

NATPET

Sustainability Report

(Communication on Progress - COP)

Year 2015

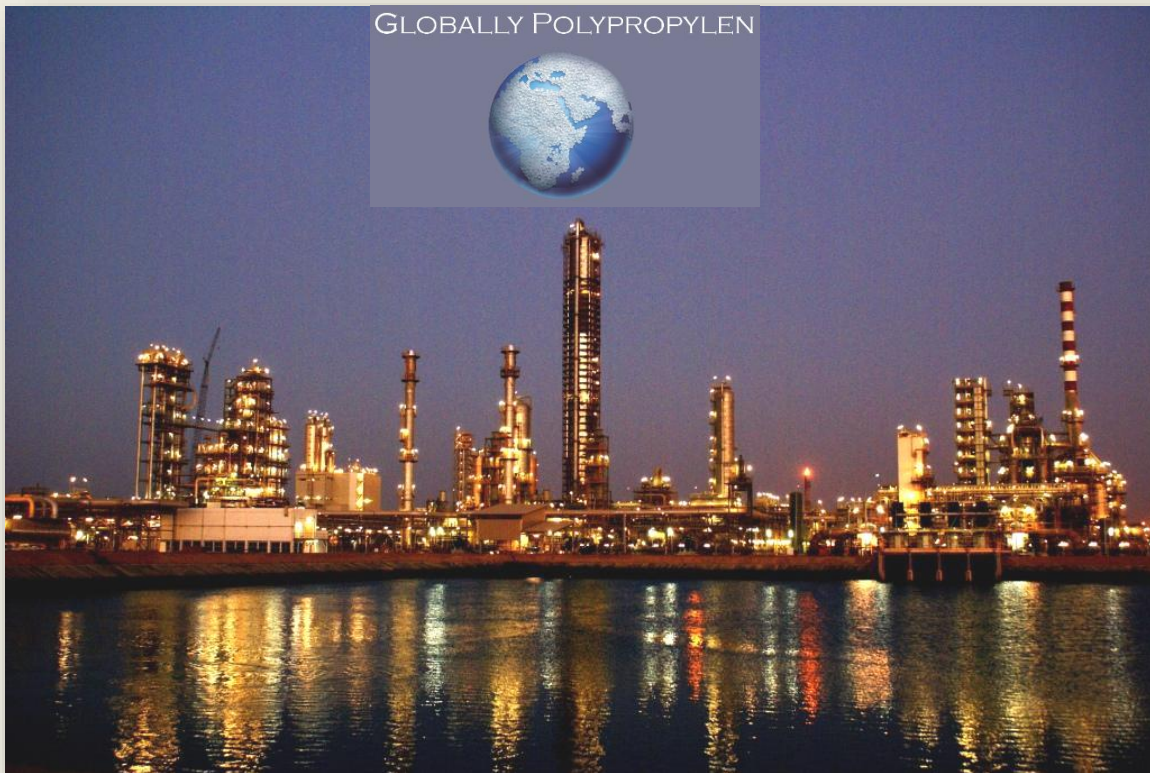


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NATPET

1.0 NATPET'S VISION AND MISSION:

NATIONAL PETROCHEMICAL INDUSTRIAL COMPANY


NATPET

Vision and Mission

VISION:
To be one of the major global players in the production and marketing of designated petrochemicals and downstream.

MISSION:
Efficiently apply best practices and processes to be the Company of preferred choice to its customers, employees, suppliers, society and investors.

STRATEGIC GOALS:


- Maximize production by efficient asset utilization.
- Optimize grade and/or product mix.
- Maximize sales in the highest net back in markets & applications (zones).
- Optimizing resources and processes.
- Grow business portfolio.



NATPET

2.0 NATPET COMMITMENT:

2.1 President & COO Declaration of Support of 10 Principles of UNITED NATION GLOBAL COMPACT-UNGC:



NATPET

National Petrochemical Industrial Co.
Joint Stock Company
C.R. 4030126641
J.C.C. 71335
Authorized Capital 1,070,000,000 S.R.

January 28, 2014

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA


Dear Secretary-General,

I am pleased to confirm that National Petrochemical Industrial Company – NATPET supports the ten principles of the Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. *National Petrochemical Industrial Company* will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the Global Compact, and annually thereafter according to the Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles. This is *separate* from our initial letter of commitment to join the Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,



Jamal J. Malaikah
President & COO

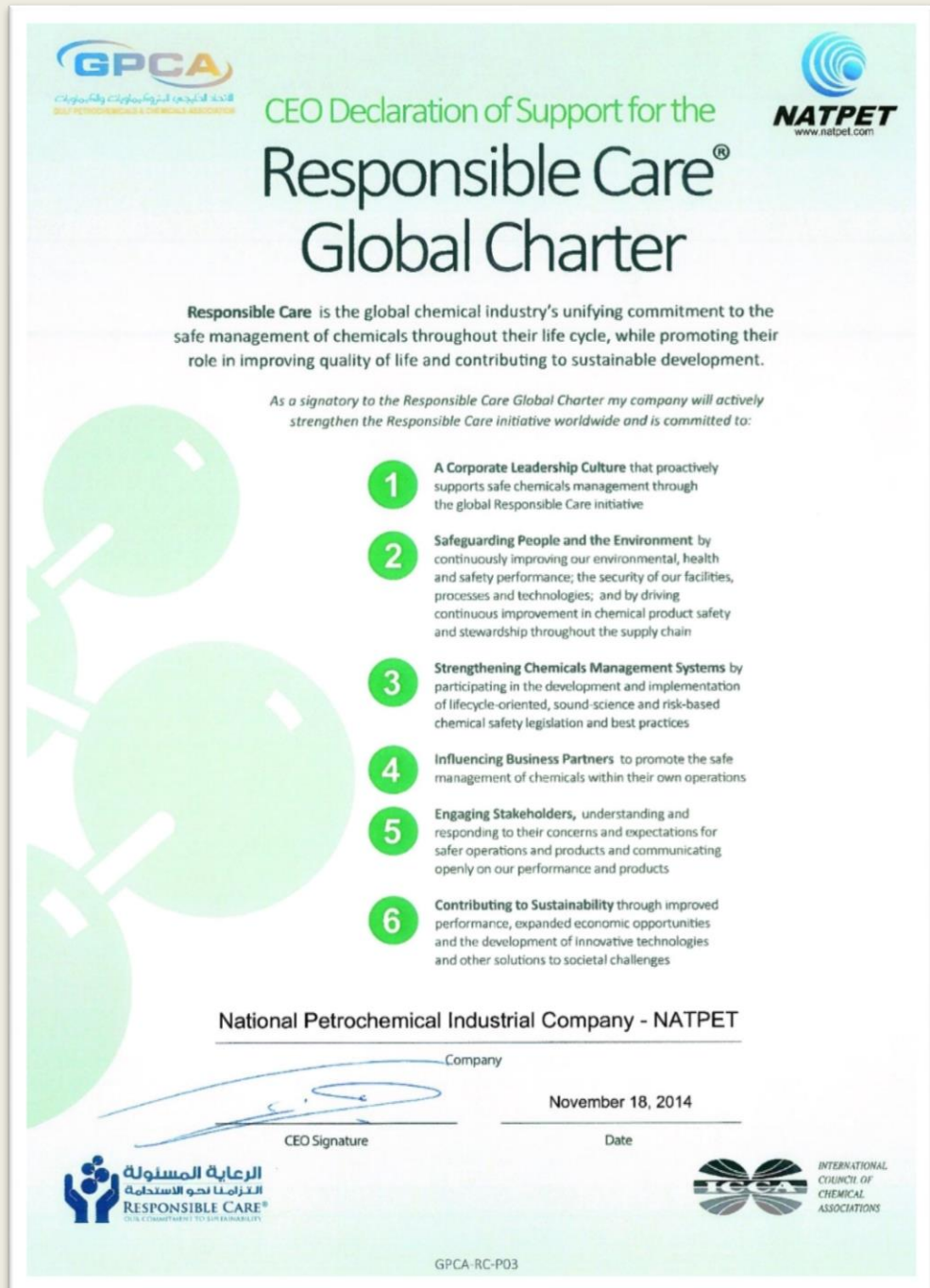
Tel: +966 2 604 8600 Fax: +966 2 652 9380 P.O. Box 4459 Jeddah 21491 Saudi Arabia

