of omission	Remarks
<b>DMA EC: DISCLOSURE ON MANAGEMENT APPROACH EC</b>						
ASPECTS	Economic Performance	Fully	58			
	Market Presence	Fully	58			
	Indirect economic impacts	Fully	58			
<b>DMA EN: DISCLOSURE ON MANAGEMENT APPROACH EN</b>						
ASPECTS	Materials	Fully	72			
	Energy	Fully	72			
	Water	Fully	72			
	Bio diversity	Fully	72			
	Emissions, effluents and waste	Fully	72			
	Products and services	Fully	72			
	Compliance	Fully	72			
	Transport	Fully	72			
	Overall	Fully	72			

STANDARD DISCLOSURES PART II – DISCLOSURE ON MANAGEMENT APPROACH DMAS						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission and explanation for the reason of omission	Remarks
<b>DMA LA: DISCLOSURE ON MANAGEMENT APPROACH LA</b>						
ASPECTS	Employment	Fully	117			
	Labour/Management Relations	Fully	117			
	Occupational health and safety	Fully	117			
	Training and Education	Fully	117			
	Diversity and Equal Opportunity	Fully	117			
	Equal remuneration for women and men	Fully	117			
<b>DMA HR: DISCLOSURE ON MANAGEMENT APPROACH HR</b>						
ASPECTS	Investment and procurement practices	Fully	136			
	Non-discrimination	Fully	136			
	Freedom of association and collective bargaining	Fully	136			
	Child labour	Fully	136			
	Prevention of forced and compulsory labour	Fully	136			
	Security Practices	Fully	136			
	Indigenous rights	Fully	136			
	Assessment	Fully	136			
	Remediation	Fully	136			
<b>DMA SO: DISCLOSURE ON MANAGEMENT APPROACH SO</b>						
ASPECTS	Local Communities	Fully	143			
	Corruption	Fully	143			
	Public Policy	Fully	143			
	Anti-competitive behaviour	Fully	143			
	Compliance	Fully	143			

GRI INDICATORS (continued)

STANDARD DISCLOSURES PART II – DISCLOSURE ON MANAGEMENT APPROACH DMAS						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported\	Reason for omission and explanation for the reason of omission	Remarks
<b>DMA PR: DISCLOSURE ON MANAGEMENT APPROACH PR</b>						
ASPECTS	Customer health and safety	Fully	110			
	Product and Service labelling	Fully	110			
	Marketing communications	Fully	110			
	Customer privacy	Fully	110			
	Compliance	Fully	110			

STANDARD DISCLOSURES PART III – PERFORMANCE INDICATORS						
ECONOMIC						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
EC1	Direct economic value generated and distributed	Fully	58			
EC2	Financial implications and other risks and opportunities due to climate change	Fully	60			
EC3	Coverage of the organization's defined benefit plan obligations	Fully	61			
EC4	Significant financial assistance received from the government	Fully	61			
EC5	Range of ratios of standard entry level wage compared to local minimum wage	Fully	62			
EC6	Policy, practices and proportion of spending on locally-based suppliers	Fully	62			
EC7	Procedures for local hiring and proportion of senior management hired from the local community	Fully	62			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Fully	62			
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Fully	63			
OG1	Volume and type of estimated proved reserves and production.	Fully	58 - 62			

ENVIRONMENTAL						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
EN1	Materials used by weight or volume	Fully	78			
EN2	Percentage of materials used that are recycled input materials	Fully	79			
EN3	Direct energy consumption by primary source	Fully	79			
OG2	Total amount invested in renewable energy	Fully	80			
OG3	Total amount of renewable energy generated by source	Fully	80			
EN4	Indirect energy consumption by primary source	Fully	79			
EN5	Energy saved due to conservation and efficiency improvements	Fully	79			
EN6	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives	Fully	80			
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Fully	80			
EN8	Total water withdrawal by source	Fully	80			
EN9	Water sources significantly affected by withdrawal of water	Fully	80			
EN10	Percentage and total volume of water recycled and reused	Fully	80			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	81			
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas.	Fully	81			
EN13	Habitats protected or restored	Fully	81			
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	Fully	81			
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	Fully	81			
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	Fully	82			
EN16	Total direct and indirect greenhouse gas emissions by weight	Fully	82	Indirect greenhouse gas emissions ( Scope 3)	No available data	Presently no mechanism in place to collect scope 3 related data

