



**LEADERSHIP**

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**INNOVATION**

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**COLLABORATION**

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**2016 Sustainability Report**

GULF PETROCHEMICAL INDUSTRIES COMPANY  
KINGDOM OF BAHRAIN  
[WWW.GPIC.COM](http://WWW.GPIC.COM)

Towards a Sustainable Future through

**LEADERSHIP**

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**INNOVATION**

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**COLLABORATION**

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**2016 Global Reporting Initiative (GRI) Report**

Including: UN Global Compact - Communication on Progress

UN Global Compact - Food and Agriculture Business Principles

UN Global Compact - Women's Empowerment Principles

Gulf Petrochemical Industries Company

# About Gulf Petrochemical Industries Company (GPIC)

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

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

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



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

In 2012, Gulf Petrochemical Industries Company becomes part of the global transformation for a sustainable future by committing to the United Nations Global Compact's ten principles in the realms of Human Rights, Labour, Environment and Anti-Corruption.



GPIC becomes an organizational stakeholder of Global Reporting Initiative (GRI) in 2014. By supporting GRI, Organizational Stakeholders (OS) like GPIC, demonstrate their commitment to transparency, accountability and sustainability to a worldwide network of multi-stakeholders.



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





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# Introduction

For the 6th year, Gulf Petrochemical Industries Company is pleased to provide its Global Reporting Initiative (GRI) Report. This document follows the GRI G4 Guidelines 'In Accordance' – Core option, making information available on a range of environmental, social, and economic topics. This Report also serves as GPIC's UN Global Compact Communication on Progress for 2015 and its signature issue platforms such as the Women's Empowerment Principles and the Food and Agriculture Business Principles are also covered in this report.

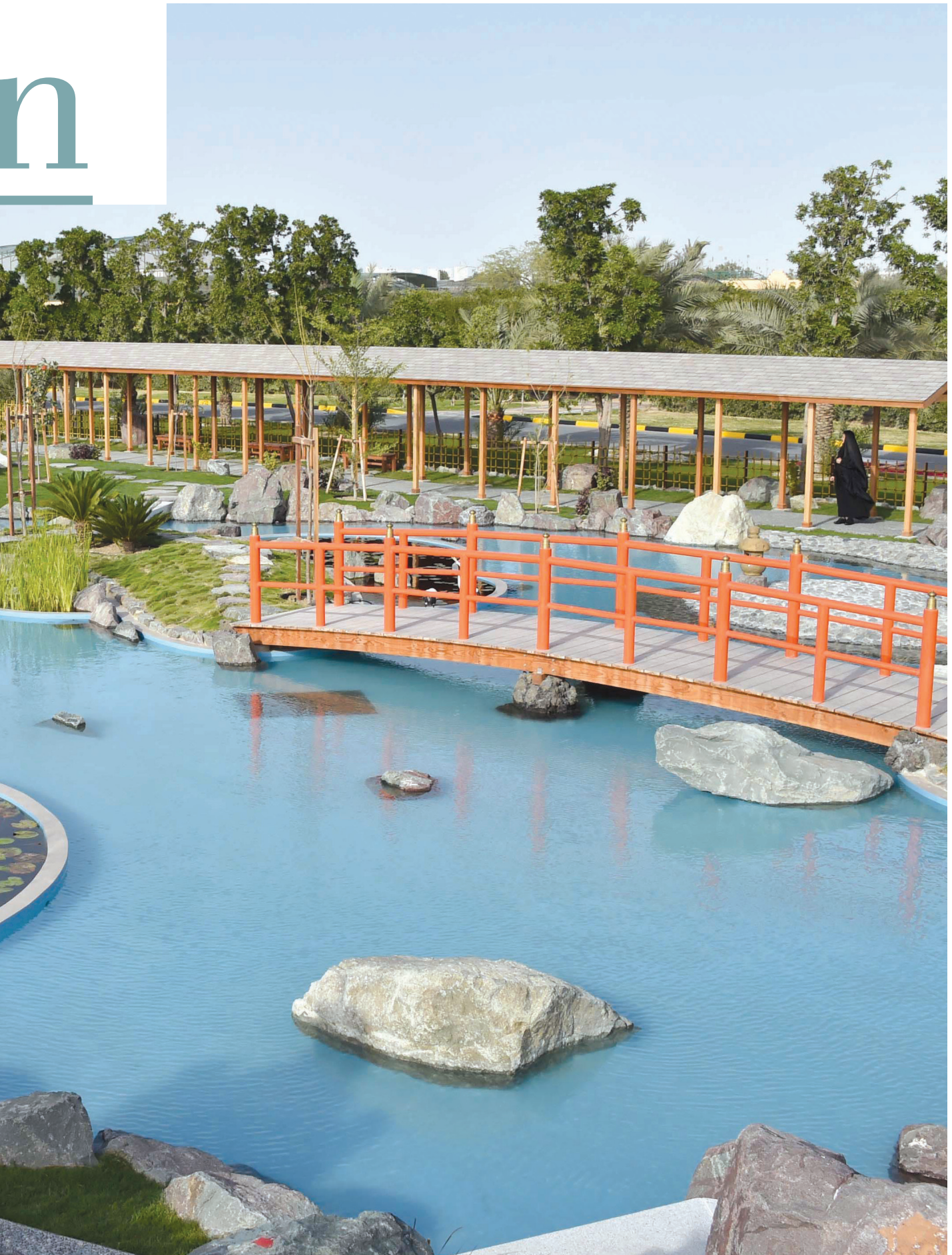
Other Company reports that may be of interest to readers is available on [www.gpic.com](http://www.gpic.com) include:

- GPIC Annual Report 2015
- GPIC Company Magazine – Khaleejeh
- GPIC Sustainability Report 2014
- GPIC UN Global Compact Communication on Progress Report - 2015



Bahrain-Japan friendship garden at Al Areen Park funded and managed by GPIC

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# Sustainable Reporting

## **SUSTAINABILITY REPORTING - A COMPREHENSIVE UNDERSTANDING**

### **What is the Global Reporting Initiative (GRI)?**

GRI is an organization that has pioneered the standardization of sustainability reporting through the creation of the GRI framework. Key principles in its approach include: balance, comparability, materiality, accuracy, timeliness, clarity and reliability. For more information, visit GRI's website [www.globalreporting.org](http://www.globalreporting.org).

### **What is a G4 Sustainability Report?**

A G4 sustainability report is a report that is: based on the G4 Guidelines; fulfills the "in accordance" criteria; and states that it is "in accordance" with either the Core or Comprehensive options.

### **What is Materiality assessment?**

Materiality assessment is the process of identifying, refining, and assessing numerous potential environmental, social and governance issues that could affect our business, and/or our stakeholders, and condensing them into a short-list of topics that inform company strategy, targets, and reporting.

### **How does GPIC approach sustainability reporting?**

The transparent and comprehensive use of the GRI framework creates accountability for GPIC to report and improve reporting on the topics stakeholders may find important.

### **What are GPIC's long term Sustainability Goals?**

In 2014, to make a greater impact, to scale up the contribution of our business to UN priorities and to align our strategy to Bahrain's Economic Vision 2030, we established our long term sustainability goals.

The Sustainability Goals cover the following areas:

- Climate Change
- Resource Efficiency
- Safety, Health and Environment
- Learning and Development
- CSR and Community Engagement
- Economic Sustainability

### **What is the United Nations Global Compact (UNGC) Communication on Progress (COP)?**

We use the biennial Sustainability Report and the yearly COP report to convey our Communication on Progress (COP) for the

UN Global Compact's 10 principles. The UN Global Compact is the world's largest voluntary corporate citizenship initiative. For more information on the UN Global Compact and its principles, visit [unglobalcompact.org](http://unglobalcompact.org).

### **What is the United Nations Global Compact (UNGC) Food and Agriculture Business Principles?**

To advance the positive impact that business can have in the food and agriculture field, the United Nations Global Compact has facilitated the development of voluntary Food and Agriculture Business Principles (FAB Principles) to serve as a framework for principle-based collaboration of companies with the UN, governments, civil society and other stakeholders. For more information on the UN Global Compact FAB 6 principles, visit [unglobalcompact.org](http://unglobalcompact.org).

### **What is the United Nations Global Compact (UNGC) Women's Empowerment Principles?**

The Women's Empowerment Principles are a set of 7 Principles for business offering guidance on how to empower women in the workplace, marketplace and community. They are the result of a collaboration between the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact and are adapted from the Calvert Women's Principles®. The Women's Empowerment Principles seek to point the way to best practice by elaborating the gender dimension of corporate responsibility, the UN Global Compact, and business' role in sustainable development. For more information on the Women's Empowerment principles, visit [www.wepinciples.org](http://www.wepinciples.org)

### **What are the United Nations Global Sustainable Development Goals (SDGs)?**

The Sustainable Development Goals (SDGs), officially known as 'Transforming our world: the 2030 Agenda for Sustainable Development', are an intergovernmental set of aspiration Goals with 169 targets. The Goals are contained in paragraph 54 United Nations Resolution A/RES/70/1 of 25 September 2015. The Resolution is a broader intergovernmental agreement that, while acting as the Post 2015 Development Agenda (successor to the Millennium Development Goals), builds on the Principles agreed upon under Resolution A/RES/66/288, popularly known as 'The Future We Want'. visit [www.un.org/sustainabledevelopment/sustainable-development-goals/](http://www.un.org/sustainabledevelopment/sustainable-development-goals/)



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# Sustainability Overview

2014 - 2015



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# GPIC's achievements, challenges and goals



GPIC - where nature and technology co-exist

## GULF PETROCHEMICAL INDUSTRIES COMPANY OVERVIEW

Shareholders	<ul style="list-style-type: none"> <li>Equal Partnership between the Government of the Kingdom of Bahrain, represented by the Oil and Gas Holding Company (Noga holding), Saudi Basic Industries Corp.(SABIC) of the Kingdom of Saudi Arabia and Petrochemical Industries Co.(PIC) of the State of Kuwait</li> </ul>
Date Incorporated	<ul style="list-style-type: none"> <li>December 1979</li> </ul>
Number of Employees	<ul style="list-style-type: none"> <li>568, including trainees (90% Bahrainis as of 31 Dec. 2015)</li> </ul>
Principal Place of Business	<ul style="list-style-type: none"> <li>Sitra, Kingdom of Bahrain</li> </ul>
Core Products	<ul style="list-style-type: none"> <li>1200MT/D Ammonia, 1200MT/D Methanol, 1700 MT/D Granular Urea.</li> </ul>
Key Markets	<ul style="list-style-type: none"> <li>USA, China, Brazil, Singapore, Thailand, Taiwan, South Korea, Australia</li> </ul>
Scale of the Organisation	<ul style="list-style-type: none"> <li>Medium</li> </ul>
Total Capitalisation	<ul style="list-style-type: none"> <li>US \$159 million (100% equity)</li> </ul>
Sales 2014	<ul style="list-style-type: none"> <li>US\$ 441 million</li> </ul>
Sales 2015	<ul style="list-style-type: none"> <li>US\$ 267 million</li> </ul>
Total Assets 2014	<ul style="list-style-type: none"> <li>US\$ 564 million</li> </ul>
Total Assets 2015	<ul style="list-style-type: none"> <li>US\$ 518 million</li> </ul>
Net Profit 2014	<ul style="list-style-type: none"> <li>US\$ 190 million</li> </ul>
Net Profit 2015	<ul style="list-style-type: none"> <li>US\$ 48 million</li> </ul>
Total Products	<ul style="list-style-type: none"> <li>2014 - 1,600,528 metric tonnes</li> <li>2015 - 1,465,641 metric tonnes</li> </ul>
Certifications	<ul style="list-style-type: none"> <li>ISO9001:2008;ISO14001:2004;OHSAS18001:2007;PAS99:2012; RC14001:2008;ISO27001:2005;ISO31000:2009;ISO22301;ISO 17025;ISO17020;ISO 50001:2011</li> </ul>
Memberships in Key International Organisations	<ul style="list-style-type: none"> <li>UN Global Compact; National Safety Council (NSC, USA), Royal Society for the Prevention of Accidents (RoSPA, UK), International Fertilizer Industry Association (IFA), Arab Fertilizer Association (AFA), Gulf Petrochemicals and Chemicals Association (GPCA), Global Reporting Initiative (GRI)</li> </ul>
Key Awards 2014-2015	<ul style="list-style-type: none"> <li>The Arabia CSR Award; the RoSPA award for SHE excellence; safety award from BSC; HRH Princess Sabeeka bint Ibrahim Al khalifa award for women empowerment; Human Resource Excellence®, "Gold Standard of Excellence". Mohammed bin Rashid Al Maktoum Business Excellence Awards for Most Outstanding Performance and the Best Business Performance.</li> </ul>

**“DESPITE A SHARP DROP IN MARKET PRICES IN 2015, GPIC WAS ABLE TO SUSTAIN ITS PROFITABILITY DUE TO ITS EFFICIENT AND STREAMLINED OPERATIONS AND COST OPTIMISATION INITIATIVES.”**

Dr. Abdulrahman Jawahery- GPIC President

#### **Achievements 2014-2015**

- A remarkable safety record with over 22 million man hours without a Lost Time Accident.
- In 2014 GPIC achieved a combined record yearly production for Ammonia, Urea and Methanol of 1,600,528 metric tonnes, highlighting business continuity and efficiency.
- A safe and efficient maintenance turnaround 2015. A daily average manpower of 4,000 regional and international contracting personnel along with GPIC carried out the jobs safely and efficiently without any accident. A staggering 1.2 million safe man-hours was achieved during the period.
- GPIC is one of the few organizations globally who is certified to all the key ISO standards and management systems. At the end of 2015 GPIC was also certified to 14 standards. The latest being the ISO 50001 Energy Management System.
- GPIC committed to the UN Global Compact Women's Empowerment Principles (WEP) in 2014.
- GPIC committed to UN Global Compact Women Empowerment Principles in 2014.
- GPIC issued its second sustainability report with a GRI 3.1 application level "A".
- GPIC's President became the International Fertilizer Industry Association (IFA) President, the first Bahraini and second Arab to hold this position in IFA's history.
- GPIC's President became the Arab Fertilizer Association (AFA) Chairman.
- GPIC received over 20 awards and accolades in recognition of its work the fields of Safety, Health and Environment, Human Resource and Social Development, Responsible Care and CSR. **(For details, please refer to section on Leading Excellence Awards.)**

#### **Challenges 2014-2015**

- Economic uncertainty and market instability with lower product prices decreased our profitability significantly during 2015.
- To have a safe and successful turnaround was our biggest challenge for 2015, which we achieved as planned.
- During 2014 our Ammonia Plant load was restricted due to high bearing temperature issues from the process air turbine. In 2015 we had two unscheduled outages, one due to an ammonia synthesis loop waste heat boiler tube failure and the other in our Methanol Plant due to a make-up gas compressor seals issue.