2.2 The Ten Principles of the United Nations Global Compact:

2.2.1 The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

Principal -1	Human rights Businesses should support and respect the protection of internationally proclaimed human rights; and
Principal -2	make sure that they are not complicit in human rights abuses
Principle 3	Labour Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4	the elimination of all forms of forced and compulsory labour;
Principle 5	the effective abolition of child labour; and
Principle 6	the elimination of discrimination in respect of employment and occupation
Principle 7	Environment Businesses should support a precautionary approach to environmental challenges;
Principle 8	undertake initiatives to promote greater environmental responsibility; and
Principle 9	encourage the development and diffusion of environmentally friendly technologies
Principle 10	Anti-corruption Businesses should work against corruption in all its forms, including extortion and bribery

2.3 Support to Responsible Care® Global Charter:



GPCA
الجمعية الخليجية للصناعات البترولية والكيميائية
GULF PETROCHEMICALS & CHEMICAL ASSOCIATION

NATPET
www.natpet.com

CEO Declaration of Support for the Responsible Care® Global Charter


Responsible Care is the global chemical industry's unifying commitment to the safe management of chemicals throughout their life cycle, while promoting their role in improving quality of life and contributing to sustainable development.

As a signatory to the Responsible Care Global Charter my company will actively strengthen the Responsible Care initiative worldwide and is committed to:

- 1** A Corporate Leadership Culture that proactively supports safe chemicals management through the global Responsible Care initiative
- 2** Safeguarding People and the Environment by continuously improving our environmental, health and safety performance; the security of our facilities, processes and technologies; and by driving continuous improvement in chemical product safety and stewardship throughout the supply chain
- 3** Strengthening Chemicals Management Systems by participating in the development and implementation of lifecycle-oriented, sound science and risk-based chemical safety legislation and best practices
- 4** Influencing Business Partners to promote the safe management of chemicals within their own operations
- 5** Engaging Stakeholders, understanding and responding to their concerns and expectations for safer operations and products and communicating openly on our performance and products
- 6** Contributing to Sustainability through improved performance, expanded economic opportunities and the development of innovative technologies and other solutions to societal challenges


National Petrochemical Industrial Company - NATPET


Company


CEO Signature

November 18, 2014

Date

 **الرعاية المسؤولة**
التزامنا نحو الاستدامة
RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

 **INTERNATIONAL COUNCIL OF CHEMICAL ASSOCIATIONS**

GPCA-RC-P03




NATPET

2.4 NATPET Policies:

2.4.1 IMS (QEHSS/RC) Policy

NATIONAL PETROCHEMICAL INDUSTRIAL COMPANY



NATPET


Quality, Environment, Health, Safety, Security (QEHSS) & Responsible care (RC -14001) Policy

At National Petrochemical Industrial Company (NATPET), responsible care, quality, health, safety, security of employee and protection of environment is the prime concern, therefore, NATPET management and employees are committed to perform their duties in safe, secure and healthy manners through risk management, and preventing accident, work related hazards and TQM as a way of business. As a Responsible company employee development, implementing the best practices prevailing in the industry by participation of management, employees and contractors are the main objectives of NATPET QEHSS Programs.

Through a program of continual improvement, NATPET is committed to:

- Comply fully with all relevant QEHSS & Responsible Care standards, guidance and codes of practices, laws and regulations as well as take any additional measures considered necessary,
- Provide and maintain quality, safe work environment, equipment, systems of work and work facilities to prevent industrial risk and its adverse impact on the environment,
- Creating an environment of teamwork and providing QEHSS information, instructions, training and supervision for employees to enable them to carry out their tasks competently and safely,
- Follow TQM & safe work practices and continually improve the effectiveness of QEHSS system,
- Conserve natural resources by their responsible and efficient use in all our operations,
- Investigate any incidents that occurs, implement corrective actions and share the lesson learned with all employees, contractors and other interested parties.
- Line management must be aware and take responsibility for security aspects including cyber security and adherence to company's security regulation is obligatory to all employees,
- Ensure safe transportation, storage and use of chemicals/substances to preserve the health, safety, security and the environment of site and its neighborhood,
- Promote openness with the stockholders for their shared responsibility,
- Periodically review compliances to verify the relevance and any revisions required for further improvement,
- Strive to be amongst the leaders in the field of sustainable development and management of Responsible Care programs for QEHSS, welfare of employees and other stakeholders,

This policy has been endorsed by the President & COO of NATPET, who takes prime responsibility for allocating sufficient resources to ensure its objectives are achieved and Responsible Care requirements are met and available to public and other interested parties.




