

2014  
ANNUAL  
REPORT


# Preserving Natural Balance

جی پیک  
GPIC

Gulf Petrochemical Industries Co. BSC (C)







Committed to a  
better future by  
protecting the present



H.M. King  
Salman bin Abdulaziz Al Saud  
*Custodian of the Two Holy Mosques*  
Kingdom of Saudi Arabia



H.M. King  
Hamad bin Isa Al Khalifa  
*The King of the Kingdom of Bahrain*



H.H. Sheikh  
Sabah Al Ahmed Al-Jaber Al Sabah  
*Amir of the State of Kuwait*



Shaping a future of growth and prosperity



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## The Chairman's Message



**H.E. Shaikh Isa bin Ali Al Khalifa**  
*Chairman*

**The** Gulf Petrochemical Industries Company (GPIC) has continued to grow at a steady pace and has received significant recognition in Bahrain, the region and across the world in the last year.

Thanks to God Almighty, 2014 has been a year of diverse and outstanding achievements. The most notable of these being the company's new record for working hours without any lost time accident, amounting to more than 18.7 million hours for workers and contractors a record that has been in the making since May 2002.

These achievements, together with the company's commitment to the principles of social responsibility alongside its continuing interest in the environment and the strengthening of its financial position, have culminated in the company's attainment of the Royal Society for the Prevention of Accidents (RoSPA) Excellence Award for Occupational Health & Safety and the Safety Award given by the British Safety Council.

As a result of the attention given by the company for issues related to the support and empowerment of women, GPIC has also been granted, for the second time, Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa Award for Women's Empowerment and the Arab Award for Social Responsibility.

And, due to the exceptional efforts and outstanding contributions made in the care of the environment, GPIC has also received the Saudi Arabian Award for Environmental Management.

Furthermore, the company has continued to maintain its excellent level of interest and care in its most important product: its human capital. GPIC has consistently provided all its employees with the best possible working environment, in addition to adopting a comprehensive plan designed to meet all functional expectations. The company has also implemented and followed through on all plans put forth in the previous year, maintaining its commitment to continuous excellence.

The year 2014 recorded the highest combined annual production since its inception, with the Urea plant also achieving its highest production since it was established. The company's profits, thanks to the integrated coordination existing between GPIC and its marketers, reached 190.2 million. This reflects the impressive performance and the safety and reliability of the company's factories on the one hand, and the efficiency of the executive management and employees on the other.

This outstanding performance and GPIC's continuous achievements over the years have paved the way for the company's continued success, thanks again to the support



The year 2014 recorded the highest combined annual production since its inception, with the Urea plant also achieving its highest production since it was established.



and blessings of His Majesty King Hamad bin Isa Al Khalifa, His Royal Highness Prince Khalifa bin Salman Al Khalifa, the Prime Minister and His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister.

Our thanks also go to all government institutions in the Kingdom of Bahrain and our valued shareholders: the Saudi Basic Industries Corporation (SABIC), the Petrochemical Industries Company of Kuwait and the Government of Bahrain for their continuous support and encouragement.

Furthermore, our company would not have reached the extraordinary heights of excellence it has without the sincere efforts of our excellent Board of Directors. Their

wise and enlightened policies and their professional approach has had an immense impact on the company's success and prosperity. And, finally, our thanks and deep gratitude must go to the members of the executive management and all GPIC employees for their endless loyalty and dedication which has made all of the company's achievements a reality.

**Isa bin Ali Al Khalifa**  
*Chairman of the Board of Directors*

## The Board of Directors



**H.E. Shaikh Isa bin Ali Al Khalifa**  
*Chairman*



**Mr. Sa'ad Mohammed Al Ajmi**  
*Deputy Chairman*



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



**Dr. Ahmed Ali  
Al Sharyan**  
*Board Member*



**Mr. Mohammed bin Ali  
Al Yemni**  
*Board Member*



**Shaikh Fahad bin Salman  
Al Khalifa**  
*Board Member*



**Mr. Abdunasser Ahmed  
Al Babtain**  
*Board Member*



**Mr. Emad Mahmoud  
Sultan**  
*Board Member*



**Mr. Ibrahim Mohammed  
Al MUSAITEER**  
*Board Member*

## The Board of Directors' Report to the Shareholders

# Awarded the Excellence Award for Occupational Health & Safety given by the Royal Society for the Prevention of Accidents.

**With** the advent of the New Year, the Board of Directors of the Gulf Petrochemical Industries Company (GPIC) is pleased to submit to shareholders its annual report and convey the outstanding achievements made by the company during 2014 in the areas of occupational safety and health, the environment, and financial, technical, administrative and marketing activities.

Thanks to God Almighty, the company has had many outstanding achievements during the year. It has been able to attain a new record of having completed 18.7 million hours combined for GPIC staff and contractors without a lost time accident, which has been due to the company's workers and contractors maintaining a clean working record alongside excellent safety standards continuously since May 2002.

The company also won several awards during the year, the most important being the Excellence Award for Occupational Health & Safety given by the Royal Society for the Prevention of Accidents and the Safety Award received from the British Safety Council.

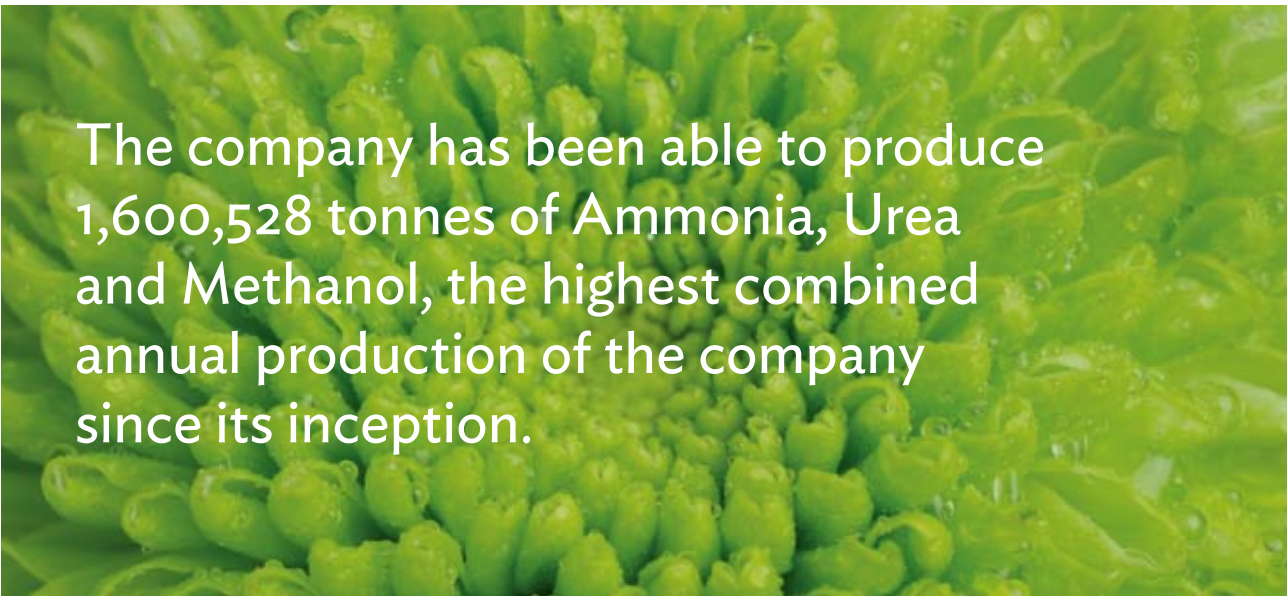
As a result of the company's commitment to continuous process improvement and development, which aims to achieve excellence in all business processes, particularly with regard to management systems, the company has further obtained the World Federation of Fertilizers Award for protection and sustainability.