#### **Challenges and goals 2016 and beyond**

- Maintaining the financial health of the Company through operational excellence and cost optimisation initiatives.
- Maintaining safety performance & adherence to environmental legislation.
- Improving on our cost of production.
- Improving employee productivity.
- Improving energy efficiency.
- Maintaining continuous production record.
- Improving capacity utilization.
- Increase in price of raw materials such as gas and electricity.
- Market instability and low Products price.

# Our Sustainability Strategy



GPIC's sustainability strategy is centered on the United Nations' pillars of sustainable development: People, Planet and Profit.

We measure our success on social responsibility, care for the environment and profitability. In developing our sustainability strategy, we ensure a close knit integration between the stakeholders' interest, important environmental concerns and our core business.

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

## **Economic Vitality:**

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

## **Business Continuity:**

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

## **Business Growth:**

We believe that in order to add value for our shareholders and to remain competitive and sustainable in this ever evolving and challenging global market, we have to grow. In line with this outlook we have developed a strategic plan ranging until the year 2020 and will be embarking on a major expansion project to build a multibillion dollar ammonia and granular urea plant adjacent to our existing facilities.

## **Human Talent Development:**

At GPIC, we are mindful that our success relies very heavily on our ability to attract, recruit and retain the highest quality of human talent. Without our people, our reputation would not be what it is today, so we focus on nurturing them and developing them throughout their careers.

## **Women's Empowerment:**

GPIC has a responsibility to be a role model for empowering women in Bahrain's industrial sector. GPIC will pursue its strategic priority to employ more women in various positions, as allowed by the laws of Bahrain. We have also established an Equal Opportunities Committee to oversee practices of fairness towards gender equity, and to ensure adherence to women's rights. In 2014 our President signed the letter of support towards the UN Global Compact Women's Empowerment Principles (WEPs).

## **Social Progress:**

Another set of key stakeholders we have identified are the communities that host our business and our people. We are aware of the fact that negligence in our business could cause damage to our surrounding communities and that it is our responsibility to cater to their needs and be aware of their interests. At the same time, the safety of all our employees, contractors and host communities is paramount.

At GPIC, corporate social responsibility is all about how we manage our core business processes to produce an overall positive impact on society. We truly believe that social responsibility and economic stability are not mutually exclusive, so even our social investment strategy is crafted with a commitment to the idea that our stakeholders include a much broader category than only our people, shareholders or financial investors. We have an unwavering commitment to invest in helping address the social needs firstly of our neighbouring communities, but also of Bahrain as a whole.

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

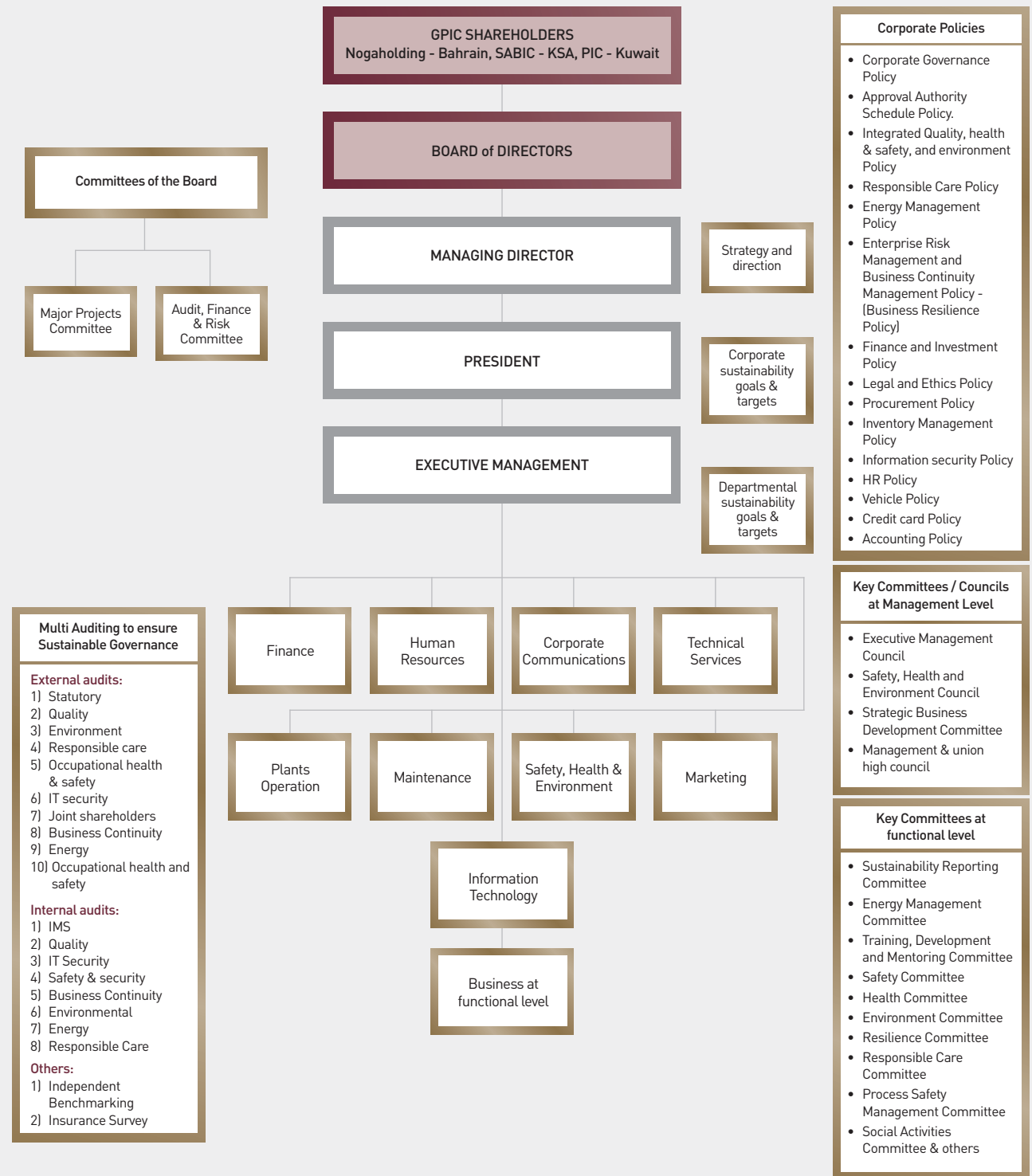
## **Environmental Sustainability and Climate Change:**

As the world's climate begins to change, businesses cannot afford to ignore the impact it has on the environment. We have committed ourselves to some of the most stringent standards towards environmental management, and we believe that the way any organisation manages environmental issues is a crucial measure of their standards of corporate social responsibility, competitiveness and vision. As part of our continual improvement and in addition to taking responsibility of our own environmental footprint, we are committed to being compliant to ISO 14001:2004, Responsible Care management system RC 14001:2008 and ISO50001 Energy Management System. Air and water pollution prevention, conservation of resources, reduction of greenhouse gas emissions, energy efficiency and conservation are our material environmental aspects.

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

“AS A COMPANY, WE HAVE COME A LONG WAY IN OUR SUSTAINABILITY JOURNEY. AFTER THREE DECADES OF CONTINUOUS PROGRESS, WE HAVE SIGNIFICANTLY IMPROVED OUR IMPACT ON THE PLANET.”

### GPIC'S SUSTAINABILITY GOVERNANCE FRAMEWORK



# GPIC's Sustainability Journey – 36 Years of Excellence in Corporate Sustainability



**1979**

GPIC established as a joint venture between Government of Bahrain, Sabc-KSA, PIC-Kuwait



**1998**

GPIC commissioned its 1700MT/D granular urea plant which also helped in reducing about 0.5 million tonnes of CO2 annually



**1999**

GPIC becomes Environmental Management System ISO 14001 certified



**2008**

GPIC wins HRH Princess Sabeeka award for Empowerment of Bahraini Women

.....  
GPIC Wins the R.W Campbell award from NSC, USA for SHE excellence



**1985**

Ammonia and Methanol plants commissioned with a capacity of 1000 MT/D each



**1996**

GPIC established its first fish farm close to its sea water outfall



**2001**

GPIC commissioned its Bird Sanctuary at the entrance of its complex. More than 70 species of birds have visited the sanctuary

.....  
GPIC started its program of environment awareness lectures to school children



**2006**

GPIC becomes ISO 27001 certified

.....  
GPIC launched its International Dilmun Environmental Award in partnership with RoSPA-UK



**1989**

Ammonia and Methanol plants debottlenecked to a capacity of 1200 MT/D each



**1995**

GPIC certified for Quality Management System ISO 9000



**2004**

GPIC becomes OHSAS 18001 Certified

.....  
In partnership with Ministry of Education GPIC launched its Environmental Research programme for school students



**2005**

GPIC wins the Sir George Earle Trophy from RoSPA, UK for SHE excellence





## 2009

GPIC commissions its first 450 MT/D Carbon dioxide recovery plant that reduces 0.12 million tons CO<sub>2</sub> emissions annually

HRH Princess Sabika bint Ibrahim Al Khalifa Aromatic garden inaugurated



## 2010

GPIC becomes Responsible Care RC - 14001 certified



## 2011

GPIC installs its first solar heating unit

GPIC wins the Arabia CSR Award

HM Queen Margrethe II of Denmark olive oasis inaugurated



## 2013

GPIC becomes ISO 31000 and ISO 22301 certified

GPIC commissions its new HP Steam boiler with ultra low NOx burners and Sodium Hypochlorite unit, phasing out chlorine from its facility



## 2012

GPIC issues its first GRI 3.1 Sustainability Report and attains an application level 'B'

GPIC becomes a permanent member of UN Global Compact

GPIC replaces its ammonia converter basket resulting in an energy saving of around 0.17 Gcal/MT of ammonia

GPIC wins the Arabia CSR Award



## 2014

GPIC launches renewable energy programme to install solar panel in buildings

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

GPIC issues its Second GRI 3.1 Sustainability Report with an application level of 'A'

GPIC certified to ISO 17025 - General Requirements for the Competence of Testing and Calibration Laboratories

GPIC combined annual production of 1,600,528 metric tonnes the highest since inception

GPIC partners with Global Reporting Initiative to become GRI organizational stakeholder

GPIC's President declares support for UNGC Women's Empowerment Principles (WEP)

GPIC wins HRH Princess Sabeeka award for Empowerment of Bahraini Women

GPIC President selected by Regional Network for Corporate Social Responsibility to be the International Ambassador for Corporate Social Responsibility



## 2015

GPIC chairman and GPIC President were awarded Bahrain Competency Medal of the First Class by HRM The King

GPIC President becomes IFA President

GPIC President becomes AFA Chairman

GPIC achieves ISO 50001 Energy Management System Certification

GPIC wins the prestigious Shaikh Mohammed bin Rashid Al Maktoum Business Excellence Award for Most Outstanding Performance in the manufacturing category

GPIC wins the Human Resource Excellence®, "Gold Standard of Excellence" Certification

GPIC President receives the ROSPA Archangel award in 2015 for his outstanding contribution to Health, Safety and Environment

Best Responsible Care Company Award in GCC - 2015 from GPCA

Arabia CSR Award Winner - Large Category - 2015

Arabia CSR Award Winner - Partnership & Collaboration Category - 2015

# GPIC Long term sustainability goals and the 17 Sustainable Development Goals

## An Overview

### Our Long term goals and our alignment to the newly launched Sustainable Development Goals:

"The adoption of the SDGs is an historic moment for our world, and business is ready to act," - Lise Kingo, Executive Director of the UN Global Compact.

The 17 Sustainable Development Goals (SDGs) address the most important economic, social, environmental and governance challenges of our time, providing a clear and compelling direction for the future. Agreed by all UN Member States, these new global

goals are set to be a major driver of the markets of tomorrow and can unleash a wave of sustainable products, services and business innovations.

Alike other responsible businesses, GPIC too has proactively started to review, link and align its business priorities with the global priorities as articulated in the 17 Sustainable Development Goals. As a first step, we have shown our alignment to the global goals by linking our long term sustainability goals to the SDGs.



### ECONOMIC SUSTAINABILITY

**Optimize** plant availability  
**Maintain** financial health



### CLIMATE CHANGE

**Expand** renewable energy use  
**Replace** ozone depleting substances  
**Reduce** Greenhouse Gas emissions



### RESOURCE EFFICIENCY

**Reduce** energy consumption  
**Reduce** water consumption



### SAFETY, SECURITY, HEALTH & ENVIRONMENT

**Target** zero harm  
**Maintain** security readiness  
**Maintain** compliance to legislation



### LEARNING & DEVELOPMENT

**Develop** human capital



### CSR & COMMUNITY ENGAGEMENT

**Support** community projects  
**Maintain** UNGC commitment








“BUSINESS IS A VITAL PARTNER IN ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS. COMPANIES CAN CONTRIBUTE THROUGH THEIR CORE ACTIVITIES, AND WE ASK COMPANIES EVERYWHERE TO ASSESS THEIR IMPACT, SET AMBITIOUS GOALS AND COMMUNICATE TRANSPARENTLY ABOUT THE RESULTS.”

Ban Ki-moon, United Nations Secretary-General

# SUSTAINABLE DEVELOPMENT GOALS









# Our Alignment to the Global Goals

	AREA	LONG - TERM SUSTAINABILITY GOALS	TARGET	PROGRAMMES	SDG
PEOPLE	Safety, Health and Security	Protection of Human Health & Safety	1. Zero Lost Time Accidents	Enhance SHE culture until it becomes an established natural behaviour.	
		To ensure availability and readiness of security systems at 100% all the times	2. Security readiness	Security readiness will be tried and tested through exercises held throughout the year.  Communication with national bodies NSA, Police and Traffic Directorate.	
	Corporate Social Responsibility	Supporting community and community initiatives	1). <b>Strategic Philanthropy:</b> Sustained financial contributions to NGOs, Educational institutions, charity organizations etc.	Financial contributions and capacity building an important segment of our CSR activities.	
			2). <b>Reach out:</b> Achieve yearly target of schools environmental awareness lectures	GPIC Employees to Impart environmental and responsible care awareness lectures to schools.	
			3) <b>Innovation:</b> Sustained support to GPIC/Ministry of Education Environmental Research Programme for schools	GPIC in collaboration with the Ministry of Education, Kingdom of Bahrain supports and manages the yearly Environmental Research Programme for the public and private schools in Bahrain	
	Commitment to UN Global Compact (UNGC) Principles & Food and Agriculture Business Principles (FAB)	4) Ensure implementation of the universally accepted 10 principles of the UNGC & the 6 FAB Principles	Yearly reporting to UNGC - Communication on Progress(COP).		
Learning and Growth	Development of Human Capital	1. Achieve yearly target of qualifying local talent to take responsible positions within the Company	Invest in employees by providing continuous development and training opportunities.		