Jamal J. Malaikah
President & COO

Dated: 1st September 2014
Document: QEHSS-01, Issue: 1

2.4.2 Product Stewardship Policy

NATIONAL PETROCHEMICAL INDUSTRIAL COMPANY


NATPET

Product Stewardship Policy


National Petrochemical Industrial Company - NATPET, has taken a proactive role in safe management of chemicals by building the company's Product Stewardship Policy which aims to make health, safety and environmental protection, an integral part of designing, manufacturing, marketing, distribution, using, recycling and disposing of our products.

As a signatory to the Responsible Care Global Charter, our Product Stewardship guidelines cover all stages of a product's life cycle and hence NATPET is committed to:

- Strong and effective leadership to ensure that product stewardship objectives are set and prioritized and practices are implemented to meet performance targets through commitment of resources necessary to implement product stewardship programs;
- Ensure that adequate EHSS information is available to assess the safety of each product for its intended uses;
- Establish a tiered process for completing risk characterization and recommending risk management actions for chemicals in commerce;
- Ensure product stewardship is engaged in product/process design and improvement processes and assessments of external manufacturing;
- Ensure that product stewardship expectations are established for designing, manufacturing, marketing, distributing, using, recycling and disposing of our products;
- Ensure that customers/stakeholders are provided appropriate product stewardship information and assessment and product stewardship programs aligned with risk-based prioritization tier is implemented;
- Ensure that we develop, produce and distribute products with a minimum risk of harmful impacts on human health and environment.

Government legislation and customer standards that apply to product compositions continue to increase in numbers, complexity and stringency. The company has established internal processes to ensure compliance of our products with these regulations and customer standards through raw material controllership and design, product design, and rationalization of potentially non-compliant products. We also participate in the gulf wide product stewardship program championed by Gulf Petrochemicals & chemicals Association (GPCA).


This policy has been endorsed by the top Management of NATPET, who takes prime responsibility for allocating sufficient resources to ensure its objectives are achieved and Product Stewardship requirements are met and available to public and other concerned parties.


Jamal J. Malaikah
President & COO

Dated: 3rd May 2015

2.4.3 Community Awareness & Education Policy

NATIONAL PETROCHEMICAL INDUSTRIAL COMPANY


NATPET


Policy on Community Awareness & Education (CAE)

Competent employees (volunteers), as recommended by Heads of Departments, shall be authorized to conduct awareness sessions at schools, colleges, universities, and other community outreach centers under Plastic Ambassadors Program, i.e., community awareness on environmental advantages of proper and safe use of plastics, protection of environment, and other community engagement programs.

Each registered volunteer may utilize a maximum of eight working hours in a month on community awareness and education.

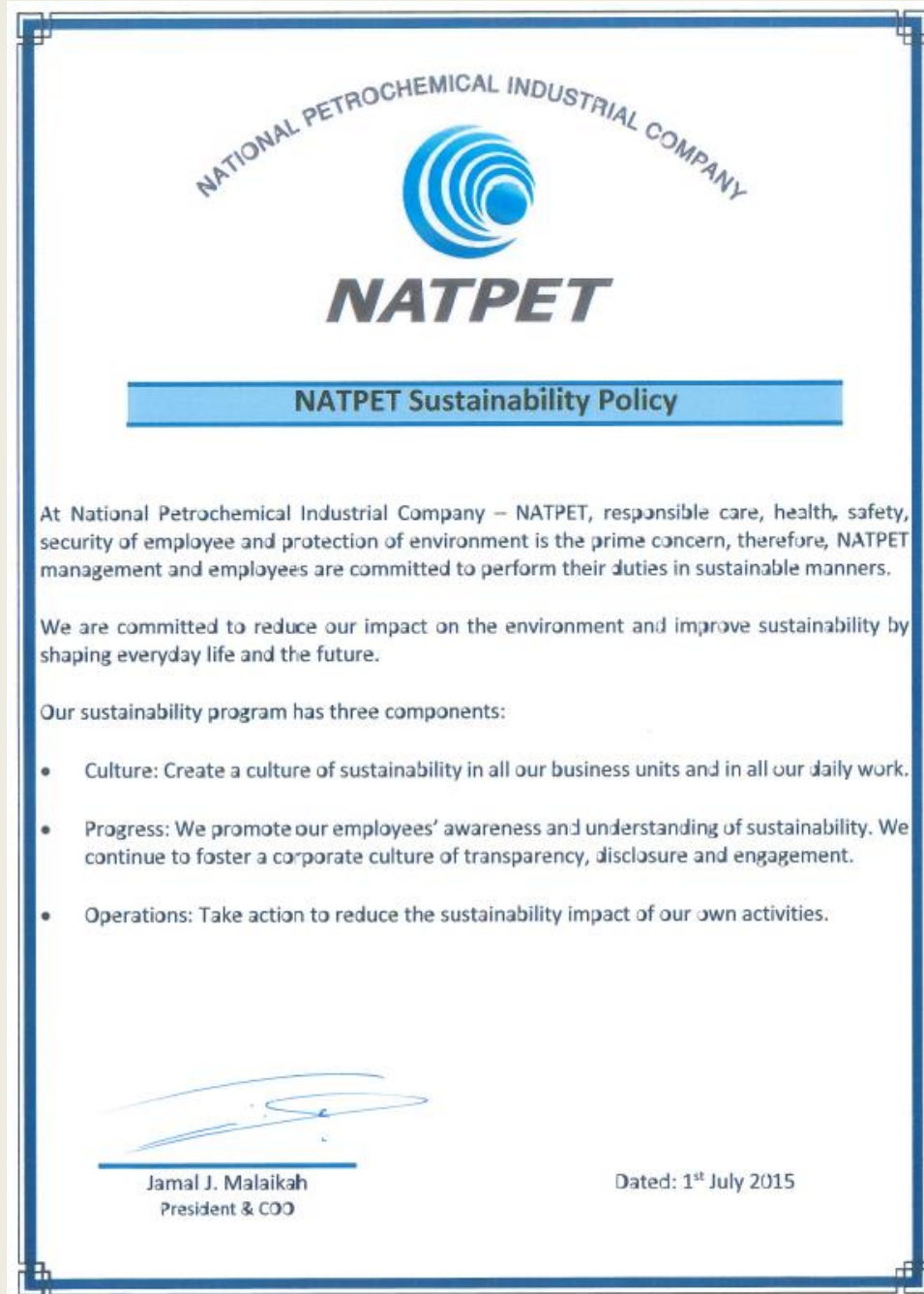
TQM will establish community awareness program in consultation with GPCA Responsible Care Committee, GPCA Plastic Committee and Human Resource Department.