GRI INDICATORS (continued)

ENVIRONMENTAL						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
EN17	Other relevant indirect greenhouse gas emissions by weight	Fully	82	Indirect greenhouse gas emissions ( Scope 3)	No available data	Presently no mechanism in place to collect scope 3 related data
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Fully	82			
EN19	Emissions of ozone-depleting substances by weight	Fully	83			
EN20	NOx, Sox and other significant air emissions by type and weight	Fully	83			
EN21	Total water discharge by quality and destination	Fully	83			
OG5	Volume and disposal of formation or produced water	N/A	142		We are not involved in refining or oil and gas exploration	
EN22	Total weight of waste by type and disposal method	Fully	83			
EN23	Total number and volume of significant spills	Fully	84			
OG6	Volume of flared and vented hydrocarbon.	Fully	142		NIL. In our process in normal operation we do not vent or flare hydrocarbon	
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal.	N/A	142		We are not involved in refining or oil and gas exploration	
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	Fully	84			
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	Fully	84			
EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	Fully	84			
OG8	Benzene, lead and sulfur content in fuels	Fully	142		We have 500 - 1000 ppm of sulfur in natural gas used as fuel	
EN27	Percentage of products sold and their packaging materials that are reclaimed	Fully	85			



EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Fully	85			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	Fully	85			
EN30	Total environmental protection expenditures and investments by type	Fully	85			

HUMAN RIGHTS						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Fully	101			
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Partially reported	101	Human Rights Screening of suppliers, contractors	No formal System in place for reviews. We plan to report in 2016.	
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	Fully	101			
HR4	Total number of incidents of discrimination and actions taken	Fully	101			
HR5	Operations 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	Fully	102			
HR6	Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labor	Fully	102			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	Fully	102			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Fully	102			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Fully	102			
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place.	Fully	105			

GRI INDICATORS (continued)

HUMAN RIGHTS						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
HR10	Percentage and total number of operations that have been subject to human rights reviews and/ or impact assessments.	Partially reported	102	Human Rights review of operations	No formal System in place for reviews. We plan to report in 2016.	
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	102			

SOCIETY						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
S01	Nature, scope and effectiveness of any programme and practice that assesses and manages the impacts of operations on communities including entering, operating and exiting.	Fully	105			
S02	Percentage and total number of business units analyzed for risks related to corruption	Fully	105			
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	Fully	105			
S04	Actions taken in response to incidents of corruption	Fully	106			
S05	Public policy positions and participation in public policy development and lobbying	Fully	106			
S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	Fully	106			
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	106			
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulation.	Fully	106			
S09	Operations With Significant Potential or Actual Negative Impacts on Local Communities	Fully	106			
S010	Prevention and Mitigation Measures Implemented in Operations With Significant Potential or Actual Negative Impacts on Local Communities	Fully	106			

OG10	Number and description of significant disputes with local communities and indigenous peoples	Fully	145		There were no incidents of disputes with local communities and indigenous people
OG11	Number of sites that have been decommissioned and sites that are in the process of being decommissioned.	Fully	145		No sites or decommissioned
OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process.	N/A	145		Location of our industry does not result in resettlement of households
OG13	Number of process safety events, by business activity.	Fully	67		We had 1 process safety incident in 2012

#### LABOUR PRACTICES AND DECENT WORK

Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
LA1	Total workforce by employment type, employment contract and region	Fully	92			
LA2	Total number and rate of employee turnover by age group, gender and region	Fully	93			
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Fully	93			
LA4	Percentage of employees covered by collective bargaining agreements	Fully	94			
LA5	Minimum notice period (s) regarding significant operational changes, including whether it is specified in collective agreements	Fully	94			
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	Fully	94			
LA7	Rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities by region	Fully	94			
LA8	Education, training, counseling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases	Fully	95			
LA9	Health and safety topics covered in format agreements with trade unions	Fully	95			
LA10	Average hours of training per year per employee by employee category	Fully	96			
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Fully	96			