Dr. Jawahery with UN Secretary General Ban Ki-moon

	AREA	LONG - TERM SUSTAINABILITY GOALS	TARGET	PROGRAMMES	SDG
PLANET	Environmental Sustainability	Expand the use of renewable energy at GPIC	1. Provide Solar Energy to non-process area buildings by 2019	Implementation of the related Solar Energy Capex Projects in a phased manner.	
		Phase out Ozone depleting and global warming potential HCFC's including R-22 as refrigerants from GPIC	2. Replace R-22 Refrigerant AC units	Implementation of the related Capex Projects in a phased manner. Replace R-22 Refrigerant AC units in 9 phases starting 2015 and completing by 2023.	
		Reduce Green House Gas (GHG) emission levels	3. Reduce GHG emissions below 2013 levels for the existing plants	Ensure efficient and continued operation of carbon dioxide recovery plant. Maintain the current greenery projects and explore further expansion. Maintain efficient and continued operation of all the plants to have minimum possible flaring and venting of GHGs mainly carbon dioxide and methane.	
		Optimize energy consumption so that every saleable tonne of product is attained within the target level of energy consumption	4. Energy consumption $\leq$ 7.9 Gcal/MT of combined product	Maintain all equipment to operate efficiently and effectively. Explore & implement projects with energy conservation potential with focus on significant energy uses.	
		To ensure Compliance to Environmental Legislation	5. 100% compliance to Bahrain Environmental Legislation	100% Compliance to Environmental legislation.	
		Reduce water consumption	6. Increase recycle / reuse of waste water streams	Explore & implement projects with water conservation potential	

	AREA	LONG - TERM SUSTAINABILITY GOALS	TARGET	PROGRAMMES	SDG
PROFIT	Economic sustainability	Maintaining the financial Health of the Company	1. Target Debt to Equity Ratio to optimum lowest	Optimize costs, inventories, expenditures and resource utilisation to maintain financial health of the company.	
	Business Process Excellence	Optimizing plants (Ammonia, Methanol and Urea) availability	1. Actual on-stream factor >= budget on stream factor	Enhance reliability and efficiency of plants and ensure Optimum Plants availability.	



17 GOALS TO TRANSFORM OUR WORLD		
SDG	GRI INDICATORS	GPIC CONTRIBUTION
	G4-EC5, G4-EC8	<b>NO POVERTY:</b> Contributing to economic growth, job creation and trade; Producing fertilizer that increases income of farmers worldwide.
	G4-EC1, G4-EC8, G4-EC7	<b>ZERO HUNGER:</b> Work with IFA and AFA on trainings on fertilizer use to increase food production; Promoting the UN "International Year of Pulses" 2016 campaign and integrating pulses into the GPIC canteen menu.
	G4-EC8, G4-EN15, G4-EN16, G4-EN17, G4-EN20, G4-EN21, G4-LA6, G4-LA7, G4-EN24, G4-EN22	<b>GOOD HEALTH AND WELL BEING:</b> Health and Safety for employees, their families and contractors; Full health insurance and health campaigns; health training and lectures.
	G4-LA9	<b>QUALITY EDUCATION:</b> Training opportunities for employees and industrial trainees; Supporting Ministry of Education and non -governmental education programs such as "InJaz Bahrain"; Providing scholarships and honoring high achieving students; giving international lectures and presentations to other industries and institutions.
	G4-EC5, G4-LA1, G4-LA9, G4-LA11, G4-LA12, G4-LA13, G4-EC1, G4-EC7, G4-HR3, G4-LA3, G4-LA14, G4-LA15	<b>GENDER EQUALITY:</b> Women are represented in training, events, committees, audits, etc. GPIC Equal opportunities committee ensures equal remuneration and promotion of women in the workplace; GPIC committed to UN Global Compact Women's Empowerment Principles in 2014.
	G4-EN24, G4-EN8, G4-EN9, G4-EN27, G4-EN23, G4-EN10, G4-EN22, G4-EN10, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN22, G4-EN24, G4-EN26	<b>CLEAN WATER AND SANITATION:</b> GPIC's Long Term Sustainability Goals include water conservation; Energy efficiency ( water+energy nexus); Campaigns to reduce water use. we monitor our water quality and maintain our piping network and storage tanks, ensuring no leakage to underground water reserves.
	G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN31, G4-EC1, G4-EC7,	<b>AFFORDABLE CLEAN ENERGY:</b> GPIC's Long Term Sustainability Goals include increasing renewable energy and energy efficiency; ISO 50001 certification; Ongoing projects and campaigns to save energy; Installation of Energy efficient lighting LEDs.

**“THE SDGs GIVE IMPORTANT NEW DIRECTION TO THE UN GLOBAL COMPACT’S FOUNDING MISSION TO ENCOURAGE COMPANIES TO DO BUSINESS RESPONSIBLY – BASED ON OUR TEN UNIVERSAL PRINCIPLES – AND TO PROVIDE SOLUTIONS TO GLOBAL CHALLENGES.”**

Lise Kingo - Executive Director UN Global Compact

SDG	GRI INDICATORS	GPIC CONTRIBUTION
	G4-HR5, G4-EC8, G4-LA12, G4-EC5, G4-LA2, G4-EC1, G4-HR6, G4-LA9, G4-LA10, G4-LA11, G4-10, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-LA1, G4-LA13, G4-11, G4-HR4, G4-EC8, G4-LA14 and G4-LA15, G4-LA4, G4-HR3	<b>DECENT WORK AND ECONOMIC GROWTH:</b> Providing jobs, contribution to Bahrain’s economy and supporting local contractors; Sponsoring events in the community to boost economic growth.
	G4-EN31, G4-EC1, G4-EC7,	<b>INDUSTRY, INNOVATION &amp; INFRASTRUCTURE:</b> Innovation Committee campaigns and activities; Support innovation in the community (e.g. university research, “InJaz Bahrain” innovation camp).
	G4-EC8, G4-LA13	<b>REDUCE INEQUALITIES:</b> Responsible Care protects wellbeing of all people involved with the company’s business; Sharing expertise with all industry regardless of size or position; Equal employment opportunities; Injaz – working with all schools to develop skills and knowledge. Since most of the world’s poor are subsistence farmers, fertilizers help farmers to increase their incomes.
	G4-EC7, G4-EN30	<b>SUSTAINABLE CITIES AND COMMUNITIES:</b> Resource efficiency; Continuously increasing recycling and reuse (e.g. cardboard recycling began in 2015); Ongoing campaigns to reduce waste and encourage recycling; Currently underway with several optimization projects around sustainable resource efficiency.
	G4-EN15, G4-EN16, G4-EN17, G4-EN20, G4-EN21, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN31, G4-EN23, G4-EN25, G4-EN27, G4-EN24, G4-EC9	<b>RESPONSIBLE CONSUMPTION &amp; PRODUCTION:</b> Resource efficiency; Energy conservation and efficiency, high on-stream factor resulting in less venting and flaring. Maintaining air and water quality. Continuously increasing recycling and reuse (e.g. cardboard recycling began in 2015); Ongoing campaigns to reduce waste and encourage recycling; Currently underway with several optimization projects around sustainable resource efficiency.
	G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN31, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN27, G4-EN30, G4-EC2,	<b>CLIMATE ACTION:</b> Bahrain committed to reducing its CO <sub>2</sub> emissions at the UN COP 21 conference in Paris (2015).; GPIC is working with NOGA on measuring and managing its CO <sub>2</sub> emissions; CDR and Urea plants main contributors to CO <sub>2</sub> emission reduction.
	G4-EN31, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN26, G4-EN22, G4-EN24,	<b>LIFE BELOW WATER:</b> Seawater outfall monitoring to protect sea life; Maintaining the Fish Farm; Following strict marine standards for shipping products internationally; Annual beach clean-up done by employees for the community.
	G4-EN31, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN21, G4-EN27, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN26,	<b>LIFE ON LAND:</b> Engaging with Supreme Council for Environment on developing Bahrain’s Biodiversity Strategy and online biodiversity database; Increasing employee awareness on biodiversity. Biodiversity related projects at GPIC (Bird sanctuary, fish farm, mangroves plantation, date palm trees etc.).
	G4-HR5, G4-S03, G4-S04, G4-S05, G4-S06, G4-EN29, G4-S07, G4-S08, G4-PR2, G4-PR4, G4-PR7, G4-PR8, G4-PR9, G4-39, G4-41, G4-HR3, G4-HR7, G4-LA14, G4-LA15	<b>PEACE JUSTICE AND STRONG INSTITUTIONS:</b> Aligned with human rights and labour laws; working with National Institution for Human Rights( NIHR) and Judicial Council to train and develop their staff.
	G4-EN31, G4-EC8	<b>PARTNERSHIPS FOR THE GOALS:</b> Ongoing partnerships (e.g. UNEP, Ministry of Education, InJaz, Universities); founding of GPCA; Working with National Institution for Human Rights (NIHR); Judicial High Council; IFA, AFA; Encouraging other companies to do the same.

# Strategy & Profile

of the Gulf Petrochemical  
Industries Company









H.E. Dr. Ahmed Ali Al Sharyan, Chairman

## STRATEGY & ANALYSIS

1	STATEMENT FROM THE CHAIRMAN
64	Presenting Overall Vision

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

In 2014, market stability and favourable economic conditions allowed GPIC to post profits around the \$200 million mark. In 2015 the challenges of market instability, low product prices and increasing cost of energy were overcome through redefining and reshaping our global marketing strategy and assertively continuing to build our brand reputation and product quality within the international market. So despite a sharp drop in market prices in 2015, we were able to sustain our profitability due to our efficient and streamlined operations and cost optimization initiatives.

We sustained focus on all aspects of our business including Safety, Health & Environment excellence, business continuity, record production, human capital development and women empowerment. We also had a very successful and safe turnaround in 2015 and our post turnaround operations remain very efficient.

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

Company, but also for the communities we proudly serve. We remain actively involved in Bahrain's journey to COP 21 Paris Climate Agreement, including preparation of Intended Nationally Determined Contribution (INDCs). We also fully support the newly launched SDGs and have already started aligning our strategy, goals and operations to the 17 Sustainable Development Goals (SDGs) and we are hopeful that these global goals will help transform our world to a better future.

We continued to build on our partnerships and collaborations at both the regional and international level. We maintained our membership and further strengthened our commitment to the world's leading corporate sustainability initiative - The UN Global Compact (UNGC) and its ten principles and, in 2014 we embraced the UNGC Food and Agriculture Business Principles and signed our letter of support to the UNGC Women's Empowerment Principles. We have also become a partner with the Global Reporting Initiative (GRI).

We thank you as a stakeholder of GPIC, for your interest in the efforts of GPIC and for supporting us. We appreciate you taking the time to review this report which encompasses our material sustainability issues, and invite you to share your thoughts with us.

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

H.E. Dr. Ahmed Ali Al Sharyan  
Chairman

**“TOGETHER, I AM CONVINCED WE CAN CONTINUE TO REFRESH THE WORLD,  
INSPIRE MOMENTS OF OPTIMISM AND HAPPINESS, CREATE VALUE AND MAKE  
A POSITIVE DIFFERENCE.”**

Dr. Ahmed Al Sharyan - GPIC Chairman





H.E. Mr. Yousef A. Al Zamel, Managing Director

1 STATEMENT FROM THE MANAGING DIRECTOR

G4 Presenting Overall Vision

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

GPIC continues its investment in making life better for its people and the communities in which it operates. GPIC's engagement with society has extended far beyond the traditional understanding of corporate philanthropy. It has taken on the form of proactive, hands-on engagement to assist in meeting the myriad of social sector needs in education, health, skills development, poverty alleviation, women's empowerment and infrastructure improvement.

We are conscious that the future growth strategy of GPIC relies on how we measure and manage our stakeholder engagement, social responsibility, environmental sustainability and our overall financial optimization. Financial optimization is critical in today's current economic uncertainty and volatile market conditions. And in response to this awareness, we constantly benchmark ourselves and seek to learn from others through we sharing our best practices and providing leading examples of sustainability and corporate social responsibility ethics, both at the regional and international levels to attain our ultimate goal of being a resilient and sustainable business entity.

To ensure we lead the way in responsible business, transparency and accountability and remain leaders within our industry, we are taking the next steps towards monitoring and reporting excellence. Our new sustainability report is aligned to the GRI G4 Guidelines and is also our Communication on Progress towards

the implementation of the UN Global Compact Principles. We have also heightened our performance and progress on other signature platforms such as the UNGC Food and Agriculture Business Principles and Women's Empowerment Principles.

In September 2015, member States of the United Nations adopted 17 new Sustainable Development Goals (SDGs) to make our world more prosperous, inclusive, sustainable and resilient. These SDGs represent an unprecedented opportunity for companies such as ours, to align their own sustainability goals within these adopted broader societal goals.

Hence, we actively participate in the engagement process of forming the Post 2015 SDGs. We will take our share and improve our systems to engage and collaborate with the international community to meet these 17 goals by 2030.

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

H.E. Mr. Yousef A. Al Zamel  
Managing Director

**"WE ARE CONSCIOUS THAT THE FUTURE GROWTH STRATEGY OF GPIC RELIES ON HOW WE MEASURE AND MANAGE OUR STAKEHOLDER ENGAGEMENT, SOCIAL RESPONSIBILITY, ENVIRONMENTAL SUSTAINABILITY AND OUR OVERALL FINANCIAL OPTIMIZATION."**

Mr. Yousef A. Al Zamel - Managing Director





Dr. Abdulrahman Jawahery, President

1 STATEMENT FROM THE PRESIDENT

G4 Presenting Overall Vision

Welcome to our third GRI Sustainability Report 2016 which shares our performance on social progress, environmental protection and economic growth. It also provides details on our G4 Guidelines, Communication on Progress for the UN Global Compact Principles and, the Food and Agriculture Business Principles . In this report, we have also shown our commitment to the 17 SDGs by aligning our corporate goals to the SDGs and reporting our contribution to the global goals.