In recognition of the employees / trainers efforts, the company shall grant a Thursday off or adding one day in their leave balance in lieu of volunteering work.


Jamal J. Malaikah
President & COO

Dated: 1st January 2013

2.4.4 NATPET Sustainability Policy



The image shows a framed document titled "NATPET Sustainability Policy". At the top, it features the NATPET logo (a blue circular emblem with concentric arcs) and the text "NATIONAL PETROCHEMICAL INDUSTRIAL COMPANY" in an arc above it. Below the logo is the word "NATPET" in a bold, italicized font. A blue horizontal bar contains the title "NATPET Sustainability Policy". The main text of the policy is as follows:

At National Petrochemical Industrial Company – NATPET, responsible care, health, safety, security of employee and protection of environment is the prime concern, therefore, NATPET management and employees are committed to perform their duties in sustainable manners.

We are committed to reduce our impact on the environment and improve sustainability by shaping everyday life and the future.

Our sustainability program has three components:

- Culture: Create a culture of sustainability in all our business units and in all our daily work.
- Progress: We promote our employees' awareness and understanding of sustainability. We continue to foster a corporate culture of transparency, disclosure and engagement.
- Operations: Take action to reduce the sustainability impact of our own activities.

At the bottom left, there is a signature of Jamal J. Malaikah, President & COO. At the bottom right, the date "Dated: 1st July 2015" is printed.



2.4.5 Social Compliance Policies

2.4.5.1 No Discrimination Policy:

At NATPET, we shall not discriminate with regards to workers based on race, religion, beliefs, gender, marital or maternal status, age, political affiliation, national origin, disability, sexual orientation or any other basis.

Clarifications:

As a policy, our decision based for hiring, salary, fringe benefits, promotion, termination on the workers individual skills and ability to do the job.

2.4.5.2 Punishments and Appeal Policy:

NATPET shall not engage in or support the use of corporal punishment, threats of violence or other forms of mental or physical coercion and shall not make use of public warning and punishment systems.

Clarifications:

Reprimands for breach of duty or misconduct shall be a private matter between the employer and the employee and/or his/her representative. The employees have rights to appeal reprimands/disciplinary actions/dismissal.

2.4.5.3 Harassment and Abuse Policy:

NATPET shall not engage, support or allow any form of harassment or abuse in the workplace.

Clarifications:

Harassment can be any offensive act, comment or display that humiliates, insults or causes embarrassment, or any act of intimidation or threat.

This includes but is not limited to: Serious or repeated rude, degrading or offensive remarks, Displaying sexist, racist or other offensive pictures, posters, threats, intimidation or retaliation.

2.4.5.4 Grievance Policy:

The NATPET believe that all employees should be treated fairly and with respect. All employee have rights to raise a formal grievance that should be concerned with the way in which an employee have been treated by the organization or managers acting on its behalf.

Clarifications:

Grievances may be concerned with a wide range of issues, including the allocation of work, working environment or conditions, the opportunities that employee have been

given for career development or the way in which he/she have been managed.

2.4.5.5 Policy on Dealing with Harassment Complaints:

The NATPET is committed to ensure equal opportunities and fair treatment in the workplace for all its employees. NATPET ensure that no employee or other worker within the organization is subjected to any form of harassment or bullying. The NATPET shall treat all complaints of harassment seriously and investigate them promptly, efficiently and in confidence. The NATPET provide a framework for resolving complaints of harassment or bullying and for stopping any behaviour, which is causing offence or distress.

Clarifications:

The aims is to enable the organization to provide a working environment in which all staff feel comfortable and in which everyone is treated with respect and dignity, regardless of gender, sexual orientation, transgender status, marital or family status, colour, race, nationality, ethnic or national origins, creed, culture, religion or belief, age, disability or any other personal factor or quality.

2.4.5.6 Disciplinary Policy:

NATPET employees shall not ordinarily be dismissed for a first disciplinary offence. The NATPET reserve the right to implement the policy at any stage as set out taking into account the alleged misconduct of an employee.

Matters that the NATPET view as amounting to disciplinary offences include but not limited to:

- persistent bad timekeeping;
- unauthorized absence;
- minor damage to the NATPET's property;
- failure to observe the organization's procedures;
- abusive behavior;
- unreasonable refusal to follow an instruction issued by a manager or supervisor;
- poor attendance; and
- smoking in non-designated areas of the Head Office and plant's premises.

Clarifications:

Employees have the right to be accompanied at a formal disciplinary hearing by colleague or Human Resource of their choice.

2.4.5.7 Whistleblowing Policy:

The NATPET encourages all employees to raise their concerns under this policy in the first instance that they may have about the conduct of others in the business or the way in which the business is run. This policy is for disclosures about matters and sets out the way in which individuals may raise any concerns that they have and how those concerns

will be dealt with.

Clarifications:

All employees of the NATPET including other individuals performing functions in relation to the NATPET are encouraged to use it wrongdoing within the organization (for example, financial irregularities or health and safety concerns).

2.4.5.8 Anti-Bribery Policy:

NATPET shall not tolerate any form of bribery by, or of, its employees, contractor's workers, agents or consultants or any person or body acting on its behalf. Senior management is committed to implement effective measures to prevent, monitor and eliminate bribery.

Clarifications:

Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the NATPET.

2.4.5.9 Employee of the Month Policy:

The objective of the "employee of the month" scheme is to give recognition to employees who have performed particularly well each month. The scheme is an essential part of the reward strategy of the organization. It aims to motivate employees to achieve high standards, encourage innovation, promote high levels of customer service and celebrate success.

Clarifications:

The determination of the employee of the month is based on a variety of factors, Such as:

- Productivity: exceeding output expectations.
- Customer Service: going the "extra mile" for a customer.
- Exceptional Effort: giving an exceptional level of support to the organization.
- Creativity: being particularly innovative.
- Being Proactive: taking charge of a situation or solving a difficult problem.

2.4.5.10 Office Environment Policy:

The NATPET shall ensure that significant risks to the environment associated with office-based activities are assessed and minimized. The NATPET provide suitable and sufficient information, instruction, training and supervision to employees regarding impacts on the environment and to ensure that control measures are properly used. NATPET ensures that adequate arrangements are in place to deal with accidents, incidents and emergencies related to contamination, spillages or other adverse environmental effects.