In recognition of the attention the company gives to the preservation of the environment, it has also been awarded the Saudi Arabia Award for Environmental Management for its outstanding contributions in the care of the environment and promotion of environmental protection.

But, the most important achievement of the year has been the company's receipt of the Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa Award for Women's Empowerment and the Arab Award for Social Responsibility, which GPIC was awarded for the second time for its role in enabling and empowering women.



## The Board of Directors' Report to the Shareholders



The company has been able to produce 1,600,528 tonnes of Ammonia, Urea and Methanol, the highest combined annual production of the company since its inception.

On the production front, the company has been able to produce 1,600,528 tonnes of Ammonia, Urea and Methanol, the highest combined annual production of the company since its inception.

Over the last year, GPIC has maintained its close cooperation with the Saudi Basic Industries Corporation (SABIC) of Saudi Arabia and the Petrochemicals Industry Co. (PIC) of Kuwait in the marketing of its products and in the smooth running of its operations. A total of 1,229,025 million tonnes of the company's products were exported on board 66 ships last year.

As a result of the excellent record of continuous safe operations and strict measures to streamline expenses and the rehabilitation of the workforce, the company has been able to achieve a net profit of 190.2 million US dollars.

GPIC has now become known as a company of repute, not only locally and regionally, but also in the international arena; this outstanding recognition has been made possible with the guidance and support of the Bahraini leadership.

The Board of Directors is pleased to take this opportunity to express its sincere thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa, King of Bahrain, His Royal Highness Prince Khalifa bin Salman Al Khalifa, the Prime Minister and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and

first Deputy Prime Minister, for their continued support of the company and their quest to secure solid ground for the success and development of the oil and gas industry and its derivatives in the Kingdom of Bahrain.

The Board of Directors also sincerely thanks and expresses its gratitude to the company's shareholders: the Oil and Gas Holding Company (nogaholding) – Kingdom of Bahrain, Saudi Basic Industries Corporation (SABIC) - Kingdom of Saudi Arabia and the Petrochemicals Industry Co. (PIC) – State of Kuwait for their continued commitment to work for the success of GPIC and their support of the company's operational and marketing activities.

The Governing Council also pays tribute to the dedicated efforts of each of the members of the executive management and all employees of the company who have worked together as a team to maintain the company's position as a centre of global petrochemical and fertilizer production excellence.

## Corporate Governance

### Audit, Finance & Risk Committee (Internal Audit Function)

**The** Corporate Governance Policy of the Gulf Petrochemical Industries Company requires the formation of a high level Audit, Finance & Risk Committee to assist the Board of Directors in the effective performance of their oversight responsibilities.

The Audit, Finance and Risk Committee is comprised of three directors. Each director is nominated by Saudi Basic Industries Company (SABIC), Petrochemical Industries Company (PIC) and NOGA Holdings.

The Committee is tasked with overseeing such responsibilities as financial reporting, internal control and risk management, internal audit, external audit, compliance, governance and other matters as enumerated in its terms of reference.

GPIC Internal Audit is an independent, objective, assurance and consulting activity designed to add value and improve GPIC's operations. The internal audit function helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

It contributes to a sound control environment through monitoring of the prescribed control procedures. An effective internal audit function can assist all members

of the Management in effectively discharging their responsibilities by providing them with analysis, appraisals, recommendations and pertinent comments concerning the activities reviewed. In addition, it can provide constructive suggestions for improving the systems. The internal audit function can play a prominent role in enhancing the overall control environment within the Company.

When an organisation reaches a certain size or complexity such as GPIC, it becomes a challenge for Senior Management to ensure that all the sections within the business are being effectively managed to achieve the Company's objectives and are performing economically, efficiently and effectively.

The internal audit function, if properly established and resourced, will provide reasonable assurance to the Board and Management of GPIC on whether the controls to manage key risk areas are designed and operating effectively or identify important improvement opportunities where Management actions are necessary.

The GPIC Internal Audit Function reports directly to the Audit, Finance and Risk Committee. For logistical reasons, the Internal Auditor reports to the President for matters relating to time and attendance, leave, travel and other administrative requirements.



## Executive Management

# Unifying benchmarks of leadership advertisity & success



### Standing from left to right

**Mr. Khalid Yusuf Al Binali**  
*Technical Services Manager*

**Mr. Ahmed Mahmood Abdulghani**  
*Marketing Manager*

**Mr. Adnan A. Razzaq Al Mahmood**  
*Information Technology &  
Knowledge Manager*

**Mr. Yusuf Ebrahim Fakhroo**  
*Human Resources Manager*

**Mr. Ahmed Abdulla Nuruddin**  
*General Manager - Special Projects*

**Dr. Abdulrahman A. Hussain Jawahery**  
*President*

**Mr. Fadhel Malalla Al Ansari**  
*General Manager - Manufacturing*

**Mr. Yasser A. Rahim Alabbasi**  
*Plants Operation Manager*

**Mr. Zuhair A. Aziz Tawfiqi**  
*Public Relations Manager*

**Mr. Adel Ahmed A. Malik**  
*Finance Manager*

**Mr. Jassim Ahmed Darwish**  
*Safety, Health & Environment Manager*

**Mr. Ahmed Ghuloom Ismael**  
*Maintenance Manager*

## GPIC's Vision, Mission & Corporate Values

One of the factors, among many others, which has contributed to GPIC's success is its realistic Vision, sound Mission and solid Corporate Values. These are the main drivers of all GPIC operations and activities and set the framework for the way our business is conducted.

### VISION

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

### MISSION

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

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

### VALUES

- Excellence
- Integrity & Fairness
- Respect
- Transparency
- Safety
- Professionalism
- Social Responsibility
- Creativity
- Team Work

## Passionately Committed to Sustainability

**GPIC's** focus on sustainability is embedded in everything we do—our strategy, operations and daily actions. Our sustainability strategy reflects our commitment to address social and environmental challenges and reduces our global footprint as we profitably operate and grow. To make a greater impact, to scale up the contribution of its business to UN priorities and to align its strategy to Bahrain's 2030 Economic Vision, GPIC introduced long-term sustainability goals for the first time in 2014. By doing so, the company set the bar higher for the introduction of a more ambitious set of objectives focusing its efforts on climate change, SHE (safety health, environment) quality, strengthening relations with communities, human capital development and business excellence.

GPIC attained new heights in sustainability reporting through its achievement of the Global Reporting Initiative (GRI) with a level 'A' assessment for its second sustainability report 2014, "Building a Greener Future", based on the GRI 3.1 framework. Our comprehensive use of the GRI framework not only creates accountability for the Company, but improves our reporting standards on the topics which shareholders and stakeholders would find important. In 2014, GPIC became GRI's organizational stakeholder. By doing so, it joined a network of diverse organizations from all over the world who are committed to advancing Sustainability Reporting. Since June 2012, GPIC has become an official partner with the UN Global Compact, highlighting its leadership's commitment to global corporate citizenship and the UNGC's 10 guiding principles. Furthermore, it reflects GPIC's support to embrace, encourage and enact on, within its sphere of influence, the 10 principles of the Global Compact with respect to human rights, labour standards, the environment and corruption.

GPIC, also a member of the International Fertilizer Industry Association (IFA), is mindful of the fact that food and nutrition security is central to the post-2015 development agenda and the Sustainable Development Goals.