This year marks the 36th anniversary of GPIC's commitment to sustainability and our ongoing commitment to ensuring we remain a responsible company, endeavoring to meet the needs of the present generation whilst ensuring our future dexterity. We achieve these commitments through our focus and dedication to the UNGC ten principles, UNGC FAB 6 principles, being an organizational stakeholder of GRI and, networking and partnership with the public and private sectors, including NGOs such as UNEP, UNGC, IFA, AFA, ROSPA and the National Safety Council.

2015 was a challenging yet rewarding year for GPIC. Despite a volatile market, we were able to sustain our profitability through our efficient and streamlined operations and cost optimization initiatives. We also know that 2016 will be another difficult year, driven by turbulent market conditions, low oil prices, and escalating natural gas and electricity prices. But we are resilient and adaptable and, we know that through maintaining business continuity and optimizing production costs, enhancing resource efficiency and improving employee productivity, we can succeed.

In 2015 we achieved over 22 million man-hours without lost time accident and, produced the highest ever cumulative production

of 1,600,528 tonnes in 2014. We also successfully completed our maintenance turnaround in 2015 safely, efficiently and in an eco-friendly way.

Throughout 2014 and 2015 we achieved several accolades covering every aspect of our business. First and foremost, we received the prestigious H.R.H Shaikha Sabeeka bint Ebrahim Al Khalifa Award for Empowerment of Bahraini Women encapsulating our dedication to the UNGC Women's Empowerment Principles (WEPs). Furthermore, we received the Arabia CSR Award for excellence in sustainability and CSR; the GCC Award for Best Environmental Management through our ISO-50001 certification, Safety & Health Excellence Awards from ROSPA and the British Safety Council; the First GPCA Responsible Care Award; Human Resource Excellence Award; Excellence in Bahrainisation Award and, the prestigious Mohammed bin Rashid Al Maktoum Business Excellence Award.

Also in 2015, I was privileged to receive the RoSPA Archangel Award, the highest accolade given to any individual in the field of health and safety. I was also honoured to be elected President of the International Fertilizer Industry Association (IFA) for the 2015-2016 terms. It was also a great privilege for myself and our esteemed Chairman, Dr. Ahmed Al Sharyan to receive the prestigious Bahrain Competency Medal of First Class, from His Majesty, King Shaikh Hamad bin Isa Al Khalifa.

For 2016 and beyond, our aim is to ensure a business that is resilient and adaptable to the needs of all our stakeholders. We believe the only way forward for corporate sustainability is through leadership, collaboration and innovation. Only by doing this we can make a difference.

Dr. Abdulrahman Jawahery  
President

**“2015 WAS A CHALLENGING YET REWARDING YEAR FOR GPIC. DESPITE A VOLATILE MARKET, WE WERE ABLE TO SUSTAIN OUR PROFITABILITY THROUGH OUR EFFICIENT AND STREAMLINED OPERATIONS AND COST OPTIMIZATION INITIATIVES.”**

Dr. Abdulrahman Jawahery - GPIC President





Leadership commitment

**SD 2**  
**G4** Key Impacts, Risks and Opportunities (G4-2)

The company's operations could be affected by various risks, some of which are beyond its control. Corporate-level identification and management of risk is systematically accomplished using an Enterprise Risk Management approach. The most significant risk factors that could affect our business are included in our Enterprise Risk Register. These thirteen risks cover the significant risks ranging from financial to operational, Safety, Health and Environment, reputational, cyber security, marketing, shareholders, raw material availability, market volatility, human talent recruitment and retention etc. The Company assesses financial risk from many perspectives. Examples include the potential impact of weather-related events, access to credit, and volatility in purchased feedstock and energy costs. Risk management results are regularly communicated internally with a formal annual review with the Board of Directors and the Audit, Finance and Risk Committee.

GPIC Enterprise Risk Management Annual Review 2015 results highlighted that out of the 13 Enterprise level risks, one risk was having an increasing trend, at a very rapid velocity and a low controllability. This risk category is the increase in price of the main raw materials of our industry, natural gas and power.

Risk of Economic uncertainty impacted every industry and sector during 2015. This provided an opportunity to GPIC to redefine and reshape its global marketing strategy and assertively continued

to build its brand reputation and product quality within the international market. So despite a sharp drop in market prices in 2015, we were able to sustain our profitability due to our streamlined and efficient operations and cost optimization initiatives.

GPIC's leadership and the corporate board are firmly committed to sustainable growth year on year. Our expansion aspirations for this organic growth and in the petrochemical market, is firmly built on emergent operational capacity and cultivating our global customer base. We have a talented workforce and supportive business environment which will allow us to continue to grow our global footprint. We also firmly believe that our competitive cost of doing business, combined with our solid partnerships and relationships, at the local, regional and international level, are some of the reasons we anticipate expansion plans to be under way in the near future.

During 2015, in spite of challenging climatic conditions such as lashing rains in November, severe sand storm in April and the highest ever sea water temperature of 38.9 degC, GPIC was able to maintain all its plants at the highest level of safety, productivity and reliability.

Our risk management portfolio has become more robust since we have taken on board the Business Continuity Management system ISO-22301. We have combined both the ERM and BCM under the umbrella of Resilience committee. All the Business Impact analysis and the Business Continuity plans are reviewed and exercised regularly across the organization.

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





**ORGANIZATIONAL PROFILE**

**SD 3**  
G4 **Name of Reporting Organization (G4-3)**

Gulf Petrochemical Industries Company

**SD 4**  
G4 **Primary Brands, Products and/or Services (G4-4)**

Gulf Petrochemical Industries Company (GPIC) was established in the Kingdom of Bahrain in December 1979 as a joint venture between GCC member states for the manufacture of fertilizers and petrochemicals. The joint venture is equally owned by the Government of the Kingdom of Bahrain, Saudi Basic Industries Corporation and Petrochemical Industries Company, Kuwait. GPIC uses natural gas (which is readily available in Bahrain) as a feedstock for the production of ammonia, urea and methanol, totalling 1.5 million tonnes each year. The ammonia and methanol plants were commissioned in 1985 whereas the granular urea plant was started up in 1998.

**SD 5**  
G4 **Location of Organization's Headquarters (G4-5)**

Sitra, Kingdom of Bahrain

**SD 6**  
G4 **Countries of Operation (G4-6)**

GPIC operates its manufacturing facilities at Sitra, Kingdom of Bahrain and exports its products world wide.

**SD 7**  
G4 **Nature of Ownership and Legal Form (G4-7)**

Gulf Petrochemical Industries Company (GPIC) is a joint venture setup and owned by the Government of the Kingdom of Bahrain, Saudi Basic Industries Corporation (SABIC), Kingdom of Saudi Arabia and Petrochemical Industries Company (PIC), Kuwait.

**SD 8**  
G4 **Markets Served (G4-8)**

GPIC meets the global demand of fertilizers and petrochemicals by producing and exporting ammonia, methanol and granular urea. Key markets include USA, Brazil, China, Thailand, Singapore, South Korea, Taiwan, Australia.

During 2015 the highest portion of GPIC sales were exported to USA accounting for 39% of the company products combined while the Far East was our second largest export market, with South America third accounting for 27% and 15% respectively.

**SD 9**  
G4 **Scale of Reporting (Year-end 2015 data) (G4-9)**

- Personnel count was 568 on December 31, 2015
- Net Sales 2014 - US\$ 441 million
- Net Sales 2015 - US\$ 267 million
- Total Capitalization - US \$159 million (100% equity)
- Total Assets 2014 - US \$564 million
- Total Assets 2015 - US \$518 million
- Total number of operations- Single site operation at Sitra, Bahrain
- Quantity of products produced - 2014 - 1,600,528 metric tonnes
- 2015 - 1,465,641 metric tonnes





SD 10		G4 Total workforce by employment type, employment contract and region (G4-10)		
	Employees by Gender	Female	Male	Total Employees
2014	No. of Employees	50	528	578
	Percentage	8.7%	91.3%	100.0%
2015	No. of Employees	53	515	568
	Percentage	9.0%	91.0%	100.0%

SD 11		G4 Percentage of total employees covered by collective bargaining agreements (G4-11)		
Year	Employees as labour union (LU) members	Total employees	% of employees in LU	
2012	501	582	86.08%	
2013	500	570	87.71%	
2014	497	578	85.98%	
2015	482	568	84.85%	

Note: Expatriate employees are also allowed to become a member of the labour union.

**SD 12**  
**G4 GPIC's supply chain (G4-12)**

GPIC operates in an integrated manufacturing environment. Basic raw materials are processed through many stages to produce ammonia, methanol and granular urea.

The main raw material that feed the integrated production of the Company's three products is natural gas. The Company purchases natural gas from Bahrain Petroleum Company (BAPCO), mainly to produce ammonia and methanol and also to generate electricity and steam. GPIC also purchases electric power to supplement internal generation. The products from ammonia production process which are mainly liquid ammonia and gaseous carbon dioxide are used as raw material for the manufacture of granular urea.

The three products are exported globally by our marketers who are also our shareholders Sabic, Saudi Arabia and PIC Kuwait. These products are transported by sea. Proper handling of these products is critical to avoid harm to people's health or to the environment and we are committed to quality, safety and sustainability throughout our operations.

GPIC Purchasing collaborates with suppliers around the world to help our businesses meet their objectives for profitability, growth, innovation, diversity and sustainability. GPIC Purchasing looks for suppliers that demonstrate a commitment to reliable, high-quality supply relationships embody highly responsible, ethical business practices, including sustainable labor practices. As an enhancement, in 2014, Responsible Care aspects related to minimum Safety, Health and Environment requirements have been added in the pre-qualification criteria of services contractors. This criteria requires contractors to provide their SHE policies, training records, previous accident/incident records, hazardous waste management license and certification etc.

The total number of suppliers registered with the Company are 1771 and out of those 678 are local suppliers (38%). During 2014-2015 sixty three new suppliers were registered which includes 21 local suppliers (33%).

GPIC being a Responsible Care certified Company and IFA protect and Sustain product stewardship certified company puts great emphasis on maintaining safety, health, security and environmental excellence throughout the product life cycle.

**“GPIC BEING A RESPONSIBLE CARE CERTIFIED COMPANY AND IFA PROTECT AND SUSTAIN PRODUCT STEWARDSHIP CERTIFIED COMPANY PUTS GREAT EMPHASIS ON MAINTAINING SAFETY, HEALTH, SECURITY AND ENVIRONMENTAL EXCELLENCE THROUGHOUT THE PRODUCT LIFE CYCLE.”**

**SD 13**  
**G4**

**Significant changes during the reporting period (G4-13)**

GPIC had a strong year in 2014 as financial discipline with a net profit of \$ 190 million. On the contrast 2015 was a challenging year, yet rewarding year for GPIC. Despite a sharp drop in market prices in 2015, GPIC was able to sustain its profitability and attain a net profit of \$ 48 million due to its efficient and streamlined operations and cost optimisation initiatives.

In 2015 the Company underwent a major maintenance turnaround, where 52 projects were implemented amounting to a total expenditure of \$43 million. Furthermore, during 2015 we undertook several improvement projects such as the refurbishment of a high pressure boiler amounting to \$6.8 million. In addition, some safety and health improvement capital projects such as the purchase of an ambulance and higher capacity fire-tender amounting to \$1.3 million. This brings our total capital expenditure undertaken during 2015, to approximately \$51.1 million.

On the supply chain side, we introduced one alternate supplier for urea formaldehyde from Qatar in addition to our existing supplier from Saudi Arabia to make our supply chain of urea formaldehyde more reliable and robust.

On the organization side, one significant change was the appointment of a new Chairman H.E Dr. Ahmed Alsharyan on the passing away of Company’s Chairman H.E Shaikh Isa bin Ali Al Khalifa. We have established a new position of legal and compliance supervisor and upscaled the public relations department to corporate communications department.

**SD 14**  
**G4**

**Whether and how the precautionary approach or principle is addressed by the organization (G4-14)**

GPIC supports a precautionary approach related to environment and development. Being a member of UN Global Compact, the Company is committed to all the ten principles including principle number 7 which states that “Businesses should support precautionary approach to environmental challenges”.

As a responsible corporate citizen, GPIC continues to use a well-defined process for assessing and managing risks in the face of uncertainty. This process is science-based, ensuring decision-making includes an appropriate evaluation of risk and benefits. It applies to current products as well as those being contemplated for future development.

GPIC views the Precautionary Principle as an application of the principles of risk assessment and risk management. Risk assessment includes hazard identification, characterization, exposure assessment and risk assessment. Risk management encompasses the identification, selection and implementation of alternative actions for addressing risk through the control of identified hazard(s) and/or exposure.



Recipe of GPIC’s success is “Team Work”



Dr. Jawahery with IFA staff at the opening of IFA new headquarters in Paris

**SD 15** Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses (G4-15)

We partner with organizations around the world, support global sustainability initiatives, and engage regularly with outside stakeholder groups. In addition to our direct business engagement, many of our employees give back through corporate philanthropy and volunteerism. Examples of externally developed principles and initiatives that we support include;

**UN Global Compact:** Since 2012, GPIC has committed to aligning our operations and strategies with the ten principles in the areas of human rights, labor, environment and anti-corruption as outlined by the UN Global Compact. [\(For details refer to the section on UN Global Compact\)](#)

**UN Global Compact Food and Agriculture Business (FAB) Principles:** In 2014 GPIC committed to and endorsed the 6 Food and Agriculture Business Principles. [\(For details refer to the section on FAB 6 Principles\)](#)

**UN Global Compact Women’s Empowerment (WEP) Principles:** In 2014 GPIC’s President signed his support and commitment to the WEP’s. [\(For details refer to the section on WEP\)](#)

**GPIC’s Commitment to Responsible Care® RC 14001 Management System**  
GPIC is certified to Responsible Care RC 14001 Management System since 2010. 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 global charter GPIC will actively strengthen the Responsible Care initiative worldwide and is committed to a corporate leadership culture that proactively supports safe chemicals management through the global Responsible Care initiative, safeguarding people and the environment, strengthening chemicals management systems, influencing business partners, engaging stakeholders and contributing to sustainability.