LABOUR PRACTICES AND DECENT WORK						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
LA12	Percentage of employees receiving regular performance and career development reviews	Fully	96			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Fully	97			
LA14	Ratio of basic salary of men to women by employee category	Fully	97			
LA15	Return to work and retention rates after parental leave by gender	Fully	93			

PRODUCT RESPONSIBILITY						
Profile Disclosure	Disclosure	Level of Reporting	Disclosure location	For partially reported disclosures indicate the part not reported	Reason for omission	Explanation for the reason of omission
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.	Fully	114			
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.	Fully	114			
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Fully	114			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling by type of outcomes.	Fully	115			
PR5	Practices related to customer satisfaction including results of surveys measuring customer satisfaction.	Fully	115			
PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications including advertising promotion and sponsorship.	Fully	115			
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.	Fully	115			

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	115			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	115			
OG14	Volume of biofuels produced and purchased meeting sustainability criteria.	Fully	147			We do not produce or purchase biofuels



We are committed to United Nations Global Compact's ten principles

UN GLOBAL COMPACT ' THE TEN PRINCIPLES '				
Principle #	Description	Category	Page	Relevant GRI Indicators
1	Businesses should support and respect the protection of internationally proclaimed human rights;	Human Rights	62, 94-95, 97, 101-102, 106, 114, 115	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.		102, 106	HR 9, SO 5
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Labor Standards	94, 101, 102, 106	LA 4-5, HR 1-3, HR 5, SO 5
4	The elimination of all forms of forced and compulsory labor;		101, 102, 106	HR 1-3, HR 7, SO 5
5	The effective abolition of child labor		101, 102, 106	HR 1-3, HR 6, SO 5
6	The elimination of discrimination in respect of employment and occupation		62, 93, 97, 101, 106	EC 7, LA 2, LA 13 - 14, HR 1 - 4, SO 5
7	Businesses should support a precautionary approach to environmental challenges	Environment	60, 82, 84, 85, 106	EC-2, EN-18, EN-26, EN-30, SO5
8	Undertake initiatives to promote greater environmental responsibility		78-85, 106, 114-115	EN 1-30, SO5, PR 3-4
9	Encourage the development and diffusion of environmentally friendly technologies.		79, 80, 82, 84-85, 106	EN-2, EN 5-7, EN-10, EN-18, EN 26-27, EN-30, SO5
10	Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-corruption	105-106	SO 2-6

# OUR APPROACH TO REPORTING



### Report profile, scope and boundary

Our first sustainability report "our people or future," published in 2012, was prepared in accordance to GRI3.1 guidelines. This is our second sustainability report and covers the period from 2012 to end 2013.

This report also covers our communication on progress on the United Nations Global Compact ten principles and includes further information on the various corporate social responsibility and sustainability initiatives we have invested in the financial years 2012 and 2013 (period ending December 31, 2013).

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:

- Post our first GRI report, the team was transformed into a top tier working committee.
- Most of the Sustainability reporting committee members attended GRI certified workshops.
- Information retrieval from relevant sections related to the GRI 3.1 Performance indicators relevant to our business.
- An outline of the report with the contents page was prepared in consultation with consultant KPMG.
- KPMG were engaged to assist us in preparing the report including review of draft write ups.
- In parallel with the report preparation a professional designer and publisher was also engaged.
- We observed materiality processes to ensure we only report on those indicators (GRI3.1) that are relevant to our business.
- The boundaries are well defined as all our business facilities are in Bahrain and our products marketing is done by Sabic and PIC. The report boundary covers our facilities and operations covering our manufacturing and export facilities. As our marketing of products is done by our shareholders hence 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. The compilation of data has been done on the basic scientific measurement & mathematical calculus method on actual basis, but in some cases where actual data is unavailable due to some reason; different logical methodologies are used for calculations. The usage of any such method is mentioned at respective places in the report.
- Similar to our previous report we have opted to get a GRI application level check for this years sustainability report in order to get global recognition and bring more transparency and reliability to the report. The plan to get external assurance from an external party has been delayed and will be considered for the next reporting period, when we report according to G4 guidelines.
- Since our last report the significant changes are the construction of a new HP steam boiler and the Sodium hypochlorite unit. Moreover in this report, for the first time we have introduced our long term sustainability goals.
- There are some re-statements of information provided in the previous report. Previous years' figures have been regrouped/ rearranged wherever found necessary to conform to this year's classification.