GPIC strives to ensure that the Company continues to safeguard human rights across its business operations and make its work environment safe, inclusive and diverse. As part of our commitment to our female workforce we continue to recruit and train new female talent and provide them with ample opportunities of growth. Being a role model for women empowerment in the private sector remains one of our top priorities. It is through this commitment to women empowerment that GPIC has twice achieved, in 2008 and 2014, the prestigious H.R.H. Shaikha Sabeeka bint Ibrahim Al Khalifa Award for Empowerment of Bahraini Women. These awards were presented to GPIC for its pioneering role in empowering Bahraini women and for developing the qualifications of women through the integration of the national development plans.

In December' 2014, GPIC's President signed the CEO Statement of Support for the Women's Empowerment Principles (WEPs) of the UN Global Compact, which emphasizes the company's leadership commitment to advancing gender equality and women empowerment.

At GPIC, corporate social responsibility is all about how we manage our business processes to produce an overall positive impact on society. The company strongly believes in adopting a responsible approach and attitude to the societies and communities in which it works. Winning the Arabia CSR award for the fourth time, is testimony to the company's successful strategy towards building a culture that has extended far beyond the traditional understanding of corporate philanthropy. It has taken on the form of proactive, hands-on engagement and, ensures we assist in meeting the myriad of social sector needs in education, health, skills development, poverty alleviation, women empowerment and infrastructure improvement.

GPIC wholly believes that responsible organizations do not ignore climate change, which is one of the biggest global sustainability challenges that future generations face. The Company will continue as always, to reduce its carbon footprint through effective operations, energy efficiency, and use of cutting edge technology and equipment.





## Safety, Health and Environment



In 2014, GPIC continued to enhance and strengthen its Safety, Health and Environmental (SHE) Management Systems. These efforts culminated in achieving a record 18,757,312 working hours for its workforce and contractors without any lost time accident, exceeding 4,634 days. This achievement comes after a year full of achievements and unprecedented honours in the field of safety, health and the environment both locally and internationally.

With regard to its excellence in occupational health, safety and the environment, GPIC has been awarded the RoSPA Chemical Sector Award from the Royal Society for the Prevention of Accidents (RoSPA) for the fourteenth time. This award was presented to GPIC for its outstanding application of SHE standards and for undertaking a leading role in this area. In addition to this, GPIC bagged three of the world's most coveted awards constituted by the British Safety Council. GPIC has leap-frogged at least 500 top global companies to emerge first. The awarding committee bestowed these achievements on GPIC for its remarkably maintained professional standards in the areas of occupational safety and health. The committee observed GPIC's great effort in disseminating a culture of safety and occupational health in the Kingdom. No single company has ever won three or more awards in a single night in the Council's 40-year history.

The following is a list of the significant SHE achievements during 2014:

1. Safety training continued to be provided for both Operations and Non-Operations personnel. During 2014 there were 28 Modulised Emergency Response Training (MERT) sessions, attended by Plant Operators and Supervisors. Furthermore 11 safety personnel and Senior Shift Supervisors attended advanced fire fighter training at the fire academy in Saudi Arabia.
2. GPIC further enhanced SHE training to contractors and launched a state of the art training programme for contractors called IMIST (The International Minimum Industry Safety Training). This certified training tool is being used at GPIC to enhance the safety knowledge and capacity building of contractors. Through this platform a number of contractors have been trained, which will go a long way to enhancing contractor safety at GPIC and the industry in general.
3. 1146 PTW audit was carried out on all of the plants. In addition, 32 integrated SHE audits & 12 environmental audits were carried out throughout the year to ensure that all work areas were controlled in such a way that they remained safe and eco-friendly.

## Safety, Health and Environment

4. 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.
5. In order to facilitate liquid waste management at GPIC, a double HDPE lined 1000 M3 capacity evaporation pond has been constructed and commissioned.
6. Publicizing environmental awareness amongst future generations progressed as planned. Our engineers presented a number of environmental lectures in both public and private schools. The total number of students benefiting from this programme has exceeded 27,000 since 2001.
7. For the ninth consecutive academic year, GPIC sponsored the Ministry of Education/GPIC Environmental Research Programme for the GPIC Environment Award for secondary school students. This award has developed momentum and has become the best Environment Award available for secondary school students.
8. As part of the health awareness programme, GPIC's medical center arranged several lectures to increase employees' health awareness on subjects like office ergonomics, adverse effects of smoking, dental care, food in Ramadan, health and nutrition. Additionally, various health campaigns took place such as the GPIC Smoke-Free Campaign, Beat The Heat Campaign and Obesity Management Program.
9. 392 employees were screened at GPIC's medical centre as part of the periodic medical examination during 2014.
10. As part of Corporate Social Responsibility 224, GPIC employees donated blood during 2014.
11. Being a Responsible Care (RC) Company, GPIC actively participated in all the planned RC related initiatives, committees, conferences and workshops spearheaded by GPCA. Additionally RC metrics were reported as planned.



## GPIC has been awarded the RoSPA Award from the Royal Society for the Prevention of Accidents



## Management Systems

In 2014, GPIC conducted several External Audits to enhance & improve business processes & practices.



To enhance competitiveness in the oil and gas industry, which is experiencing major developments and changes, companies must become more efficient and effective. This means taking initiatives and developing strategies that allow us to achieve the desired results in a shorter time and at a lower cost.

As a result, continuous assessment of administrative processes has become most urgent and important for these firms, at a time of increasing pressure on the company's different activities.

The Executive Management of the Gulf Petrochemical Industries Company gives a lot of attention to and is determined to hold periodic meetings to review the Integrated Management Systems (PAS 99), Responsible Care Systems (RC 14001), Information Security Management Systems (ISO 27001) and the Business Continuity Management Systems (ISO 22301). These meetings help construct the road map for further improvement and development in the management systems for the current year and the years to come.

During 2014, the company won many Management Systems certificates. Our attainment of The International Fertilizer Industry Association (IFA) Certificate for the Protection and Sustainability of fertilizers, shows that the company has sought to achieve its stated objectives. It also reflects our commitment towards continuous improvement and

development, and demonstrates our drive for excellence in all our businesses and operations. This certificate was achieved after evaluation procedures were conducted based on the principles of protection and sustainability of the International Fertilizer Industry Association (IFA).

The company also achieved its ISO 17025 General Requirements for the Competence of Testing and Calibration Laboratories Certificate from the United States based International Accreditation Service. This is a main ISO standard used by testing and calibration laboratories in most major countries. ISO 17025 is the standard for which most labs must hold accreditation in order to be deemed technically competent. The accreditation validates, our neutrality and professionalism in the completion of work in the laboratory whilst ensuring the highest levels of commitment to health and safety issues. In this regard GPIC is considered the first Bahraini company in the country's oil and gas sector to obtain this certificate.



## Management Systems



In addition to these successes, the company was also awarded the Inspection Body Accreditation Programme Certificate. This inspection body is accredited in accordance with the recognized International Standard ISO 17020 Conformity Assessment – a requirement for the operation of various types of inspection bodies. This accreditation demonstrates technical competence for a defined scope and the operation of a quality management system pertaining to the Inspection Section.

The company's Resilience Committee is responsible for following up on progress of this issue in more detail and reviewing the Enterprise Risks and activities related to the revisions and validations of the standard specifications. It also ensures the company is aligned with its required standards, the current situation of the company, the chemical industry and the region in general. The Committee has also worked to develop clear and well-defined goals for all departments and sections to introduce a periodic review of all possible business threats. The purpose of the reviews is to help the company know in advance of any potential hazards, and in case of an adverse event occurring, the implementation plan required to ensure no negative impact on the conduct of work. In so doing, we ensure the company's ability to fulfill its obligations to shareholders, clients, customers, employees, the society and the like.