Clarifications:

This policy outlines the company's commitment to minimize the environmental impact of office-based activities.

2.4.5.11 Equal Opportunities Policy:

The NATPET is committed to provide equal opportunities and to avoid unlawful discrimination in employment. Striving to ensure that the work environment is free of harassment and bullying and that everyone is treated with dignity and respect, which is an important aspect of ensuring equal opportunities in employment.

Clarifications:

It is unlawful to discriminate directly or indirectly in recruitment or employment because of age, disability, sex, gender reassignment, pregnancy, maternity, race, sexual orientation, religion or belief, or because someone is married or in a civil partnership.

2.4.5.12 Equal Pay Policy:

The NATPET is committed to the principle of equal opportunities for all employees and intended to set out how the NATPET will demonstrate its commitment to equal pay. NATPET believe that its male and female employees should receive equal pay for:

- the same or similar work;
- work rated as equivalent under a job evaluation study; or
- work of equal value.

Clarifications:

Equal pay means all forms of contractual remuneration (including contractual bonus payments, overtime rates, end term benefits and holiday pay) and non-cash contractual benefits such as company car, mobile phone, etc.

2.4.5.13 Equal Opportunities relating to Disability Policy:

NATPET is committed to an active equal opportunities policy from recruitment and selection, through training, development, appraisal and promotion to retirement for all employees including those with a disability. NATPET shall recruit solely on the basis of work criteria and the applicant's abilities and individual merit. A disability will not of itself justify the non-recruitment of an applicant.

Clarifications:

Disabled employees have equal access to all benefits and facilities of employment.



2.4.5.14 Environmental Policy:

The NATPET is committed and accepted its environmental responsibilities and recognize its obligation to reduce the impact of business activities on the environment. The NATPET achieve this through a policy of continual improvement in environmental performance.

Clarifications:

Each employee is responsible for his/her adherence to the principles of the Environmental policy.

2.4.5.15 Maternity Policy:

NATPET is firmly committed to protecting the rights of expectant mothers. This policy is to treat women affected by pregnancy, childbirth or related medical conditions in the same manner as other employees unable to work because of their physical condition in all employment aspects, including recruitment, hiring, training, promotion and benefits.

Clarifications:

When the employee returns to work, she is entitled to return to the same or equivalent job with no loss of service or other rights or privileges.



NATPET

3.0 NATPET'S HISTORY AND A BRIEF BACKGROUND:

3.1 NATPET in Brief

National Petrochemical Industrial Co. (NATPET) is a Joint Saudi Joint Stock Company, established in 1999 and producer of 400,000 MT/year propylene/polypropylene located at Yanbu Industrial City (Madinat Yanbu Alsenae'a), on the west coast of Saudi Arabia. This Plant is producing a wide range of polypropylene product mix of (Homopolymers, Random & Heterophasic Copolymers) that is suitable for a wide variety of applications. Alujain, Xenel and GOSI are the major stockholders.

NATPET PP plant is using the state-of-the-art LyondellBasell licensed Spheripol technology producing a market-defined range of distinguished quality of PP resins. The plant is enjoying the sustainable advantage of producing its own high quality main raw material, Propylene, through an integrated Propane Dehydrogenation (PDH) plant.

NATPET's PP products, with the brand name Teldene®, are sold in more than 90 countries covering all the major regions around the world. The sales are carried out through NATPET's competent Marketing and Sales division and off-takers with defined territories. NATPET is considered to be an aggressive market competitor aiming to achieve the highest profitability with the highest quality product in the market.

NATPET in a short period of its existence has received outstanding acclamation from its customers for its sustainable product quality and after sales support. Accordingly, NATPET puts extra emphasis to keep its goodwill in the downstream market afloat through constant improvement of its operations.

3.2 Corporate Strategy

Focus is the pillar of development at NATPET; this is precisely what drives it towards success. Quality products, customer care, maintenance and promulgation of ethical conduct in the industry, development of sustainable processes, respect for not just the employees but tireless efforts for the well-being of the community as well – NATPET focuses in the growth of multiple areas to stand out from the crowd and has received due acknowledgment through various accolades. These have been achieved in a very short span as NATPET started its commercial production in 2010 and now has gone in to achieve the status of an outstanding provider of sustainable product quality and after sales support.

3.3 An Organization with Solid Policies

For NATPET, to be recognized as an astute business worldwide, formulation and implementation of best practices in accordance with policies has been the core to its functioning. NATPET has acquired certifications for Responsible Care/RC 14001:2013, ISO 9001:2015 Quality, ISO 14001:2015 Environment, ISO 22000:2005 - Product Safety, OHSAS 1800:2007-Occupational health and safety and ISO 17025:2005 – laboratory test reliability and calibration. Through such accreditations, the organization has kept itself abreast in the following areas:

3.3.1 Reduced cost of waste management through savings in consumption of energy and materials

- 3.3.2 Lower distribution costs
- 3.3.3 Improved corporate image among regulators, customers and the public
- 3.3.4 Define, establish, and maintain an effective quality assurance system for manufacturing and service industries.
- 3.3.5 An effective safety management system which can be integrated with other management systems and help organizations achieve better occupational health, safety performance and economic objectives.

3.4 Market Sense and National Awareness

When NATPET claims continuous improvement, it does not mean the fancy industrial clichéd term to impress the stakeholders but justifies through actions like learning incessantly, enhancing consensually, developing systematically, implementing ethically and responsibly. The organization has been recognized to follow international and national accreditations; as a consequence its plant currently enjoys sustainable advantage of producing its own high quality main raw material, Propylene, through an integrated Propane Dehydrogenation (PDH) plant. NATPET now appears as an effective performer in the industry keeping a keen eye on the responsible competitiveness.

NATPET emphasizes in market research and understanding the market before going about choosing its technology and product grades. It is well-versed with all these guidelines as it works to diligently to cater to the requirements of major markets such as the GCC, MENA, Asia and Europe in particular. The company's basic strategy is to focus on the client's entire value of the product, and the company doesn't see itself as a commodity company in this respect, but as a valuable supplier who believes in financial gains through ethical conduct.

The Company has established a new division to motivate investors to invest in plastic business. Recently, two projects have been implemented while others are in the process of development and approval.