### Materiality Process:

At GPIC, "Materiality" is determined by considering both: the importance of our organizations impacts and the priorities of stakeholders.

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

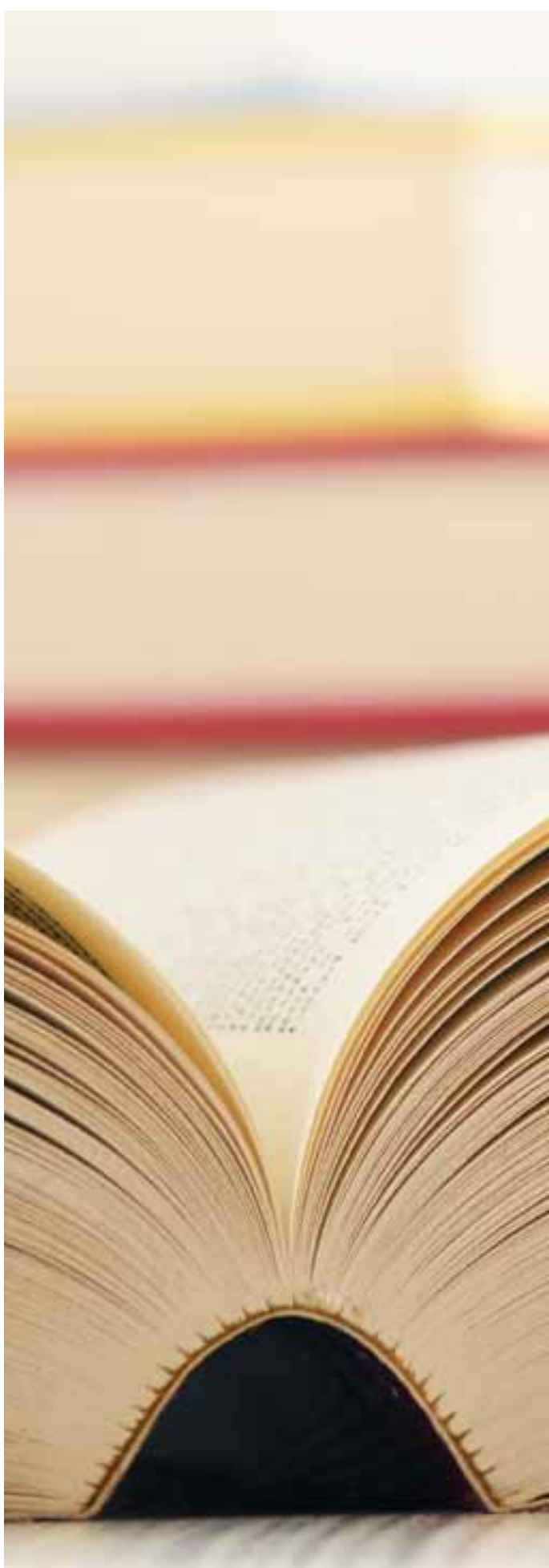
GPIC business principles are based on the triple bottom line approach and hence forms the basis of our sustainability reporting, which is materialized through:

- 1) Sustainability is strongly embedded in the Company's mission. Our aspects are linked to our corporate goals, some of which are 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 goals setting at both the corporate and departmental level.
- 2) Many of the concerns raised from expert communities, such as the representative auditors of international standards organisations, industry or sector based associations and committees, and representatives from social media and local community.
- 3) Stakeholders' inclusiveness in terms 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' interests. This concept is also extended to the local and international media, to ensure GPIC endeavours are presented transparently to reach and meet interests of various sectors within the stakeholder group.
- 4) The key sustainability materiality aspects of GPIC are detailed in our long term sustainability goals ( page 8 - 9 ) and the sustainability strategy section and summarized as below:  
**Climate change**  
**Energy & water conservation and resource efficiency**  
**Safety, Health and Environment**  
**Learning and development**  
**CSR and community engagement**  
**Business excellence and economic sustainability**
- 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.  
At the international arena, we also take care of the priorities of our partners such as the National Safety Council and in collaboration with NSC, USA we carried out a company -wide survey on our organisational climate in 2012 which was 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 such as inJAz, University of Bahrain ,so on and so forth.

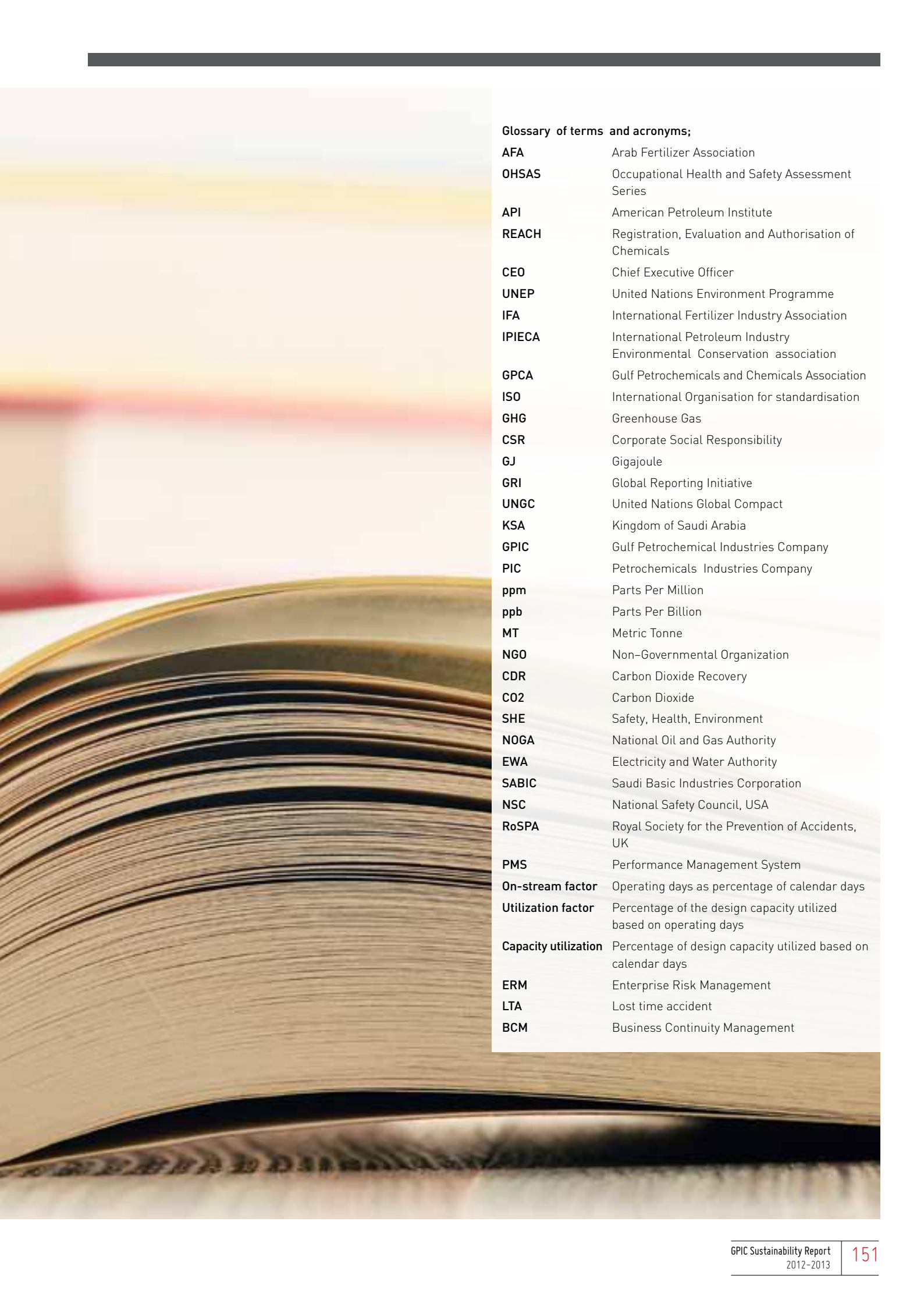
Contact: For any clarifications or queries please contact