The Resilience Committee has developed a flexible business enterprise risk process, with the help of an

electronic database system which makes it easier to review all identified risks periodically. This improvement assists decision-makers to easily identify each risk level and choose the proper and best mechanism to minimize its effects.

There were a total of 75 internal audits covering various standards and requirements of different management systems in 2014. These audits are one of the most important instruments used by the company to continue its journey towards continuous improvement. On the other hand, there were nine external audits conducted during the year on various standards by different approved certified bodies. All external audits concluded that the company is fully committed to implementing these management systems and fully complying with Bahrain's laws and legislation during its operations. The Management Systems Section is proud to say that all internal and external audits have been successfully conducted as per the 2014 schedule.



## Management Systems



As part of our endeavour to strengthen our capacity and our drive for continuous improvement, the company sent a number of its internal auditors for overseas Lead Auditor Certification courses on ISO 22301 Business Continuity Management Systems.

In the presence of board members and the executive management, our most distinguished internal auditors were honoured during the company's annual celebration, for their considerable efforts and achievements during 2014. This was a boost to morale for the internal audit team, and confirmed how important their work and role is in establishing strict adherence to the application of the management systems requirements. It also reflects our role in conforming to the required laws and regulations,

organizational internal procedures at all stages and sections of the company's business, and contributing to the organisation's continuity of workflow and desired goals.



## Plants Operation Production & Export



**Year** 2014 was another challenging and successful Year for Plants Operation Department. All Plants were operated in a reliable, safe and efficient manner whilst maintaining the highest standard of the Quality for all the Production.

### Production Performance Factors Chart

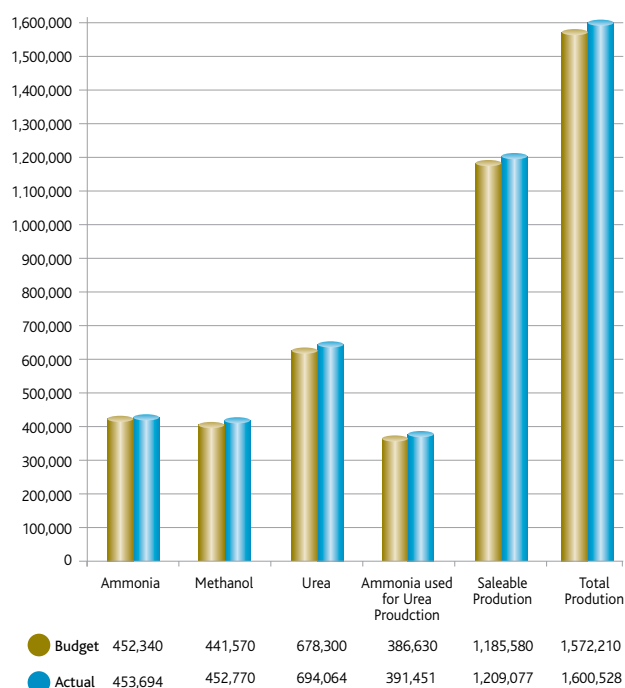
Product	Budgeted tonnes	Actual tonnes	Variance
Ammonia	452,340	453,694	0.3% Higher
Methanol	441,570	452,770	2.5% Higher
Urea	678,300	694,064	2.3% Higher
Ammonia used for Urea Production	386,630	391,451	1.25% Higher
Saleable Production	1,185,580	1,209,077	2.0% Higher
Total Production	1,572,210	1,600,528	1.8% Higher

### PLANTS OPERATION DEPARTMENT ACHIEVEMENTS

1. The highest ever cumulative combined production of (Ammonia, Urea and Methanol) totaled 1,600,528 tonnes achieved by 31th December 2014. The production achieved without any interruption and meeting the highest international quality. (Refer to Combined Production Chart - 1)
2. The highest ever cumulative combined production of saleable production (Ammonia, Urea and Methanol) totaled 1,209,077 tonnes achieved by 31th December 2014. (Total Export Chart - 2)

3. A total of 10 million tonnes of Granular Urea production was achieved on 7th September 2014.
4. A total Export of 10 million tonnes of Granular Urea was achieved on 14th October 2014.
5. Urea plants registered the highest ever yearly production of 694,064 million tonnes during 2014.

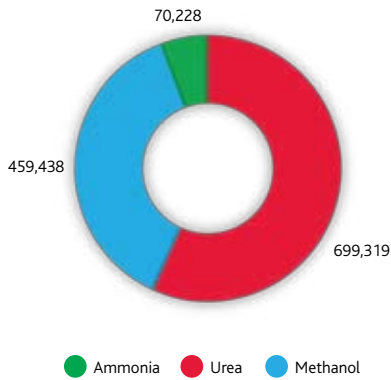
### Annual Production (tonnes)



Combined Production Chart - 1

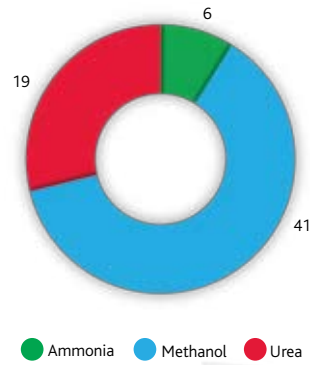
# Plants Operation Production & Export

Exports in 2014, tones  
(Total 1,228,985)



Total Export Chart - 2

Number of ships loaded in 2014  
Total no. of ships 66



Total Ships Loaded Chart - 3

6. Methanol plant registered the highest ever yearly production of 452,770 tonnes during 2014.
7. The highest ever Urea plant daily production of 2,048 tonnes was registered on 26th march 2014.
8. The highest ever Urea Plant monthly average Production of 2,015 tonnes was achieved in the month of February 2014.

## PRODUCT HANDLING & EXPORTS

- The Product handling & Exports section provided uninterrupted support by loading the cargos with the allocated time throughout the year. 66 ships were loaded successfully during 2014. Refer to Chart - 3
- The GPIC Product Handling & Export section maintains its compliance with DAFF and HQS certificate for its Urea Export to AUSTRALIA as Level-1 Gold status.



## Technical Services Support



### MATERIAL AND PROCUREMENT SECTION

During 2014, with a view to support the maintenance activities and to cater to the operational requirements, materials worth over BD 21 million were received. As a result, the plants achieved noteworthy levels of reliability. Around 1,551 purchase orders for materials were issued during the year.

Warehouse service levels were at more than 99% throughout the year, indicating the ready availability of materials required by the plants. Also, close and effective coordination with suppliers and contractors, both within Bahrain and overseas, has gone a long way in ensuring the high service level.

During 2014, a new monitoring tool was developed in the SAP system to appraise the performance of registered GPIC suppliers.

The procurement of spares required for the forthcoming Turnaround 2015 continues. All purchase orders for the annual maintenance term contracts for the year 2015, have been successfully completed.

### PROJECTS & PLANT RELIABILITY

2014 was a challenging year for more reasons than one. Preparations for the installation of major approved Capex

projects during the forthcoming Turnaround 2015 were one of the major activities during the year. Implementation of these approved Capex projects will contribute to enhancing the safety and reliability of process plants.

During 2014, 31 Capital Projects were processed, amounting to a cumulative expenditure of US \$27.92 million. Also, more than 200 modifications were processed during the year. The efforts of the Engineering Section were devoted mainly towards the processing of these modifications and Capex projects.