The organization has warm-heartedly entered into a joint venture with a British company called Low & Bonar to produce geotextile materials made from polypropylene. The Bonar/NATPET joint venture intends to produce geotextile products for the fast-growing civil engineering markets in the Middle East and the Indian subcontinent.

NATPET-Schulman Engineering Plastic Compounds is a joint venture. This will build an efficient, cost-effective and state-of-the-art manufacturing facility to produce and globally sell polypropylene compounds for durable goods & automotive industry by the end of 2015.



NATPET

4.0 RECOGNITIONS:

- 4.1 NATPET Stood 1st Position in King Khalid Award - RCI - 2014
- 4.2 NATPET- Won Arabia CSR Award -2014
- 4.3 GPCA Responsible Care Award - 2015

The GPCA Responsible Care® Awards have been developed to recognize and share the experiences of the companies and individuals that have exemplified leadership and outstanding performance based on the implementation and execution of the Responsible Care program. NATPET has been nominated for the following Categories:

- 4.3.1 “Best Responsible Care® Champion”
- 4.3.2 “Best Responsible Care® Project”
- 4.4 EBA Best Enterprise Award - 2014
- 4.5 The BIZZ Award - 2014
- 4.6 CFI-UK Oil & Gas Award - 2014
- 4.7 Value Chain Leadership Award - 2013
- 4.8 Marafiq Sustainability Award - 2012
- 4.9 Best Saudi Company to work for – 2012



NATPET

5.0 INSPIRE STAKEHOLDER CONFIDENCE:

SGS
Certificate of Conformity
OHSAS 18001:2007
National Petrochemical Industrial Co. - NATPET
K.P.O. Box 31480, Jeddah, 21502, Saudi Arabia
Manufacturing, Marketing, Sales and Export of various grades of Polypropylene

ABS Quality Evaluations
Certificate of Conformance
National Petrochemical Industrial Company (NATPET)
7th & 8th Floors, Future Business Center
Ammanah Street, Opp. Chamber of Commerce, Baghdadiyah District
Jeddah, Western Province 21491
Saudi Arabia
RC140018-2013

ABS Quality Evaluations
Certificate of Conformance
ANNEX
National Petrochemical Industrial Company (NATPET)
A Below Facilities
RC140018-2013

DAC
ACCREDITATION CERTIFICATE
LB-084-TEST
Dubai Accreditation Department
has accredited
National Petrochemical Industrial Co. (NATPET)
Technical Laboratory
Yanbu Al Sinaiyah- Kingdom of Saudi Arabia
Petroleum & Petrochemical Testing

DAC
SCOPE OF ACCREDITATION
National Petrochemical Industrial Co. (NATPET)
Technical Laboratory
Yanbu Al Sinaiyah- Kingdom of Saudi Arabia
Scope Issue No: 82
Scope Validity Period: 11-10-2014 to 10-10-2017
Accreditation Certificate No: LB-084-TEST

Material	Method	Standard	Reference
Physical	Polypropylene - Pellets	Standard test method for Melt Flow Index of Thermoplastic Extrusion Plastomers	ASTM D3378 ISO 6043
Chemical	Polypropylene - Pellets	Standard Practice for Calculating Polymer and Additives Index from Inherently Measured Color Coordinates	ASTM E323 ISO 4603-07
Polypropylene - Random copol. & Pellets	Standard Test Method for Determination of Melt Spinning Intrinsic Viscosity	ASTM D3482 ISO 6042-07	

ABS Quality Evaluations
Certificate of Conformance
National Petrochemical Industrial Company (NATPET)
7th & 8th Floors, Future Business Center
Ammanah Street, Opp. Chamber of Commerce, Baghdadiyah District
Jeddah, Western Province 21491
Saudi Arabia
RC140018-2013

SYSTEMS CERTIFICATION
Certificate of Registration
National Petrochemical Industrial Co. (NATPET)
ISO 22000:2005
Food Safety Management System
Manufacturing, Marketing, Sales and Export of various grades of Homopolymer, Random and Heterochain Copolymer Polypropylene.

SGS
Certificate of Registration
National Petrochemical Industry Company (NATPET)
ISO 9001:2008
Manufacturing, Marketing, Sales and Export of various grades of Polypropylene

UKAS
Certificate of Registration
National Petrochemical Industry Company (NATPET)
ISO 9001:2008
Manufacturing, Marketing, Sales and Export of various grades of Polypropylene



NATPET

6.0 CORPORATE SOCIAL RESPONSIBILITIES:

6.1 NATPET Social Responsibilities programs are strategically designed for the improvement of the local environment and other social issues. For example, NATPET’s environmental improvement project, Community Awareness and Education (Story of Waste), has been established to create environmental awareness at schools level. Further, NATPET has organized so many programs in past three years, few of them is described below.

6.1.1 Community Awareness and Education at Schools (ongoing; started in Sep 2013):

6.1.1.1 NATPET’s volunteers and Local Partner (NGO) organized a series of 180 minutes workshop “Story of Waste” for school students. A total of 200 workshops at different schools were completed with an encouragement competition at the end among participant schools in accordance to green school’s standard.

6.1.2 Beach Cleaning Campaign – Yanbu KSA (Nov 2015).

6.1.2.1 Beach cleaning campaign conducted in Yanbu in collaboration with Royal commission environmental department where school children, NATPET employees and other stakeholders participated.



6.1.3 Waste Free Environment Day, at Jeddah corniche to clean the seabed and raise public awareness of the current waste issue.



6.1.4 Earth Day - 2015

6.1.4.1 The National Petrochemical Industrial Corporation (NATPET) was a Platinum sponsor of Jeddah Earth Day Event that was organized with the collaboration of Local NGO “AL-NABTA” during the 30th of April and the 1st of May 2015. The purpose of this project was to promote environmental awareness in the community through a range of programs which aim to instill enhanced environmental behavior values.



6.1.5 World Environment Day – June 12, 2015

6.1.5.1 NATPET celebrated World Environment day along with collaboration of Royal commission Environmental department at DANA MALL. This event was fully sponsored by NATPET. NATPET successfully celebrated this Community awareness Environmental program where briefly described about NATPET products history and the various awards owned by the Company. General guidelines for protection the environment addressed to public. During this session various gift hampers distributed to school going children.





NATPET

7.0 NATPET SUSTAINABILITY

- Environmental Sustainability
- Social Sustainability
- Economic Sustainability

7.1 Environmental Sustainability

7.1.1 NATPET pollution reduction programs help in managing environmental responsibilities, comply with the applicable local/ Royal Commission, improved material utilization and reduced wastes and releases. The engineering and technical experts of the NATPET contribute in the way of proposing new materials, equipment modification, recycle/reuse of waste.