**Benchmarking through ISO standards and Management systems**  
GPIC is one of the few companies globally who are certified to fourteen ISO standards and other management systems. In 2014 and 2015 the Company got the IFA Protect and Sustain product stewardship certification, followed by ISO 17025 - General Requirements for the Competence of Testing and Calibration Laboratories and ISO 50001 Energy Management certification in December 2015. [\(For complete list of management systems refer to GPIC Overview\)](#)

**SD 16** Memberships in associations and/or advocacy organizations (G4-16)

GPIC takes an active role in many international, regional and local organizations, such as The United Nations, Fertilizer Associations, Sustainability and CSR Organizations, Health and Safety organizations and the educational institutions. Some of the benefits that GPIC reaps out of its engagement with international and regional organizations are:

- Add value to the organization by obtaining best practices and know-how in house
- Establish international network of associate that can be tapped into when required
- Provide GPIC workforce opportunities to work with and interact with international expertise
- Further solidify the goodwill and reputation of GPIC

Below is a list of our key engagements: **International and Regional Organizations**

**United Nations**

- UN Global Compact
- UN Environment Program
- UN Food and Agriculture Organization
- UN through Local Government

**Fertilizer and Chemical Associations**

- International Fertilizer Industry Association (IFA)
- Arab Fertilizer Association (AFA)
- Gulf Petrochemicals and Chemicals Association (GPCA)

**Health and Safety Organizations**

- National Safety Council – USA
- Royal Society for the prevention of accidents (RoSPA)
- Global Reporting Initiative (GRI)

**IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES**

**SD 17** Entities included in the organization’s consolidated financial statements (G4-17)

GPIC does not have any subsidiaries.



SD

18

G4

Process for determining report content

### Reporting Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and the Oil and Gas Sector Supplement (core option). The GRI content index is available on page 156.

The content and quality criteria provided by the GRI Guidelines, such as sustainability context, stakeholder inclusiveness, materiality, completeness, balance, comparability and reliability, are integral to GPIC reporting process.

### Data Collection and reliability

Information for this report was collected through an internal system to meet specific data collection requirements, ensure accountability and integrity. GPIC has set up a formal Sustainability Reporting Committee, that engages our people from all significant areas of the business. This is to ensure that we are engaging our people and our business across the platform. The GRI indicators related to material aspects were assigned to different members of the Sustainability Reporting Committee (SRC) who coordinated with different section to provide the subject data and information. The data was verified and compared with previous years data and significant deviations were justified. This structure is to ensure that various data points are challenged, reviewed and confirmed by subject matter experts (SMEs).

In compliance with the GRI principles, GPIC aims to provide timely and complete data. Therefore, the report discloses both successes and challenges for the different material aspects. This supports the company in maintaining report quality, building trust and credibility with stakeholders.

We confirm the accuracy of our safety and economic data presented in the report. The accuracy of the environmental data depends on the method of measurement, the calculation procedure, emission factors used and whether estimates have been used or not.

The Global Reporting Initiative (GRI) guidelines recommend that reporters conduct a sustainability-focused materiality assessment to determine report content. Materiality as defined in GRI Reporting Guidelines and used for this report includes those issues that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

### Fundamental processes

Following complementary processes merge to form our picture of materiality, as defined in GRI Reporting Guidelines.

#### Surveys:

In 2015/2016, GPIC conducted an extensive stakeholder and corporate interview process to identify the issues that are the most important for stakeholders and most relevant for GPIC.

More than 100 stakeholders, both internal and external were surveyed, and some of the surveys were also followed up with interviews, meetings and telephonic discussions. This was carried out to get a clear understanding of the issues that impact us from an economic, environmental and social perspective, and to also be able to prioritize some or all of these issues based on their overall impact on us as a business.

We also used these surveys for our current materiality assessment.

#### Media search:

The purpose of performing a media search is to:

- Identify possible risks GPIC faces via national and international media coverage.
- Identify additional issues to include in GPIC's Sustainability Strategy and report upon accordingly.

#### The methodology of our media search is as follows:

- In more than 20 media sources we searched for 'hits' for GPIC and its subsidiaries in 2015 and additional years when relevant.
- We used 'search strings' in order to filter out sustainability material issues.
- We searched more than 40 critical websites such as [unglobalcompact.org](http://unglobalcompact.org), [business-humanrights.org](http://business-humanrights.org) and [advancedpetrochem.com](http://advancedpetrochem.com). Please find the complete overview of websites in the appendix.
- Results were prioritized by number of hits, sentiment and relevance to GPIC.

During the media search, we identified the material issues and classified their importance based on which subjects were often in the news, and how relevant the topic was for GPIC. To ensure that we actually captured all issues that were deemed relevant, the media search was extended to cover the petrochemical sector and our stakeholders in the region.

#### Issues pertaining to International Standards and Benchmarking

Given our external international certifications of management systems and various bench marking studies and feedback from awards judging panels, we have also included some of the issues that have been raised during this process into our discussions with our stakeholders.

#### Sustainability strategy and our long term sustainability goals:

Our sustainability strategy and our long term sustainability goals also provide a basis for our report content. (Refer to our sustainability strategy and long term sustainability goals on page xxx)

Having prioritized the material issues, accounted for the externalities, and applied life cycle thinking wherever possible at this stage, materiality assessment at GPIC becomes not only a process to decide the content of GPIC's sustainability report, but also an important element for the Company to better incorporate sustainability into its strategy; leverage existing resources for sustainable value creation; and engage more effectively with our stakeholders on key issues that have a broader impact.



**SD 19**  
**G4** Materiality map (G4-19)

Our materiality mapping process has been proven to be a significant step on our sustainability journey in reinforcing to us that all aspects of our business matter to our stakeholders. At GPIC we have a fairly unique position as an organization. We are the only native petrochemical organization in the Kingdom of Bahrain, and two of the significant producers in the region are key investors in our organization. We have found that because the community (business and local population) in Bahrain are intrinsically integrated/interlinked within the Kingdom, there is high consistency in terms of all issues identified being of high priority.

The issues identified fall under key development areas, and can be included under key themes of focus which we monitor, evaluate and develop on a continuous basis. All aspects listed from our materiality process are key elements of our organizational strategy with impacts within and outside our organization.

**1. Environment and CSR:**

- Water pollution
- Marine Environment and quality
- Waste management (hazardous and non-hazardous waste management)
- Air Pollution
- GHG Emissions and Climate Change
- Water Conservation
- Biodiversity and awareness
- Energy saving

- Environmental Awareness (in the community)
- Community Engagement
- Philanthropy
- Public Health

**2. Responsible Business:**

- Anti-corruption
- Corporate Governance
- Human rights
- Labour rights
- Health & Safety
- Equal rights & Equity (Gender/Minority rights)
- Partnership & collaborations

**3. Business Continuity**

- Sustainability
- Reputation
- Process & Product safety
- Profitability
- Education, training & development
- Raw materials & resources

**Ongoing assessment process**

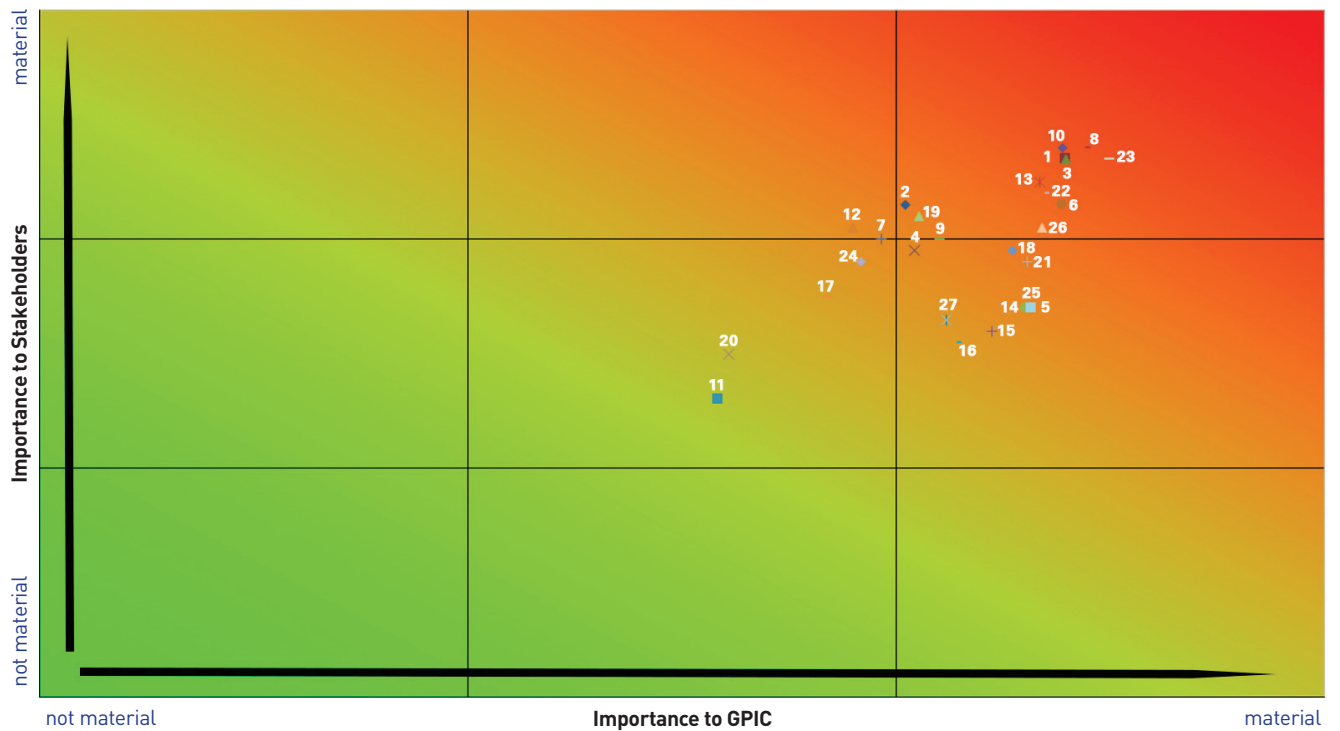
We have come to understand that the risks and opportunities we face are constantly evolving, and have a multifaceted impact on our stakeholders. As a part of our development curve, we will aim to strengthen and broaden our enterprise risk management processes to better inform our analysis of the sustainability issues that are material to our stakeholders. This can be achieved through adopting a strategy that focuses on more formal and frequent engagement of stakeholders, including shareholders, communities and civil society organisations within the Kingdom.



GPIC Chairman Dr. Ahmed Al Sharyan, GPIC President and other Board members review the Company's performance

“OUR MATERIALITY MAPPING PROCESS HAS BEEN PROVEN TO BE A SIGNIFICANT STEP ON OUR SUSTAINABILITY JOURNEY IN REINFORCING TO US THAT ALL ASPECTS OF OUR BUSINESS MATTER TO OUR STAKEHOLDERS.”

Materiality map (G4-19)



- |  |   |
|--|---|
| 1. Air Pollution                                   | 15. Human Rights & Labour Rights            |
| 2. GHG Emissions And Climate Change                | 16. Equal Rights (Women Empowerment)        |
| 3. Water Pollution                                 | 17. Partnership & Collaborations            |
| 4. Environmental Awareness                         | 18. Corporate Governance                    |
| 5. Energy Saving                                   | 19. Ethical Business Practices              |
| 6. Sustainability                                  | 20. Bio-Diversity                           |
| 7. CSR   | 21. Profitability                           |
| 8. Health & Safety                                 | 22. Business Continuity                     |
| 9. Education, Training & Development               | 23. Raw Materials & Resources (Natural Gas) |
| 10. Process & Product Safety                       | 24. Community Engagement & Awareness        |
| 11. Philanthropy                                   | 25. Anti-Corruption                         |
| 12. Innovation                                     | 26. Customer Satisfaction                   |
| 13. Reputation                                     | 27. Water Conservation                      |
| 14. Waste Management (Hazardous And Non-Hazardous) |   |



**SD 20**  
**G4** Aspect Boundary within the organization (G4-20)

As part of the materiality assessment, we identify where the impacts of material topics could occur within and outside of the Company along the value chain, including our suppliers, GPIC's operation and transportation, distribution, our customers, and broader society.

Impacts of material topics within GPIC occur throughout the entire Company. In line with the GRI G4 Boundary protocol, "where the impacts occur," the reporting boundary was determined based on where impacts related to a material occur. Therefore, this report includes GPIC's operations at its production facilities in Sitra, Kingdom of Bahrain.

Data on joint ventures, contractors, suppliers and clients are not included unless specifically mentioned.

**SD 21**  
**G4** Aspect Boundary outside the organization (G4-21)

This report includes GPIC's operations at its production facilities in Sitra, Kingdom of Bahrain.

Data on joint ventures, contractors, suppliers and clients are not included unless specifically mentioned.

**SD 22**  
**G4** Explanation of any re-statements of information provided in earlier reports (G4-22)

None identified

**SD 23**  
**G4** Significant changes from previous reporting (G4-23)

None identified

**STAKEHOLDER ENGAGEMENT**

**SD 24**  
**G4** List of stakeholder groups engaged by the organization (G4-24)

Now in our third decade with operations at our manufacturing facility in Bahrain and exports that span the globe, we believe stakeholder engagement is vital to ensure that we understand not only the demands of a rapidly evolving marketplace, but the expectations of society. For GPIC, engagement with our stakeholders is a continual process.

Following are the key stakeholder groups that we engage with:

1. Shareholders
2. Employees
3. The Local Community
4. Government and Regulators
5. Suppliers and contractors
6. Distributors
7. The Media
8. Non-Profit Organizations and Academia
9. Regional/International Organizations
10. Customers
11. Banks

**SD 25**  
**G4** Basis for identification and selection of stakeholders with whom to engage (G4-25)

Stakeholder analysis helps identify and evaluate stakeholders that can and do impact or influence the Company's strategy and reputation. The intentional effort is to identify stakeholders who can drive, block or shape the discourse around sustainability. In addition, those who are affected may then influence how this discourse ultimately impacts GPIC. Through keeping up with current perspectives, more successful issues management and government affairs efforts are accomplished helping to avoid negative impacts for the Company's businesses.

To initiate our Stakeholder assessment process we prepared an expansive list of stakeholders whom we should consider and rank them respectively as per their influence on GPIC and vice versa. Based on the ranking we identified our key stakeholders. Once the key stakeholders were identified we switched to the next step of deciding whom to engage.

We assessed each stakeholder category comprehensively and decided to engage with six category of stakeholders. During the brain storming session, involving GPIC sustainability reporting committee and consultants KPMG, proper reasoning was given and discussed as to why to engage and why not to engage.