Some of the major Safety and Reliability improvement projects which are under implementation are

1. Replacement of the inlet distribution pipes for Ammonia and Methanol Reformers.
2. Refurbishment of the High Pressure Auxiliary Boiler.
3. Installation of a Urea Flare System.
4. Installation of an Ammonia Venting System.
5. Replacement of the existing 415V switchboard at Substation #1.
6. Replacement of the Emergency Diesel Generator set.
7. Renewal of heat exchanger tubes in both Desalination trains.



## Technical Services Support

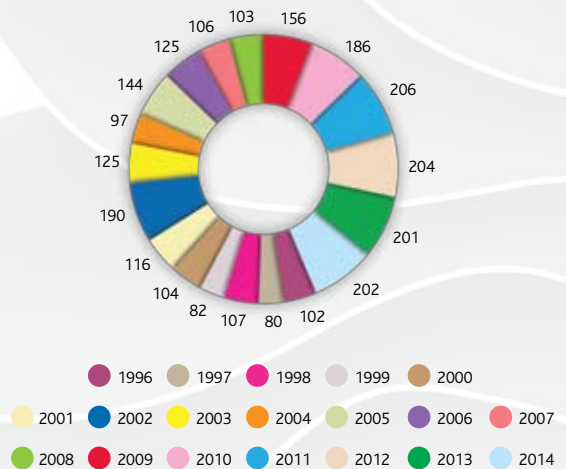
**GPIC has been able to enhance its systems smoothly, resulting in receiving a number of top awards at the local, regional and global levels.**

8. Enhancement of the Urea Plant Control System.
9. Replacement of various critical heat exchangers and control valves in process plants.
10. Replacement of the existing air conditioning refrigerant with an environmentally friendly one.
11. Construction of an Evaporation Pond for handling liquid effluents during Plant Turnarounds, in line with the requirements of Bahrain Environmental Legislation.

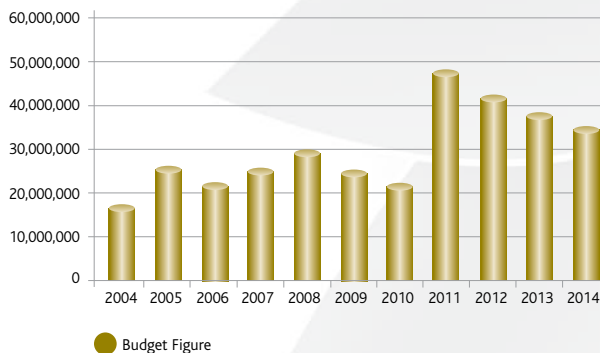
All modifications and capital projects have undergone rigorous HAZOP studies to ensure a sustained and reliable plant operation.

Process Hazard Assessment studies for the plants complex were reviewed and revalidated in line with the requirements of the OSHA Process Safety Management (PSM) System.

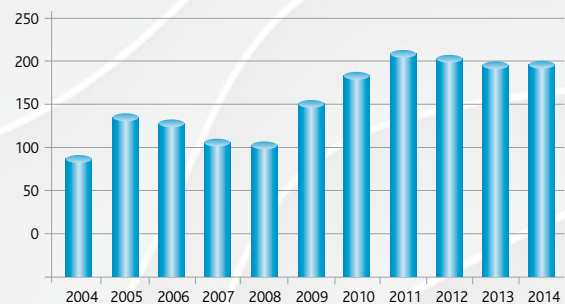
**Completed Modifications**



**Capital Expenditure (in USD)**



**Completed Modifications**



## Technical Services Support



### LABORATORY

During 2014, the Laboratory extended quality control services to plants, ensuring reliability and smooth operation. Over 185,000 parameters from 52,000 samples were analyzed during the year. In addition to the above, around 2,000 special samples were analyzed for 8,000 different parameters.

Around 130 Certificates of Quality were issued for the products dispatched through ships/trucks.

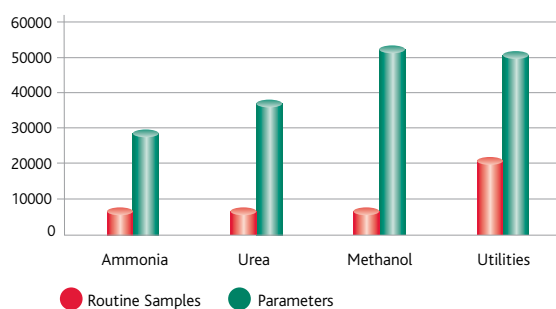
Monitoring of liquid effluents and emissions from stacks were carried out as per the schedule and in compliance with the requirements of the Supreme Council for the Environment.

Laboratory personnel are being provided “on-the-job” and specialized training by agencies to keep them abreast of the latest developments in various analysis techniques.

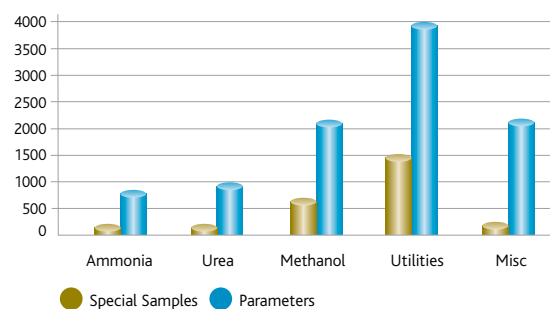
Latest instruments like the Gas Chromatograph for Natural Gas and the up gradation of AAS to a flameless system, were commissioned during the year. These new introductions will strengthen the capabilities of the section.

Also, the Laboratory received certificate accreditation under ISO 17025 relating to Urea Quality Product by the International Accreditation Services (IAS), USA.

Sample Breakup



Sample Breakup



## Technical Services Support

During 2014, the inspection section has complied with the requirements of ISO/IEC 17020 and has also been certified by the American Association for Laboratory Accreditation (A2LA) Council.



### INSPECTION SECTION

The section continued with its proactive approach towards enhancing reliability and mechanical integrity. During 2014, the inspection section has complied with the requirements of ISO/IEC 17020 "Requirements for the operation of various types of bodies performing inspection" and has also been certified by the American Association for Laboratory Accreditation (A2LA) Council.

During the year, more than 130 Risk Based Inspection studies were revalidated. International inspection

companies such as Lloyds Register for Shipping were appointed to carry out quality control and quality assurance inspections of major equipment that is scheduled to be replaced during Turnaround 2015.

In line with GPIC's policy to enhance and update the skills of employees, some of the inspection engineers participated in and passed the certifying examinations conducted by reputed international agencies like the American Petroleum Institute and CSWIP.



## Maintenance



In 2014, the Maintenance Department continued its consistent efforts to enhance safety and reliability throughout the GPIC complex, placing special emphasis on the process plants. Accordingly, the Objectives and Key Performance Indicators (KPIs) for the department were set and monitored closely on a quarterly basis, resulting in most objectives being achieved.

Also, the department completed the following routine maintenance activities:-

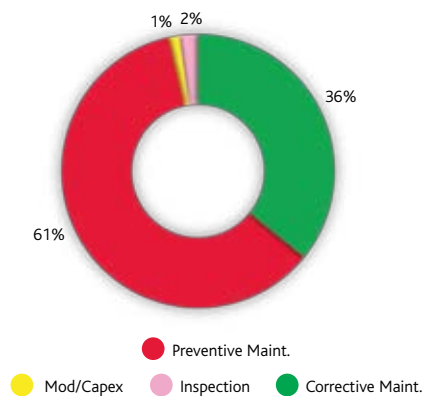
- 1) 75 modifications & capital projects.
- 2) 5,204 preventive maintenance orders.

- 3) 3,020 corrective maintenance orders.
- 4) 142 inspection orders.