7.1.2 NATPET has initiated major project on converting a Hazardous industrial waste as raw material to other industries e.g., research on transforming NaHS a hazardous waste to become an active agent for the leather industry, previously the company was investing SR 1 Kg to environment friendly disposition now as a saleable product.

7.1.3 NATPET took an effective role with the environmental authorities to educate mass media through various programs and seminars on environmental and social challenges and sponsorship a CD called "Two Drops" an initiative supported by GPCA.

7.1.4 Primary School Level

7.1.4.1 NATPET Environment section organizes environmental awareness and excellence competition in primary schools of RC, Yanbu in collaboration with the local environmental regulatory authority, Royal Commission Environment Control Department at Yanbu and RC primary education department.

7.1.4.2 NATPET had recently received and granted a prestigious 2013 GOLD AWARD in Occupational Health and Safety from The Royal Society for the Prevention of Accidents (RoSPA). This shows that we had been demonstrating a socially responsible attitude among our employees which leads to developing a strong safety culture and enhanced safety performance in the entire plant.



7.1.5 Environmental Major Milestones

- **Zero violation** of local & national Environmental Regulation.
- **100% compliance** to set parameter for wastewater discharge to MARAFIQ IWTP.
- **No Groundwater contamination** as per groundwater sampling report.
- **Continuous Emission Monitoring** of stack Emissions.
- NO_x and SO_x emissions from stacks **far less** than RC limit.
- **No incident of leakage** for radioactive sources.
- **RC 14001:2013** valid certification and accredited with ANAB by ABS-QE, USA.
- **ISO 14001:2015** valid certification and recognition for RCMS by GPCA
- **Zero Fatality** on occupational health & safety incident.
- **No Major** Fire incident or explosion.
- Member of **ROSPA** (Royal Society of Prevention of Accident)
- Member of **Responsible Care**
- **NFPA** (National Fire Protection Association) membership
- **ASSE** (American Society of Safety Engineers) membership

7.2 Social Sustainability

7.2.1 Social sustainability is the idea that future generations should have the same or greater access to social resources as the current generation (“inter-generational equity”), while there should also be equal access to social resources within the current generation (“intra-generational equity”).

7.2.1.1 Our People – Making a Difference

NATPET employees are the key enabler for making a difference, both within the company and to the lives of people, we touch with our meaningful initiatives and community programs.

Through the Accelerate! program, NATPET is addressing structural change, focusing on execution, reducing overhead costs, investing in growth – and adopting a new company culture. This cultural shift is being driven by a new set of behaviors designed to help us unlock our full potential – Eager to win, Take ownership and Team up to excel.

7.2.1.2 Community Engagement

In parallel to our daily business focus on customers and markets, we also continue to encourage our people to engage with their immediate wider community. As part of our commitment to sustainability, NATPET supports volunteer activities as a way of giving back to our communities. Employee volunteering embraces NATPET' mission to improve people's lives not only through our philanthropic activities, but also through our employees and our shared belief that each of us can touch the lives of those around us, making our world a better place.



A key initiative in this respect is our Schools program. , NATPET employees (Jeddah Proactive team) have volunteered to upgrade lighting in local schools and educate the children on energy efficiency and best use of environment, but the program goes much further.

The Human Capital (HC) Plan establishes a framework of policies and practices that will guide our efforts in meeting these workforce needs. It contains interdependent improvement goals and action strategies that will transform how we assess, plan for, and respond proactively to our human capital challenges and needs. NATPET invests in skills to prepare economies and labor markets for the demands and changes of increased global competition.

NATPET also offers training opportunities and create learning potential and became learning organization in which workers have the opportunity to develop professional and social competences through peer learning.

NATPET is working to develop locals and releasing them in local market as talented workforce, for this reason around 150 students were selected form Yanbu industrial college they were provided two years OJT and these workforce were available for local/international market so helping government to provide their customers/people respectful job and social challenges of employment.

7.2.1.3 Donation

At NATPET our responsibility never completed until we assure the donations and charities are utilized effectively, our philosophy to invest in the community either donation or sponsorship. CSR Targets for the year 2015 are as follows:

- Associated Office of Call & Guidance – Islamic Donation
- World Assemble of Muslim Youth (Monthly Contribution)
- Association Francaise “Islam et Occident”

	Year	Dedicated Budget
• Waqf Ilmi For King Abdul Aziz University	2012	Budget SAR 1.8 Million
• Jamia Marakiz Al Ahya	2013	Budget SAR 2.0 Million
• Al Mabdaoon Center for Studies & Research	2014	Budget SAR 2.2 Million
• Jeddah Institute for Speech & Hearing	2015	Budget SAR 2.4 Million
• Maktab Al Tawani	2016	Budget SAR 2.5 Million
• Al Falah School Donation		
• Kidney Centre		
• Contribution to School		

7.2.1.4 CSR – Al Nabta’s & NATPET joint work

Project with Al Nabta, local NGO for spreading Environmental awareness in community schools at Jeddah. “Story of Waste” designed to spread awareness among students on how and why they should recycle and safe the environment. This program targets intermediate and secondary school students (both genders). Total 04 schools were selected in 2013 for awareness and this project will be continued in 2015.

7.2.1.5 IMAX Arabia



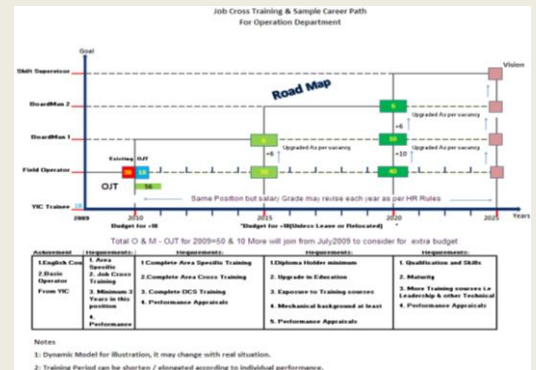
A sense of mission --- to build a bridge of understanding between the cultures of East and West and in doing so to encourage greater tolerance among all peoples.

NATPET – is among the major player in producing the film and contributed around SR 1.250 Million as social responsibility to provide clear picture of east, a nation of love and Islam a religion of Peace.