“WE BELIEVE STAKEHOLDER ENGAGEMENT IS VITAL TO ENSURE THAT WE UNDERSTAND NOT ONLY THE DEMANDS OF A RAPIDLY EVOLVING MARKETPLACE, BUT THE EXPECTATIONS OF SOCIETY. “

SD

26

G4

Approaches to Stakeholder Engagement (G4-26)

The fundamental principles of GPIC’s on-going sustainability stakeholder engagement strategy focus on three areas:

(1) Information sharing and disclosure, (2) participating in active dialogue, and (3) collaborating on issues of mutual interest.

The overall purpose of engagement is to advance the most appropriate business objectives while building GPIC’s reputation. The following are examples of engagement with key stakeholders:-

	Stakeholder	How we engage?	Stakeholders’ and Company’s Interests
1	<b>Shareholders</b>	<ul style="list-style-type: none"> <li>- Regular Board meetings (<i>quarterly</i>). Five meetings per year.</li> <li>- A minimum of 2 meetings is required for the Audit, Finance &amp; Risk Committee. The Major Projects Committee meets as and when required.</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate governance</li> <li>- Long term future of the company, its impact and sustainability</li> <li>- Enterprise risk management</li> <li>- Overall sustainability performance (economically, environmentally and socially)</li> <li>- Corporate strategic plans and progress</li> <li>- Corporate level audits</li> <li>- Human talent development, and employee satisfaction</li> <li>- Corporate objectives and progress</li> </ul>
2	<b>Employees</b>	<ul style="list-style-type: none"> <li>- Multiple forums such as sectional meetings, shift talks, Labor Union meetings with employees and management</li> <li>- Strategic executive management and management meetings, including Labour Union members (<i>quarterly</i>)</li> <li>- Involvement in functional committees and councils (<i>meetings range from daily to once a year</i>)</li> <li>- Printed publications such as the company magazine (<i>quarterly</i>)</li> <li>- Online communication (<i>emails, suggestion scheme</i>)</li> </ul>	<ul style="list-style-type: none"> <li>- Recruit the right people at the right time for the right position</li> <li>- Employee satisfaction and motivation</li> <li>- Employee development competency review and enhancement</li> <li>- Safety and Health care</li> <li>- Employee retention</li> <li>- Employee benefits</li> <li>- Work ethics</li> </ul>
3	<b>Local Community</b>	<ul style="list-style-type: none"> <li>- Open to visits by community members to our industrial areas (<i>minimum of 45 visits per year</i>)</li> <li>- Environmental awareness lectures delivered by GPIC employees to Bahrain schools at various levels (<i>minimum 30 lectures per year</i>)</li> <li>- Media - electronic and press (<i>year round</i>)</li> <li>- Social investment (<i>financial support</i>)</li> </ul>	<ul style="list-style-type: none"> <li>- Support for local community needs</li> <li>- Education and awareness on environmental issues</li> </ul>



Dr. Jawahery with media personnel at the launch of GPIC Press Book 2015

**Approaches to Stakeholder Engagement (G4-26)**

	Stakeholder	How we engage?	Stakeholders' and Company's Interests
4	<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>- Presence at conferences, forums, policy advisory groups and government task groups (<i>as and when invited</i>)</li> <li>- Working closely with local authorities during the planning and implementation of new projects (<i>as and when invited</i>)</li> <li>- Working closely with regulators related to environment, safety and health to ensure legal compliance</li> <li>- Regular audits by government officials (<i>minimum one visit per year</i>)</li> </ul>	<ul style="list-style-type: none"> <li>- Legislative and regulatory compliance</li> <li>- Information sharing</li> <li>- Economic and employee development</li> <li>- Labour standards and employee rights</li> <li>- Alignment with Kingdom of Bahrain's vision 2030</li> <li>- Sustainability of raw materials</li> <li>- Environmental and waste management, effluents and recycling activities</li> <li>- Security</li> </ul>
5	<b>Suppliers and contractors</b>	<ul style="list-style-type: none"> <li>- Supplier conferences and workshops (<i>periodic</i>)</li> <li>- Day to day communications between suppliers, vendors, buying teams and technologists</li> <li>- Meetings with suppliers (<i>minimum one kick off meeting</i>)</li> <li>- Formal feedback from contractors, vendors (<i>after major activities such as biennial turnarounds</i>)</li> </ul>	<ul style="list-style-type: none"> <li>- Long term relationships</li> <li>- Equal opportunity, fair treatment and competitive pricing</li> <li>- Sustainability of supplier products and services</li> <li>- Sustainability of raw materials</li> <li>- Social responsibility with a focus on workers' rights</li> </ul>
6	<b>Distributors</b>	<ul style="list-style-type: none"> <li>- Day to day communication (<i>emails, meetings, phone calls</i>)</li> <li>- Contracts</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainability of Products/Services</li> </ul>
7	<b>Media</b>	<ul style="list-style-type: none"> <li>- Press releases, media coverage at events, responses to media requests for information and interviews (<i>year round</i>)</li> <li>- Conferences and speaking engagements (<i>periodic</i>)</li> <li>- GPIC's official website</li> <li>- GPIC's publications and newsletters (<i>minimum quarterly</i>)</li> </ul>	<ul style="list-style-type: none"> <li>- Highlight our progress on sustainability and CSR</li> <li>- Share GPIC's achievements and best practices regionally and internationally</li> <li>- Enhance GPIC's reputation</li> <li>- Value addition to promote unity amongst the people of Bahrain</li> </ul>
8	<b>Non-Profit Organizations and Academia</b>	<ul style="list-style-type: none"> <li>- Conferences, speaking engagements and visits to the complex (<i>periodic</i>)</li> <li>- Bench marking surveys and other information requests (<i>periodic</i>)</li> <li>- Financial support towards capacity building of organizations</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental protection, social and economic development</li> <li>- Establishment of mutually beneficial relationships</li> </ul>



**Approaches to Stakeholder Engagement (G4-26)**

	Stakeholder	How we engage?	Stakeholders' and Company's Interests
9	<b>Regional/ International Organizations</b>	<ul style="list-style-type: none"> <li>- Conferences and speaking engagements (<i>periodic</i>)</li> <li>- Communicating our position on a range of social and environmental issues (<i>as and when requested</i>)</li> <li>- Bench marking and other surveys (<i>periodic</i>)</li> <li>- Financial support towards capacity building of the organizations</li> <li>- Participating in working/advocacy committees</li> <li>- Participating as board members</li> </ul>	<ul style="list-style-type: none"> <li>- Add value to the organization by obtaining best practices and know-how in house</li> <li>- Establish international network of associate that can be tapped into when required</li> <li>- Provide GPIC workforce opportunities to interact with international expertise</li> <li>- Further solidify the goodwill and reputation of GPIC</li> </ul>
10	<b>Customers</b>	<ul style="list-style-type: none"> <li>- Audits via buyer surveys (<i>annual meetings with surveyors</i>)</li> <li>- Customer invitational and group meetings (<i>quarterly meetings with marketers Sabic and PIC</i>)</li> </ul>	<ul style="list-style-type: none"> <li>- Customer satisfaction</li> <li>- Quality and competitive benefits</li> <li>- Sustainable products</li> </ul>
11	<b>Banks</b>	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Communication by email and phone</li> </ul>	<ul style="list-style-type: none"> <li>- Financing,</li> <li>- Providing Competitive Rates,</li> <li>- Sustainability of Financial Institution (to secure financing over long periods)</li> <li>- Ability to Pay Back Loans</li> <li>- Financial Performance</li> <li>- Timeline of Projects</li> <li>- Reputation of Company</li> </ul>

Note: As part of our endeavor to continuously improve our processes, a special internal survey was conducted in 2015, to connect with employees and know their views on GPIC HR processes. This Special Internal Survey, an organizational development survey was designed to seek ways of improving our current processes, with a focus on rewards management, the performance management cycle process and succession and career planning.



At GPIC, technology and nature co-exist

**SD**

**27**  
**G4**

Key topics and concerns raised through stakeholder engagement and how the organization has responded to those key topics and concerns (G4-27)

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

	Stakeholder Group	Issues of Interest	Our Response
1	<b>Shareholders</b>	Shareholders Audit highlighted recommendations such as introducing a Risk Assessment protocol for Turnaround Management.	A task team was formed to address all the shareholders findings and recommendations including the one regarding Turnaround Management Risk Assessments.
		Adopting a cost optimization focus due to economic uncertainty and sharp drop in market prices.	GPIC leadership initiated a Cost Optimization programme and a task team has been formed. Its objective is to propose, review and feasibly implement cost optimization projects in coordination with the business.
2	<b>Government and regulators</b>	The Supreme Council for Environment (SCE) requested GPIC to introduce environmental awareness school visits to the company's complex.	GPIC arranged the visits and continues to host a number of schools to its facilities each year. GPIC also introduced a series of Environmental programs that are delivered to schools as part of our corporate social responsibility.
3	<b>Employees</b>	GPIC Labour Union requested the formation of a Youth Committee as the sustainable future of any business is in the hands of its young leadership.	GPIC president approved the formation of the Youth committee, whose members should be 30 years or below and whose mandate includes studying and reviewing the needs of the young and new generation of staff members.
		During a General Employees Meeting, a number of ideas were raised regarding improving healthy lifestyles and healthy living for employees	GPC President initiated and implemented several health programs such as the women's health and fitness drive, as well as monthly lectures of health, fitness and managing stress from external experts.
4	<b>NGOs &amp; local community</b>	UNEP requested GPIC president to become an HLG member for GEO6 assessment.	GPIC President accepted and became an HLG member of the GEO6 assessment facilitating regional assessments.
		UNEP requested GPIC's support for the World Environment Day Celebrations 2015, in Bahrain.	GPIC supported the UNEP event in Bahrain City Center.
		InJAz Bahrain requested to accelerate the provision of volunteers to support its youth development initiatives.	GPIC responding by increasing its volunteers from 26 to 36.



**Key topics and concerns raised through stakeholder engagement and how the organization has responded to those key topics and concerns (G4-27)**

	Stakeholder Group	Issues of Interest	Our Response
5	<b>Suppliers and contractors</b>	After completion of every maintenance turnaround the vendors and contractors provide feedback through a structured feedback system for continual improvement of turnaround management system.	All the feedback is converted to turnaround recommendations for further evaluation and implementation.
6	<b>Customers</b>	Reach out to ammonia and urea buyers through marketers.	Arrange at least one annual joint meeting with ammonia and urea buyers.
7	<b>Regional and International organizations</b>	United Nations Declaration of 2016 as the International year of pulses and encouraging businesses to support this initiative	GPIC embraced the initiative and has started a themed menu serving only pulses one day in a month and have invited other local and regional companies to join this initiative by the UN.
		Arabia CSR Network recommended GPIC to join UNGC's signature issue platform(s) such as Women's Empowerment Principles (WEPs).	GPIC embraced the WEPs in 2014.
		UN Global Compact (UNGC) encourages its members to advocate and pass on the mission of UNGC to other non-members.	GPIC's President has written a letter of invitation to all the stake holders of GPIC inviting them to become members of UNGC.
8	<b>NGOs &amp; local community</b>	Chatham house, London invited GPIC president to give a talk during annual food conference 'A Sustainable Food Future: Production, Supply and Consumption', held in December 2015	GPIC President accepted the invitation and contributed in the annual food conference as the President of GPIC and Chairman of IFA.
		Interview requests from Reuters, Bloomberg TV and press, Financial Times, The Time and other world leading press agencies.	GPIC President accepted the invitation and shared his thoughts with the world's leading press agencies including Bloomberg.
9	<b>Distributors</b>	EWA requested GPIC to install 11KV capacitor banks to maintain the power factor not less than 0.9 for optimized power distribution with minimum reactive power loss.	GPIC accepted the request of EWA and installed the subject capacitor banks during turnaround 2015.



Date palm trees at GPIC

REPORT PROFILE

SD	28
	G4 Reporting Period (G4-28)

Based on 2014-2015 corporate data for the year ended December 31, 2015.

SD	29
	G4 Date of most recent previous report (G4-29)

This is GPIC's third GRI Sustainability Report. The previous report covered 2012-2013 and can be found on our website [www.gpic.com](http://www.gpic.com)

SD	30
	G4 Reporting cycle (G4-30)

Biennial

SD	31
	G4 Contact for questions regarding the report or its content (G4-31)

Fadhel Al Ansari  
General Manager Manufacturing  
[falansari@gpic.net](mailto:falansari@gpic.net)  
+973-17733392

SD	32
	G4 Date of most recent previous report (G4-32)

The Company has chosen to maintain our historical reporting excellence by adopting the new GRI G4 Guidelines. This report is prepared with 'In accordance' option **CORE** as defined by GRI G4 Guidelines.

For ease of navigation, see the GRI Content Index available at the end of this report on pages 156 to 165.

SD	33
	G4 Policy and practice with regard to external assurance for the report (G4-33)

We believe that external assurance significantly enhances the credibility of any report. Therefore for this report we have evidence of external assurance from credible international partners for some of the indicators listed in the GRI index at the end of this report.

For instance, our financial performance is audited by Price Waterhouse Coopers(PwC) and their audit statement is part of our Annual Financial Report.

Most of our business functions are also certified by relevant bodies, for example GPIC is certified for 14 Management System Certifications. Our laboratory, inspection and instrument maintenance functions are certified through ISO 17025 and ISO 17020.

Our environmental monitoring( emissions and effluents) is verified by the environmental inspectors from Supreme Council for Environment, Bahrain.

Our urea storage and export facilities and processes are assured by The Department of Agriculture, Fisheries and Forestry (DAFF) Australian Quarantine Inspection Services (AQIS).

Our plant equipment is assured by insurance bodies including statutory requirements.

All our external assurance providers are assisted by our internal control processes that report to our Board of Directors through the Audit and Risk Committee.

However, we intend getting our next GRI Report, targeted for 2018, to be externally assured comprehensively.

GOVERNANCE

SD	34
	G4 Governance structure of the organization (G4-34)

Strong corporate governance is an integral part of the GPIC's core values, supporting our sustainable growth mission. GPIC is committed to having sound corporate governance principles and practices. We provide detailed information about the Company's governance structure and processes in our Corporate Governance Policy.

**Board of Directors**

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

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

#### **Governance structure of the organization (G4-34)**

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

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

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

#### **Executive Management:**

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

#### **Board Committees:**

The Board is assisted by committees that are responsible for monitoring and ensuring compliance with all of the legal and corporate policies and procedures.