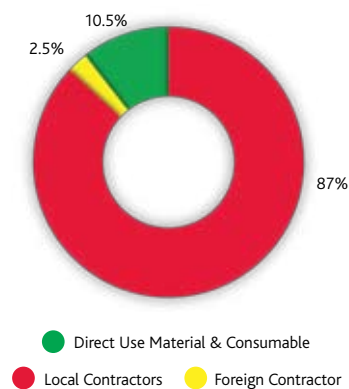
### MAJOR JOBS EXECUTED DURING 2014:

- 1) Construction of evaporation pond.
- 2) Renovation of safety, health and environment building.
- 3) Painting of sea water intake steel structures.
- 4) Painting of Urea export conveyor gallery structure phase V [74% completed].
- 5) Painting of Urea export conveyor gallery structure phase VI [87% completed].

**Routine Maintenance Orders (Completed)**



**Routine Maintenance Budget Utilization**



## Maintenance



- 6) Replacement of GPIC fence [100% completed].
- 7) Painting of structures in Ammonia plant [37% completed]
- 8) Replacement of ceiling at Academy of Leadership & Learning [59% completed].
- 9) Construction of Ammonia benfield cabin (87% completed).
- 10) Granulation unit: Granulation washing activities were completed 14 times from the beginning of the year to date.

### IMPROVEMENTS & ACHIEVEMENTS:

- 1) Integrated Management System: 9 documents were introduced & 246 reviewed.
- 2) 85 maintenance employees involved in training courses including SHE and e-Learning courses.
- 3) 98 training courses (technical, non-technical, English and general) attended
- 4) 7,904 training hours achieved against the target of 2,838 hours
- 5) 92 training hours per employee achieved against 33 training hours targeted for each employee
- 6) 72 employees were awarded with certificate courses.

### EMPLOYEE'S TRAINING & DEVELOPMENT (1ST JANUARY TO 31ST DECEMBER 2014):

Training and development of personnel continued to be at the top of the Maintenance Department's agenda. In addition to familiarizing all maintenance staff with the company's corporate objectives and the department's own objectives, 79% of all Maintenance staff attended training. The training rate achieved was 92 hours per employee. Total training hours achieved were 7,904.



# Marketing



**Even** though 2014 saw the global market activity strengthen broadly and show signs of improvement compared to previous years, the pace of recovery has been moderate and at times remained uneven. This has partly been due to new challenges and a number of unexpected events such as the heightened geo-political conflicts occurring in various parts of the world.

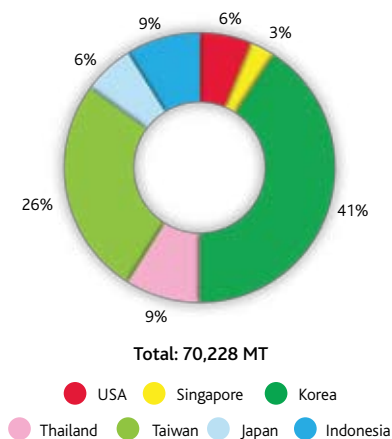
The year has seen a slow resurgence in growth rates in advanced markets as well as emerging markets thanks to resilient consumer demand, supportive macro-economic policies and a revival of exports into developing countries. On the fertilizer front, favorable weather conditions in the main agricultural regions has boosted world inventories of

agricultural commodities like wheat, cotton, rice, sugarcane, soybean and palm oil. Moreover, major exports of cheap Chinese Urea and startups of new Urea capacity around the world, has maintained a downward pressure on Urea prices, especially during the 2nd half of 2014.

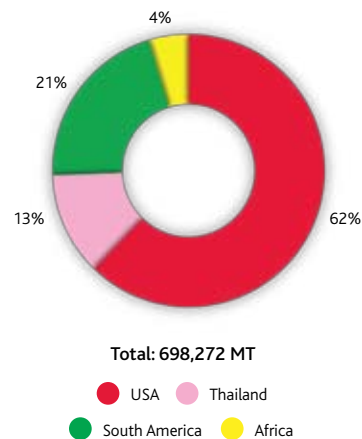
Likewise on the petrochemicals side, Methanol being an energy substitute, has seen its pricing remain largely stable during the year. However the year ended on a softer note owing to weak international prices of crude oil in world markets.

In spite of being a very demanding year, full of challenges for petrochemical and fertilizer producers around the

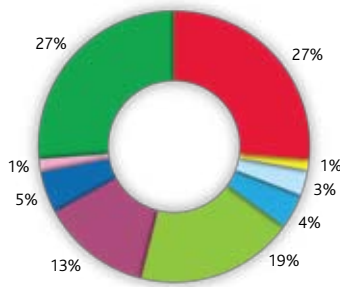
**GPIC exports of Ammonia 2014**



**GPIC exports of Urea 2014**



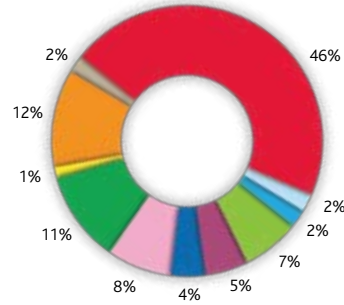
**GPIC Exports of Methanol 2014**



Total: 459,438 MT



**Commulative Exports from of GPIC during 2014**



Total: 1,227,938 MT



world, GPIC has still managed to close on a positive note, both in terms of export product volumes to world markets and by achieving attractive netbacks on all of its three products - Ammonia, Urea and Methanol.

During 2014, the company was able to meet all its marketing goals by successfully meeting customer expectations, particularly with regards to the quality and timely delivery of its products.

During 2014, GPIC's sales of Ammonia, Urea and Methanol totaled 1,228,975 tons, which included 70,228 tons of Ammonia, 699,309 tons of Urea and 459,438 tons of Methanol. Also, included in the above Urea figure is 1,037 tons of bagged Urea, which was supplied to the local Bahraini market.

The USA once again proved to be the biggest country market for GPIC products during the year, with nearly 561,084 MT or 46% share of the total exports destined for this strategic market. This was followed by South America and Taiwan at 12% each. The company was able to improve and further expand its product spread especially in rapidly emerging markets like South America, Taiwan and Thailand during the year.

This brings the total GPIC Ammonia and Methanol exports to world markets since the company's inception in 1985, to nearly 6.4 million tons of Ammonia and 12.0 million tons of Methanol. GPIC's Urea exports since the take-off

of its Urea operations in 1998, total around 10.2 million tons, while the cumulative total of all products exported from GPIC now exceeds 28.6 million tons.

The above outstanding results have only been made possible through the intense dedication, hard work, sound planning and close coordination between GPIC's Marketing Department, with both the marketing partners SABIC Saudi Arabia for Methanol and PIC-Kuwait for Ammonia and Urea as well as, the close cooperation of all other interested parties.

The Marketing Department is fully committed to achieving premium returns on all the company's exports by exploring new avenues and markets for its products through its marketing partners and capitalizing on all opportunities that become available to it along the way.



## Training and Development



The training and development of Bahraini employees is a major priority for GPIC management and 2014 marks 30 years of this commitment as the Academy of Leadership and Learning, previously the Training Centre, celebrated its 30th anniversary.