**Mr Fadhel Al Ansari , General Manager Manufacturing and chairman Sustainability reporting Committee at [falansari@gpic.net](mailto:falansari@gpic.net).**

# GLOSSARY OF TERMS AND ACRONYMS







#### Glossary of terms and acronyms;

<b>AFA</b>	Arab Fertilizer Association
<b>OHSAS</b>	Occupational Health and Safety Assessment Series
<b>API</b>	American Petroleum Institute
<b>REACH</b>	Registration, Evaluation and Authorisation of Chemicals
<b>CEO</b>	Chief Executive Officer
<b>UNEP</b>	United Nations Environment Programme
<b>IFA</b>	International Fertilizer Industry Association
<b>IPIECA</b>	International Petroleum Industry Environmental Conservation association
<b>GPCA</b>	Gulf Petrochemicals and Chemicals Association
<b>ISO</b>	International Organisation for standardisation
<b>GHG</b>	Greenhouse Gas
<b>CSR</b>	Corporate Social Responsibility
<b>GJ</b>	Gigajoule
<b>GRI</b>	Global Reporting Initiative
<b>UNGC</b>	United Nations Global Compact
<b>KSA</b>	Kingdom of Saudi Arabia
<b>GPIC</b>	Gulf Petrochemical Industries Company
<b>PIC</b>	Petrochemicals Industries Company
<b>ppm</b>	Parts Per Million
<b>ppb</b>	Parts Per Billion
<b>MT</b>	Metric Tonne
<b>NGO</b>	Non-Governmental Organization
<b>CDR</b>	Carbon Dioxide Recovery
<b>CO2</b>	Carbon Dioxide
<b>SHE</b>	Safety, Health, Environment
<b>NOGA</b>	National Oil and Gas Authority
<b>EWA</b>	Electricity and Water Authority
<b>SABIC</b>	Saudi Basic Industries Corporation
<b>NSC</b>	National Safety Council, USA
<b>RoSPA</b>	Royal Society for the Prevention of Accidents, UK
<b>PMS</b>	Performance Management System
<b>On-stream factor</b>	Operating days as percentage of calendar days
<b>Utilization factor</b>	Percentage of the design capacity utilized based on operating days
<b>Capacity utilization</b>	Percentage of design capacity utilized based on calendar days
<b>ERM</b>	Enterprise Risk Management
<b>LTA</b>	Lost time accident
<b>BCM</b>	Business Continuity Management

## A PAGE FROM HISTORY

Tribute to Dr. Haldor Topsoe (1913 – 2013)



**“THE CORPORATE WORLD IN ITSELF  
MEANS NOTHING UNLESS IT IMPROVES  
THE LIVES OF PEOPLE AND THE  
CONDITIONS IN POOR COUNTRIES”**

Dr. Haldor Topsoe





**Note**

This sustainability report has been sent to GRI Office in Amsterdam, The Netherlands for verification against application level 'A'. Once the verification process is complete the report will be published along with the verification statement from the GRI.

**Contact details**

Your feedback is important to us. You can e-mail the Sustainability Reporting team at [gpic@gpic.com](mailto:gpic@gpic.com) or send us feedback on line at [www.gpic.com](http://www.gpic.com).

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



We have used recycled paper for the production of this report.

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GPIC