#### **Audit, Finance and Risk Committee:**

The Audit, Finance and Risk Committee is one of the most critical governing bodies of the company.

The Board of Directors appoint the Chairman and the directors/ members of the Committee after having determined their qualifications and attributes. Committee members shall be appointed from within and may be removed by the Board at any time. The Committee comprises of three directors each nominated by the 3 shareholders - Saudi Basic Industries Company (SABIC), Petrochemical Industries Company (PIC) and NOGA Holdings. The Chairman of the Board, the Managing Director and any director who is vested with executive powers shall not be a member of the Committee.

The Committee assists the Board in fulfilling its oversight responsibility relating to: the integrity of the company’s financial statements; the financial reporting process; the systems of

internal accounting and financial controls; independence and performance of the external auditors; risk management processes; financing plans; pension plans, etc. The committee will also be in charge of ensuring; compliance by the Company with the ethics policies and legal and regulatory requirements. They will also need to monitor/ manage the internal and external auditors in relation to any fraud, illegal acts, deficiencies in internal control or other similar issues and ensure that audit / control recommendations by internal and external auditors are addressed and implemented.

#### **Major Projects Committee:**

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

#### **Strategic Plans:**

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

#### **External Auditors:**

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



GPIC's methanol plant

**Governance structure of the organization (G4-34)**

**Sustainability Committee**

GPIC has a Sustainability Reporting Committee chaired by the General Manager Manufacturing. The committee is formed with fair representation from personnel responsible for critical operations to ensure that all aspects of the business is taken into consideration when measuring impact. The mandate of the Committee includes ensuring the reporting cycle of GRI Sustainability Reports, the UN Global Compact COP and the FAB 6 principles is completed on time and efficiently. The Committee also engages with international organizations such as UNGC and GRI and provides capacity building assistance to regional Companies with regards to GRI reporting.

Employees and external stakeholders are invited to give voice to their views through special surveys such as the sustainability surveys.

Please refer to the section on stakeholder engagement for details.

**SD 35** Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees (G4-35)

GPIC employs a delegation of authority structure from senior executives throughout the Company through a chain of command. Generally, this occurs from Managing Director to President, to General Manager Manufacturing, to Departmental Managers and then to section heads.

**SD 36** Executive-level position with responsibility for economic, environmental and social topics (G4-36)

Mr. Fadhel Al Ansari , General Manager Manufacturing is the chair of Safety, Health and Environment Council and also heads the Sustainability reporting committee. The safety, Health and Environment Department is headed by Mr. Jassim Darwish, Safety, Health and Environment Manager who reports directly to Mr. Fadhel Al Ansari.

Mr. Fadhel reports directly to Dr. Abdulrahman Jawahery, President -GPIC, on all Sustainability related issues.

**SD 37** Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics (G4-37)

Stakeholders and other interested parties may communicate with the President and/or the executive management by any of several methods. These methods of communication include e-mails, face to face meetings, formal meetings, executive and functional committee meetings and town hall meetings (such as general employee meeting).

**SD 39** Is the Chair of the Board of Directors also an executive officer? (G4-39)

The chair of the Board of Directors is not an executive officer. All the Board members are non-executive officers.

**SD 48** The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered (G4-48)

GPIC's sustainability reporting committee ensures that all material aspects are covered. The chair of the Committee, Mr. Fadhel Al Ansari, General Manager Manufacturing formally reviews the organization's sustainability report and then seeks the final approval from GPIC President Dr. Abdulrahman Jawahery.

**ETHICS AND INTEGRITY**

**SD 56** Describe the organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics (G4-56)

Taken together, GPIC's essential elements of mission, vision, values, and strategy describe why the company exists, who we are, what we intend to do, and how we intend to do it. These essential elements provide insight, offer motivation, and point the way forward as we seek to grow and achieve our goals.

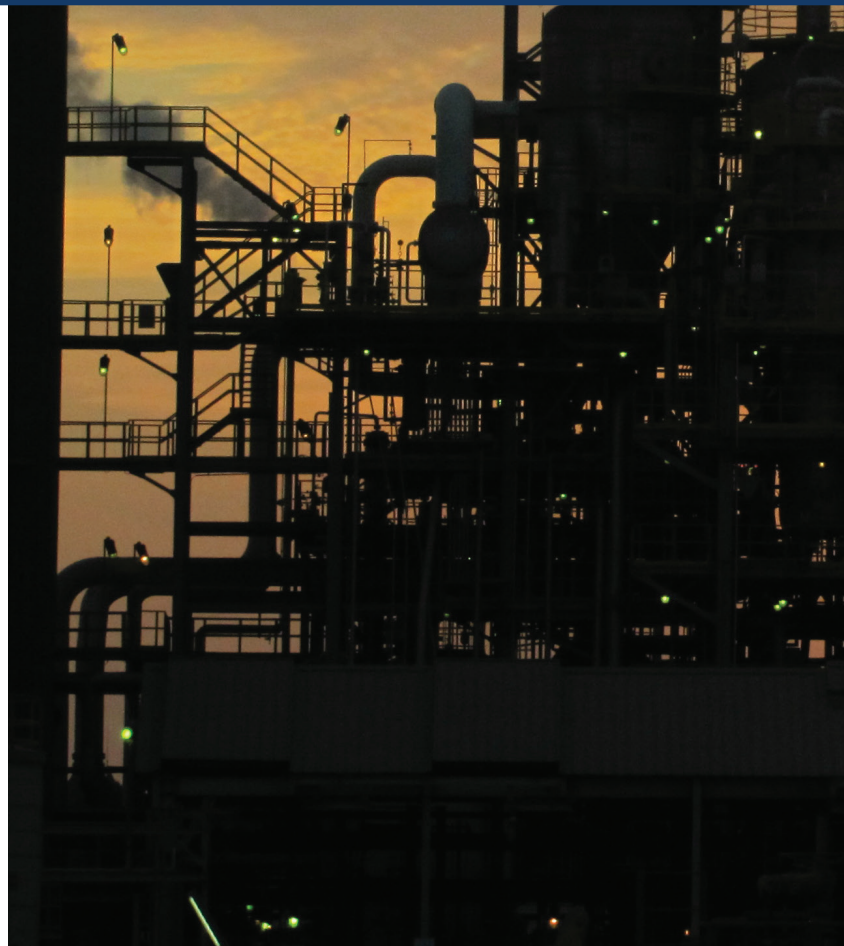
GPIC's Code of Business Conduct summarizes many of the ethical principles and policies created to deal with issues such as bribery, political contributions, equal employment opportunity, and EHS. All of us at GPIC, no matter where we happen to live, are expected to apply these principles in the daily performance of our job responsibilities.

In 2015 a new Code of Conduct & Ethics has been prepared which is currently under approval by the Board of Directors.





# The Economic Impact of Sustainability



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# Economic Summary



GPIC's Urea export terminal

## DMA ECONOMIC SUMMARY 64

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

We strive to be a good neighbor as well as a global corporate citizen in all of our activities. We are aware that our operations have major direct and indirect economic impacts, and are taking steps to increase the positive impacts whilst reducing any negative impacts. Our direct impacts include shareholder returns in the shape of dividends or payment to investors in the shape of return on loans, payment of taxes to the Government, payment of salaries and benefits to employees, and payment to suppliers and contractors. We aim to be the growth partner for all our stakeholders by utilizing local suppliers within our supply chain where possible, employing Bahraini nationals and contributing to the local community.

Our indirect impacts include the economic betterment of local communities through improving the business environments and encouraging investments. We understand the importance of a strong manufacturing economy and the importance of manufacturing jobs on the local and global scale. Each job in manufacturing is responsible for multiple indirect jobs created in the regions we do business. Through our actions, we know that we are building better, stronger and more sustainable communities worldwide.

The financial and operational results for the years depict that the Company operates in a continually evolving market with ample opportunities for future growth. The year 2014 was a good earning

year for GPIC due to the market stability and favourable economic conditions. The continued investment in projects resulting in enhanced reliability, efficiency, productivity and business continuity along with our close cooperation with our marketers ensured smooth exports of our products resulting in sustained profitability. Our profits for 2014 reached US\$ 190 million with net sales of US\$ 440 million and a total production of 1,600,528 metric tonnes, the highest in the Company's history.

2015 was a challenging and turbulent year for every industry and sector and GPIC has not been immune to the impact of these external forces. However, through our adoption of bold production targets, cost optimization and a dynamic focus on operational excellence throughout the year, we have prevailed through the general slump. Our profits decreased from US\$ 190 million in 2014 to US\$ 48 million in 2015. We had a total sales of US\$ 267 million and a production of 1,465,641 metric tonnes.

With the increase in natural gas, electricity and fuel prices along with continuing low product prices is a major challenge for the year 2016 and beyond. However, we are confident that despite the challenging market conditions GPIC will be able to sustain its profitability due to its efficient and streamlined operations and cost optimization initiatives.

### Our Economic Performance 2014- 2015

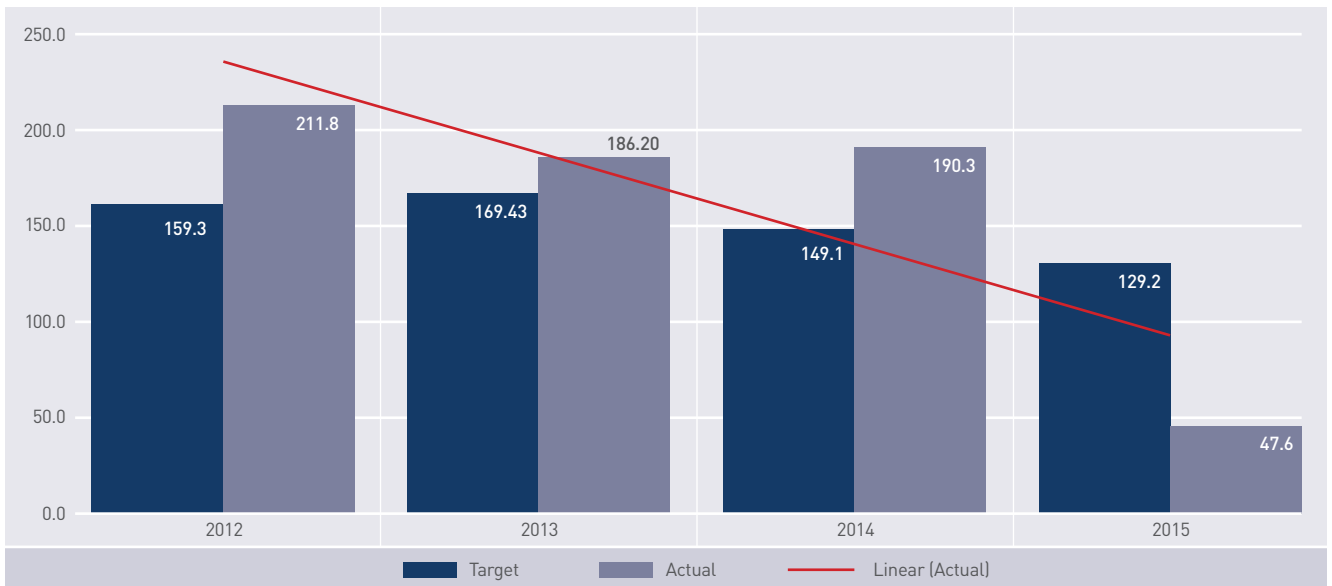
Every industry and every sector felt the impact of economic uncertainty during 2015. GPIC redefined and reshaped its global marketing strategy and assertively continued to build its brand reputation and product quality within the international market. Therefore, despite a sharp drop in market prices in 2015, we were able to sustain our profitability. In 2014 market stability and favourable economic conditions allowed GPIC to post profits of around the US\$ 190 million mark.



“WE AIM TO BE THE GROWTH PARTNER FOR ALL OUR STAKEHOLDERS BY UTILIZING LOCAL SUPPLIERS WITHIN OUR SUPPLY CHAIN WHERE POSSIBLE, EMPLOYING BAHRAINI NATIONALS AND CONTRIBUTING TO THE LOCAL COMMUNITY.”

### Net profit in Million US\$

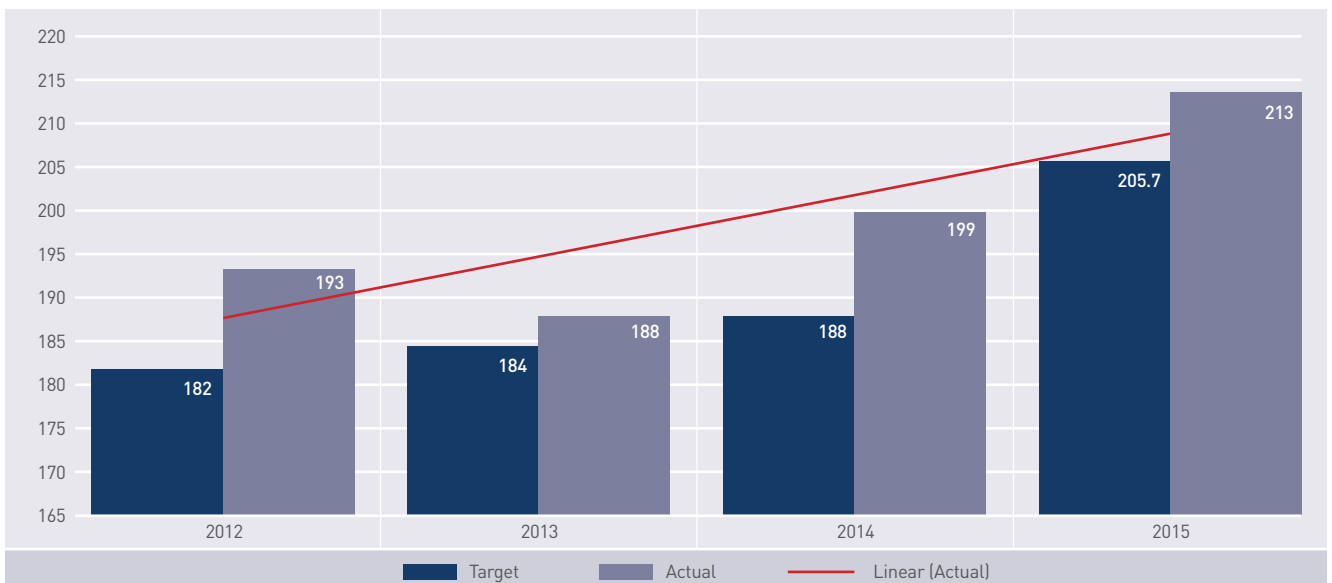
The net profit in 2015 was around 73% lower than the profit made in 2014 due to market instability and unfavourable economic conditions.