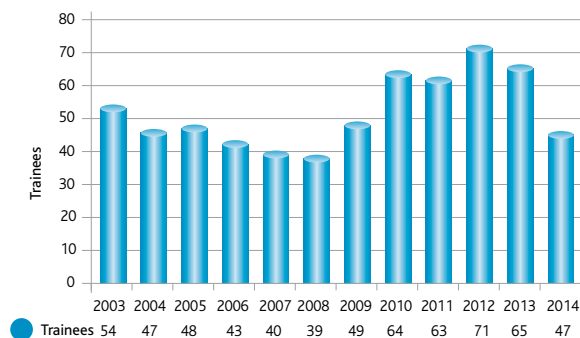
To keep pace with the development of its strategies and the future trends of training and development in the Company, on 8th November 2010, HE Dr. Abdul Husain Bin Ali Mirza, Minister of Oil and Gas Affairs and President of the National Oil and Gas Authority, inaugurated the GPIC Academy of Leadership and Learning.

The Company's training policy posits the full development of Bahraini employees, both new and existing, as its ultimate objective. To achieve this goal, employees undergo training courses arranged and designed by the Academy

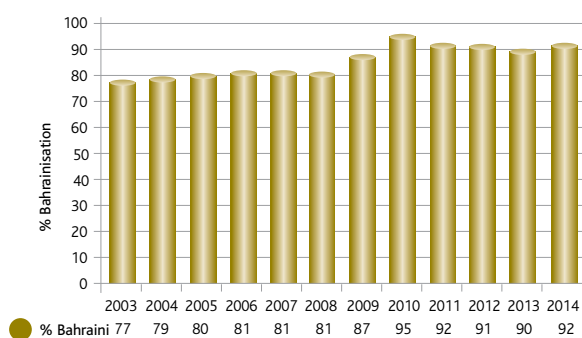
of Leadership and Learning as a part of their continuous training and development, encompassing both practical and soft skill competencies through in-house, local and overseas training events.

The Academy of Leadership and Learning utilises Competency-Based Training (CBT) in its approach to the training and development of all staff. This scheme is considered a qualitative step to the development of training with a view to enhancing staff skills, boosting their capabilities, achieving equal training opportunities, improving productivity and developing skills to bridge any competency gaps. This pioneering project assists in the creation of individual training plans for company employees in addition to the annual training plan and leads to the development of each and every person in the company.

Number of Trainees Per Annum



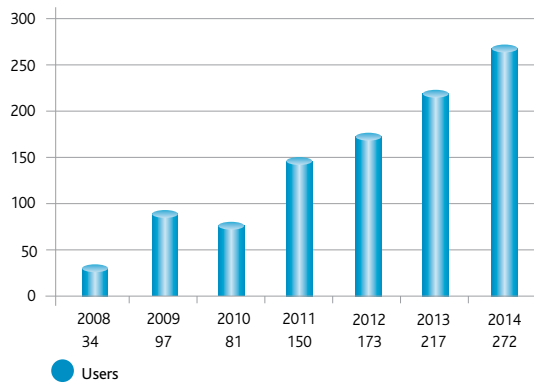
Average % of Bahraini Workforce



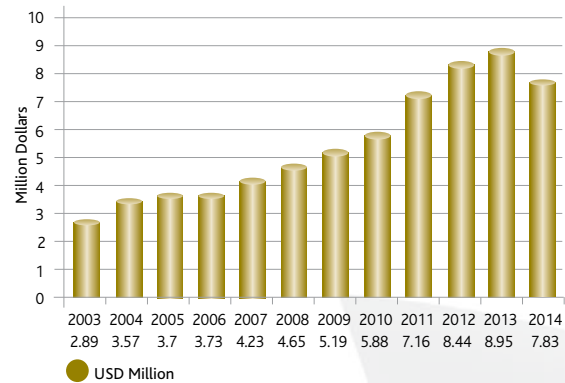


## Training and Development

### Number of e-Learning Users



### Investment in Training and Development



In 2014, the company's total workforce reached 480 employees in addition to 32 trainees employed in various positions, such as plant operators, technicians, chemists, engineers and supervisors, who all became qualified after attending intensive training programmes.

The Academy of Leadership and Learning is also currently overseeing the development of 11 employees to qualify them for senior supervisory positions in the future.

Apart from the training of new graduates, the Academy also conducted a number of training and development courses during 2014 to meet the development requirements of both the company and its employees. This process involved organizing 76 training courses held in the Academy and the GPIC Club, attended by a total of 1,425 employees. This is in addition to the 78 training courses and conferences held in Bahrain with 380 employees in attendance and a total of 89 training courses outside Bahrain attended by 287 employees. These courses represented a total of 243 courses attended by 2,092 employees and trainees.

GPIC has also recently adopted a company-wide mentoring programme to provide guidance from all managers and superintendents to their junior staff members. A total of 115 employees benefitted from this guidance and counseling process in 2014. This is in addition to the development and awareness programmes held by the company for all new employees in the areas of health,

safety, environment and quality.

GPIC has a separate scholarship scheme that strives to encourage employees to complete their academic studies. In addition to this, scholarships are offered to outstanding students of the University of Bahrain undertaking the subjects and specializations needed by the Company as well as scholarships for employees' children.

In 2014, GPIC trained 220 students in various departments under the supervision of qualified employees. This resulted from the management's keenness to play its role in the community and provide training opportunities for upgrading the technical, leadership, communication, planning and team work skills of young people engaged



## Training and Development



in their academic studies. This is a part of GPIC's commitment to the community and the development of a generation of young people who have enhanced skills and abilities to contribute to the country's overall growth and development.

The e-Learning Centre provides support to the training and development plans in GPIC as it offers 55 training programmes in a wide range of topics such as communication skills, self-development skills, computer applications, leadership skills and project management



skills. There are 21 technical programmes on offer for the upgrading of technical skills and knowledge for workers in the technical departments such as the Maintenance Department, Plants Operation Department and other technical areas in the company. In addition, the e-learning centre covers 32 comprehensive training courses in the areas of safety, health and the environment.

GPIC has also recently launched an electronic library through the company's intranet. The new library has numerous magazines, journals, periodicals and valuable publications. The Academy of Leadership and Learning Library has more than 1,800 titles covering a wide range of topics. In addition, the electronic library contains more than 190 e-books on different subjects.

GPIC was awarded first prize in Bahrain's category for outstanding institutions in training and human resources development for the year 2013, organised by the Supreme Council for Professional Training from the Ministry of Labour. This achievement comes in recognition of GPIC's role in the development of Bahraini human resources. This is achieved through the opportunities created for staff to participate in specialised courses inside and outside the company, the support and encouragement for employee participation in relevant petrochemical industry workshops, forums and conferences in order to achieve the company's sustainable development objectives.

## Information Technology and Knowledge

The IT & Knowledge Department has upgraded its ERP Infrastructure to meet the organizational needs of growth, redundancy, scalability, security and ease of access.

### DEPLOYING STATE OF THE ART IBM PUREFLEX INFRASTRUCTURE

The IT & Knowledge Department has upgraded its ERP Infrastructure to meet the organizational needs of growth, redundancy, scalability, security and ease of access.

The Enterprise Resource Planning (ERP) system that supports business operations of GPIC is hosted on the IT infrastructure. This comprises of servers, storage, communications equipment, management tools and peripherals that need constant maintenance and periodical upgrades.

GPIC possess a well-established IT strategy to effectively maintain the above-mentioned infrastructure, in order to ensure performance, security and availability of (world-class) IT services.

In line with the Executive Management directions, the IT Department has upgraded its ERP Infrastructure to meet the organizational needs of growth, redundancy, scalability, security and ease of access. The upgrade is also intended to address forthcoming business requirements for the future growth of the ERP solutions and implementation of new features empowering the business users.

In this regard, the Company has carried out several upgrades which focussed on the following aspects of IT :

- Upgrading and consolidating the SAP Infrastructure based on advanced Virtualized systems.