In 2005 California film maker Greg McGillivray took up the challenge of creating the first ever feature film to be shot entirely in Saudi Arabia , and five years later he has brought his creation to the screen. Following a series of openings at IMAX theaters in north America at the beginning of 2010, Arabia went on to a royal premiere in London in the presence of Prince Charles, and a round of international showings in Istanbul, Quebec, Mexico City, Berlin, Valencia, Kuwait, Shanghai and Hong Kong. To date Arabia has been seen by more than 700,000 people, picking up three GSCA Achievement Awards in September 2010 from the prestigious Giant Screen Cinema Association of America, the Oscars of the IMAX world.

7.2.1.6 Training and Career Development

To backup manpower turnover/succession & increase national workforce. A Six year Strategic Succession Plan (2010 to 2016):



Phase 1 (2010 to 2012):

- **80** Ex. On-Job-Trainees (Maintenance/Lab. Tech and Operators) are now full charge in their respective departments cost centers.
- **21** PDP engineers’ (Saudi) have successfully completed training & working in their respective departments for more responsibilities

Phase 2 (2013 & 2014):

- **51** scholars are being trained at YTI, will be available in 2016 as OJT
- **10** OJT (B) Saudis are progressing in their training development Program. Fresh Recruitment is on the go.
- **11** PDP engineers’ (Saudi) are progressing in their development program. Fresh Recruitment is on the go

Phase 3 (2015 to 2016):

- Total 50 OJTs 20 PDPs recruitment proposed from 2015 to 2016.

7.2.1.7 The Official ICC CEO G20 Advisory Group

NATPET President Mr. Jamal J. Malaikah is the member of ICC G20 CEO Advisory Group <http://www.iccwbo.org/global-influence/g20/advisory-group/g20-ceo-advisory-group-members/>

We identify the Socio-Economic, environmental and political national and international trends which could impact on business performance. These are being monitored through ICCG20 Advisory, B20, OECD, PMC.

NATPET is also the active member of GPCA International Trade committee. One of the purpose of the committee is to: “To facilitate co-operation relating to international trade in petrochemical and chemical products within the GCC region”.



7.2.1.8 World Day for Occupational Safety and Health (28 April, 2015)

NATPET ISD Department in collaboration with the Royal Commission (Yanbu) celebrated the World Day for Occupational Safety and Health on April 28, 2015. Awareness on occupational safety and health is one of the most important objectives of NATPET. The purpose of program is to promote a culture of safety in the workplace.

7.2.1.9 Academia Collaboration with KFUPM

In continuation to our activities of academia collaboration, NATPET has close coordination with Center of Excellence in Petroleum Refining and Petrochemicals (CRP), KFUPM.

7.2.1.10 Support for the healthy activity “Engagement of football stadium for employees recreation” for the whole year.

7.2.1.11 Sponsoring best students from top universities in international forums “GPCA – Responsible Care Conformance, UAE”.

7.3 Economic Sustainability

At NATPET, we utilize existing resources optimally so that a responsible and beneficial balance can be achieved by using the assorted assets of the company efficiently to allow it to continue functioning profitability over time.

7.3.1 Steam Re-mapping – Energy Recovery

7.3.1.1 PDH-REC Turbine Power Enhancement

Current operation of REC steam turbine lacks in power demand by REC compressor especially during RED steps (Turbine power output is 21.5 MW against maximum design of 25.6 MW).

NATPET identified existing Turbine efficiency can be improved to achieve 23.5 MW against existing compressor requirement of 23.2 MW by:

- (1) Replacing the HP steam with LP steam at Boiler de aerator (Confirmed with Thermax);
- (2) Directly routing the LP steam to PP plant;

The above two options will avoid letting down of HP steam to LP steam thru letdown stations and thus 2MW energy saving can be achieved. The same change will be implemented during shutdown 2015.

7.3.2 Propylene recovery – PP project

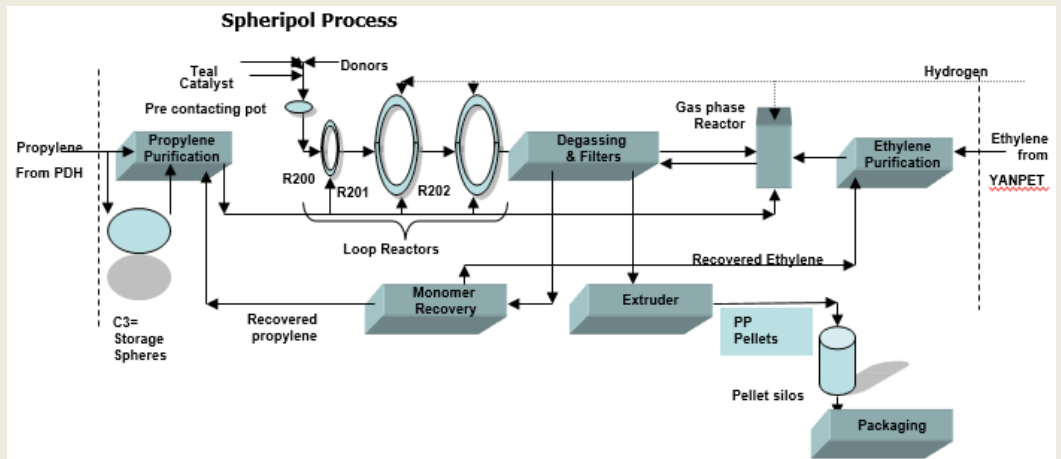
A post condenser Exchanger is successfully commissioned in the vent gas in PP plant. Certain of Propylene along with Hydrogen is removed during high MFR grades

production. It is expected to gain 70-80% flaring of propylene in PP plant during high MFR grade production.

7.3.3 Biodiversity

7.3.3.1 NATPET policy continues to focus on:

- Continuing to reduce the impact of our operations through our Green Manufacturing 2015 program, focusing on CO₂ emissions, water, waste and restricted and hazardous substances



- Continuing our EcoDesign activities, resulting in Green Products
- *NATPET Lab Participated in ASTM-PTP(2012-2013) Lab Got 20 Excellent (< 1 σ) and 6 Very Good (< 2 σ).*

7.3.4 Corporate Governance

NATPET believes that good corporate governance is a critical factor in achieving business success. The findings of internal and external audits are reported to and discussed by the Audit Committee. Internal auditors monitor the quality of the business controls through risk-based operational audits.

As part of the Business Control Frame work, NATPET with other MNCs have implemented set of standards for internal controls.