- Virtualized storage solutions with high availability & accessibility that support virtualization.
- Consolidation and integration of multiple physical servers onto Blade centre chassis and , reducing carbon footprint.
- Optimization, fine tuning and provisioning of Infrastructure to meet the future performance requirements.
- Enhance the Disaster Recovery Site to ensure storage replication and thereby improved data availability & Business continuity.
- Skills upgrade of personnel to handle the new infrastructure.

With this upgrade, the performance of the system has improved substantially, resulting in improved transaction performance and quicker response times. The implementation helped in reducing energy consumption in line with our the company's declared policy of Green Computing. The management of the infrastructure was also streamlined with the provision of various tools and features, and possibility of creating virtual resourced as and when required. The project implementation was achieved in a phased manner, over a period of 12 months, with minimum disruption to the productive ERP systems.



## Summer Programme



## النشاط الصيفي



## Social Events & Activities



الحفل السنوي  
Annual Day Celebration



الإحتفال بيوم العمال  
Labour Day Celebration at GPIC Complex



أسبوع السلامة والصحة والبيئة  
Family Safety, Health & Environment Evening



مسابقة التصوير  
Photography Competition



حملة التبرع بالدم  
Blood Donation

## الأنشطة والفعاليات الإجتماعية



الحفل السنوي  
Annual Day Celebration



فريق عدائي جيبك  
GPIC Road Runners Team



حملة جيبكا لتنظيف السواحل  
GPCA Beach Cleaning



دوري جيبك لكرة القدم  
7- A-Side Football Tournament



دوري جيبك لكرة السلة  
GPIC Basketball Tournament

## Social Events & Activities



الحفل السنوي  
Annual Day Celebration



احتفال الشركة بالعيد الوطني  
National Day Celebration



المخيم السنوي  
GPIC Desert Camp



## الأنشطة والفعاليات الإجتماعية



يوم المشي  
Walking Day



حفل تكريم أبناء الموظفين المتفوقين  
Employees' Children Awarding Ceremony



فعاليات عيد الأضحى بنادي الشركة  
Eid Al Adha Celebration at GPIC Club

# Corporate Social Responsibility

## Donations and Sponsorships



غرفة تجارة وصناعة البحرين  
Bahrain Chamber of Commerce



منح رئيس الشركة جواز سفر المسؤولية الاجتماعية  
GPIC President Elected as International Ambassador for CSR



مستشفى السلمانية الطبي  
Salmaniya Medical Complex

## المسؤولية المجتمعية

### التبرعات و الرعاية



برنامج ولي العهد للمنح الدراسية العالمية  
Crown Prince's International Scholarship Programme



نادي راشد للفروسية وسباق الخيل  
Rashid Equestrian and Horse Racing Club



جمعية عالي للعمل الخيري  
A'ali Charity Work Society

# Corporate Social Responsibility

## Donations and Sponsorships



إنجاز البحرين  
inJAZ Bahrain



الأسبوع الثقافي البريطاني  
British week



المؤسسة الخيرية الملكية  
Royal Charity Organization



مركز المحرق الخيري  
Muharraq Social Welfare Centre

## المسؤولية المجتمعية

### التبرعات و الرعاية



مركز الرحمة لرعاية الشباب  
Al Rahma Youth Center



الجمعية البحرينية لتنمية الطفولة  
Bahrain Child Development Society



المحافظة الجنوبية  
Southern Governorate



جمعية الصحفيين البحرينية  
Bahrain Journalist Association

## The GPIC Ladies Working Committee

## لجنة المرأة



صاحب المعالي الشيخ عيسى بن علي آل خليفة رئيس مجلس الإدارة في صورة تذكارية مع موظفات الشركة  
H.E Shaikh Isa bin Ali Al Khalifa, GPIC Chairman with GPIC Ladies



منتدى الرائدات وسيدات الأعمال  
Women in Leadership Forum



زيارة الأطفال بالمستشفى العسكري  
Bahrain Defense Force Hospital (BDF)



زيارة الأطفال بمستشفى السلمانية الطبي  
Salmaniya Hospital



دار رعاية الوالدين  
Parents Care Society

# Womens Day Celebration

# الإحتفال بيوم المرأة



## Womens Day Celebration

## الإحتفال بيوم المرأة





Exhibitions

المعارض



معرض البحرين الدولي للحدائق  
Bahrain International Garden Show



معرض المرأة والعمل الثاني  
The Second Women's Work Exhibition



مؤتمر ومعرض الشرق الأوسط الخامس عشر لتآكل المعادن  
15th Middle East Corrosion Conference and Exhibition



منتدى الإتحاد الخليجي للبتروكيماويات و الكيماويات  
9th Annual GPCA Forum

## Exhibitions

## المعارض



مؤتمر ومعرض تكنولوجيا الإيثيلين في الشرق الأوسط  
Ethylene Middle East Technology Conference & Exhibition



معرض ومؤتمر عمان الدولي للنفط والغاز  
OGWA Exhibition & Conference 2014



المؤتمر الدولي لتكنولوجيا البترول  
International Petroleum Technology Conference and Exhibition



يوم المهن  
Career Day 2014



مؤتمر ومعرض مينتكون ٢٠١٤  
MAINTCON 2014 Conference & Exhibition

## Official Visits to GPIC Complex

## الزيارات الرسمية لمجمع الشركة



زيارة سعادة الدكتور مؤيد القرطاس  
Visit of H.E Dr. Moayyed Al Qurtas



زيارة سفيرة الجمهورية التركية لدى المملكة  
Visit from H.E Ambassador of the Republic of Turkey



زيارة وفد برلماني من مجلس اللوردات البريطاني  
Visit of Labor Party in the British Parliament House of Commons and House of Lords



زيارة معالي الرئيس السوداني الأسبق، رئيس منظمة الدعوة الإسلامية المشير عبدالرحمن سوار الذهب  
Visit of former Sudanese President and Chairman of the Islamic Call Organisation, Field Marshal H.E. Abdulrahman Suwar Al-Dahab,



زيارة نائب الرئيس والأمين العام للجنة الوطنية للمؤتمر الإستشاري السياسي للشعب الصيني  
H.E. Chairman of the National Committee of the Chinese Republic

## Official Visits to GPIC Complex



زيارة سعادة المهندس يوسف البنيان نائب الرئيس التنفيذي للكيماويات بشركة « سابك »  
Visit from H.E Mt. Yousef Al Benyan, SABIC EVP Chemicals



زيارة سعادة رئيس الإتحاد العام لتقانات عضو مجلس الشعب والشورى المصري  
Visit of Chairmen of the General Labour Unions of Egypt



زيارة وفد الطاقة الأمريكي  
United States Energy Trade Mission



زيارة سعادة رئيس لجنة الشؤون الخارجية والتجارة التابعة للبرلمان الإيرلندي  
Visit from H.E Pat Breen T.D.



زيارة سعادة السيد بيل كاليجان رئيس مجلس إدارة نيبوش  
Visit of Sir Bill Callaghan – Chairman of NEBOSH



وفد من جامعة لندن ساوث بنك  
London South Bank University

## الزيارات الرسمية لمجمع الشركة



زيارة طلبة جامعة بنتلي  
Bentley University students



وفد من المعلمين بالولايات المتحدة الأمريكية  
TEACH 2014 (group of Bilateral US- Arab Chamber of Commerce)



زيارة الوفد الشبابي التونسي  
Visit of Tunisian Delegation



زيارة وفد برنامج ديسكوفر بحرين  
Visit from Discover Bahrain



مدرسة عالي الإعدادية للبنات  
Aali Intermediate Girls School



زيارة معهد الأمل لذوي الاحتياجات الخاصة  
Visit from Hope Institute for Special Education