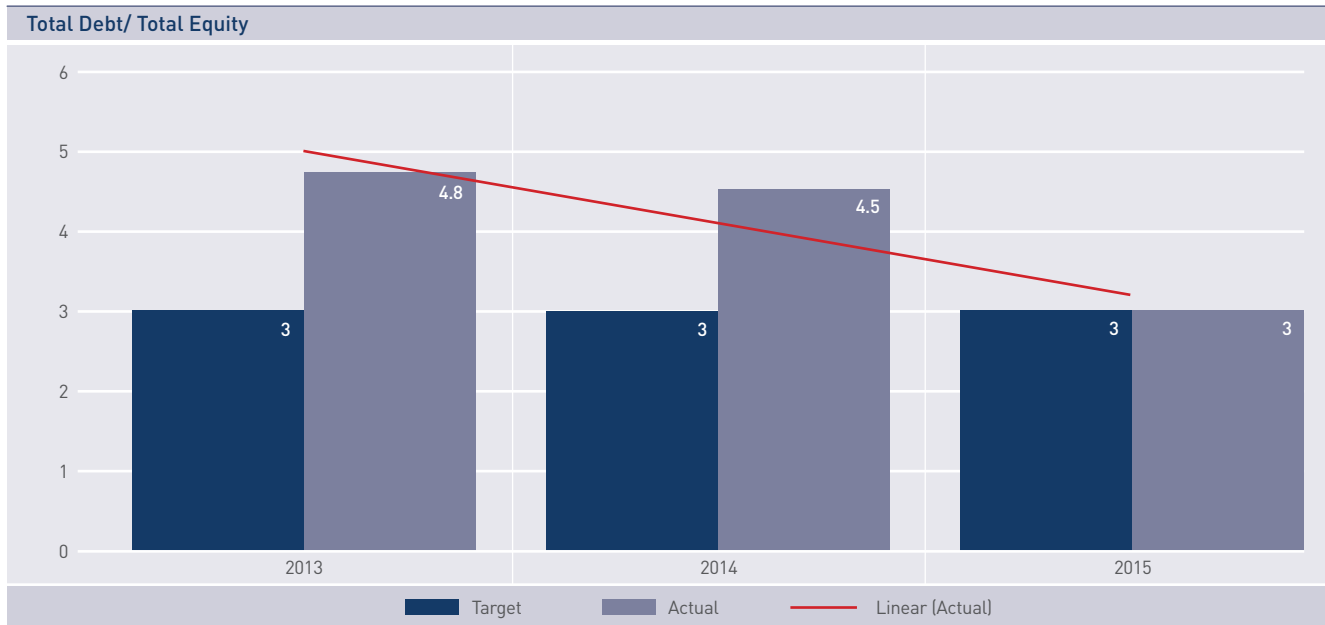


### Production Cost US\$/MT

(variable + fixed cost)

Our production cost in 2015 increased by 13.3% as compared to 2013





**ASPECT: ECONOMIC PERFORMANCE**

Specific Indicators

<b>EC</b> <span style="background-color: #000080; color: white; padding: 2px;">1</span> <span style="background-color: #800080; color: white; padding: 2px;">G4</span>		Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers			
Component	2015	2014	2013	2012	
<b>Direct economic value generated US\$</b>					
Revenues US\$	293,707,450	441,421,100	420,199,900	430,609,100	
<b>Economic value distributed US\$</b>					
Major operating costs	63,441,000	67,628,000	80,347,576	74,123,451	
Employee wages and benefits	56,669,007	55,875,636	50,442,104	46,700,778	
Payment to providers of capital	-	105,000,000	186,000,000	211,740,000	
Payment to Government	96,051,261	97,787,483	93,298,344	87,201,775	
Community Investments	8,386,023	9,836,916	9,910,293	10,831,035	
<b>Economic value retained US\$</b>					
Retained earnings	142,538	94,979	201,582	12,060	



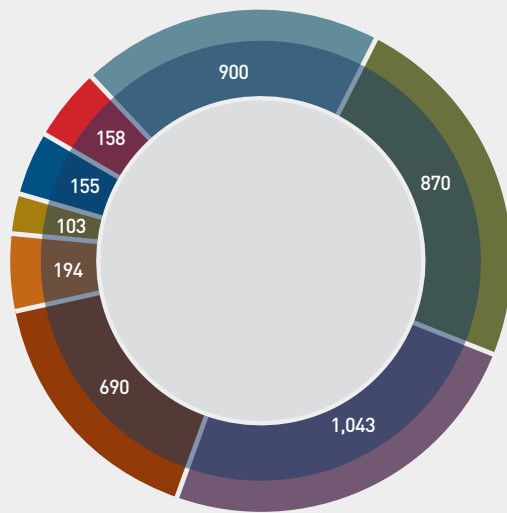
Well-trained employees are key to our business continuity

G4-EC1

**Economic Value Distributed**

Cash injected into the economy of Bahrain up to December 2015  
US \$ million

Total Cash injected since inception: **US\$ 4.113 Billion**  
Average Annual Contribution for last 10 years: **US\$ 220.0 Million**



- Projects
- Natural Gas/ Electricity consumed
- Amount spent locally on employees
- Amount paid to contractors
- Amount spent on training Bahrainis
- Purchases made in Bahrain
- Finance Charges paid to Banks
- Dividends paid to government of Bahrain

Ratios	2015	2014	2013	2012	2011
Current Ratio	2.33	8.17	7.28	4.44	12.27
Debt/ Equity Ratio	0.11	0.08	0.09	0.11	0.07
Debt Ratio	0.10	0.07	0.09	0.10	0.07
Operating Cash Flow/Assets	25.27%	36.42%	34.98%	49.37%	22.10%
Net operating margin percentage	17.54%	44.08%	44.85%	48.88%	58.70%
Net Profit margin	17.50%	44.00%	45.00%	49.17%	40.54%
Return on Total Assets ( ROA)	9.92%	34.45%	34.15%	38.50%	47.26%
Return on Equity ( ROE)	10.39%	37.24%	36.40%	43.67%	53.30%
Account Receivable Turnover	4.41	5.18	5.43	5.17	5.14
Inventory Turnover	12.71	12.79	11.17	11.58	8.80



GPIC's Ammonia plant

G4-EC1

**ECONOMIC PERFORMANCE:**

**Balance Sheets**

(Expressed in thousands of US\$)

Assets	2015	2014	2013	2012	2011
<b>Non- Current Assets</b>					
Property, plant& equipment	455,066	418,454	406,441	396,954	352,850
<b>Total Non- Current Assets</b>	<b>455,066</b>	<b>418,454</b>	<b>406,441</b>	<b>396,954</b>	<b>352,850</b>
<b>Current Assets</b>					
Inventories	15,495	12,635	15,492	14,379	12,474
Trade and other receivables	43,455	89,663	80,727	73,988	92,604
Cash and cash equivalents	4,428	43,044	65,373	53,856	103,125
<b>Total Current Assets</b>	<b>63,377</b>	<b>145,342</b>	<b>161,592</b>	<b>142,223</b>	<b>208,203</b>
<b>Total Assets</b>	<b>518,443</b>	<b>563,795</b>	<b>568,033</b>	<b>539,177</b>	<b>561,053</b>
<b>Equity</b>					
<b>Capital and Reserves</b>					
Share Capital	159,000	159,000	159,000	159,000	159,000
Statutory Reserve	79,500	79,500	79,500	79,500	79,500
Retained Earnings	142,538	94,979	94,886	94,687	94,841
Proposed Dividends	85,200	190,201	186,001	151,739	190,140
<b>Total Equity</b>	<b>466,238</b>	<b>523,680</b>	<b>519,387</b>	<b>484,926</b>	<b>523,481</b>
<b>Liabilities</b>					
<b>Non-current Liabilities</b>					
Employee Benefits	25,032	22,329	26,455	22,236	20,477
<b>Current Liabilities</b>					
Trade and Other Payables	27,173	17,787	22,191	32,015	17,095
<b>Total Liabilities</b>	<b>52,205</b>	<b>40,116</b>	<b>48,646</b>	<b>54,251</b>	<b>37,572</b>
<b>Total Equity and Liabilities</b>	<b>518,443</b>	<b>563,795</b>	<b>568,033</b>	<b>539,177</b>	<b>561,053</b>



# “US\$ 2.062 BILLION

DIVIDEND TO SHAREHOLDERS SINCE 1998”

## G4-EC1

Year	Net Profit (US \$)	Dividends to shareholders (US \$)
1998	1,000,000	15,000,000
1999	9,000,000	9,000,000
2000	40,000,000	36,000,000
2001	25,000,000	21,000,000
2002	25,000,000	21,000,000
2003	66,000,000	60,000,000
2004	96,000,000	96,000,000
2005	128,000,000	129,000,000
2006	162,000,000	162,000,000
2007	201,000,000	201,000,000
2008	301,000,000	301,000,000
2009	105,000,000	105,000,000
2010	138,000,000	138,000,000
2011	265,000,000	265,000,000
2012	212,000,000	212,000,000
2013	189,000,000	186,000,000
2014	190,293,850	105,000,000
2015	47,559,550	0

EC	2	ECONOMIC PERFORMANCE
	G4	Financial implications and other risks and opportunities due to climate change

Climate change affects our business in terms of reliability, production capacities and the cost of our operations as outlined below.

### Regulatory Risks

As Bahrain has become a signatory to the Paris Climate Change (COP 21) Agreement in 2016, it has embarked on quantifying the carbon emissions of the industrial sector, suggesting the possibility of future regulations regarding carbon management. Meanwhile, the main recent regulatory impact on our business has been a significant phasing out of subsidies on gas and electricity prices, which is expected to continue over the next few years, as well as a nationwide strategy that allocates natural gas more conservatively.

The natural gas price has increased from US\$ 2.25 to US\$ 2.50 per mmBtu with effect from 1st April 2015 resulting in an additional gas cost of US\$ 7.1 million for the year 2015 or a unit production cost increase of about US\$ 6.5 per ton which in turn would mean a unit total production cost of combined product increase from US\$ 199.2 to US\$ 205.7 per metric ton. (An increase of 3.2%).

In response, we further stream lined our operations and embarked upon resource optimization initiatives and pursued and successfully achieved the ISO 50001 Energy Management Systems certification in 2015. Among our current goals is the optimization of natural gas, steam and electrical consumption in our operations through operational excellence and controls and/or by investing in new energy efficient projects. Our Long Term Sustainability Goals established in 2014 also include focus on clean energy, energy efficiency and water conservation to further reduce our energy and carbon footprints and decrease the potential impact of unanticipated regulatory changes on our operational costs. We are also working with NOGA on measuring and managing our CO2 emissions as part of post COP21 action plan at the national level.

### Physical Risks

Climate change poses the risks of more frequent and severe weather conditions across the globe. Bahrain has witnessed increasing weather extremes since some years. Additionally, between 2013 and 2015 we have witnessed a 1.3°C increase in ambient sea water temperature rise. This temperature has neared our maximum temperature for seawater intake for process use, which if exceeded would significantly impact our production capacities.



**G4-EC2**

In 2015, in spite of the challenging climatic situations like the severe sand storm in April, higher than before ambient temperatures during the summer months, and lashing rains in November, GPIC was able to maintain all its plants at the highest level of safety, productivity and reliability. This enabled the Company to record the highest ever production produced in the month of August, compared to previous August readings.

Our main response strategy to severe weather conditions is focusing on reliable production by preparing for all risks listed in our Enterprise Risks Register, Business Continuity and Crisis Management plans. Our risk register is highly dynamic, and we are continuously monitoring our operations to ensure that we include any potential physical, regulatory, financial risks into our discussions for ongoing evaluation.

GPIC has consistently implemented best practices to ensure its sustainability. We have grown, and will continue to grow through

our dedication to the three pillars of sustainability, namely planet, people and profits. By addressing climate change and introducing new technologies to reduce our carbon footprint, we have continued to enhance the regions global economic opportunity and our own sustainable prosperity.

**EC 3** Coverage of the organization's defined benefit plan obligations  
**G4**

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

**Table:1 Allowances and Benefits of GPIC Employees**

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

“BY ADDRESSING CLIMATE CHANGE AND INTRODUCING NEW TECHNOLOGIES TO REDUCE OUR CARBON FOOTPRINT, WE HAVE CONTINUED TO ENHANCE THE REGION'S GLOBAL ECONOMIC OPPORTUNITY AND OUR OWN SUSTAINABLE PROSPERITY.”

G4-EC3

Table:2 Retirement benefit plans for GPIC Employees

Length of Employment	Bahrainis	GCC Residents from Kuwait and Saudi Arabia
Minimum period of 15 Years	Yearly payment equivalent to 30 days of salary	Yearly payment equivalent to 30 days of salary
Citizens of the Shareholder States who are employed in the Company shall be treated the same as Bahraini employees		

**EC 4** Significant financial assistance received from government

We did not receive any financial assistance from the government for the period 2014-2015.

The Company does not currently benchmark against minimum wage.

**EC 5** ASPECT: MARKET PRESENCE SPECIFIC INDICATORS  
Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

GPIC offers employees competitive base pay. The Company maintain employee pay that is tailored to geographically competitive standards. The entry-level wage varies based on job role, experience and responsibility. The entry level wage is not dependent on gender.

**EC 6** Proportion of senior management hired from the local community at significant locations of operation

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

Our HR/recruitment policy highlights the need to tap local talent first prior looking for alternate talent and hence the organization does grant preference to local candidates when hiring in significant locations of operation.

GPIC's senior management is 100% Bahrainis. GPIC has a well-established Leadership programme with an effective succession plan and talent management.

Entry level wages are offered in accordance with the value of the work being performed in a similar job, at a similar company, in a similar location, in the external marketplace.

Note: Senior management at GPIC includes Departmental Managers and above.





**EC** **7** **ASPECT: INDIRECT ECONOMIC INDICATORS SPECIFIC INDICATORS**  
**G4** **Development and impact of infrastructure investments and services supported**

Through financial contributions and the volunteer efforts of our employees, GPIC supports programs that address education, the environment and economic success – all important aspects of community sustainability.

Since inception, GPIC has injected US\$ 4.113 billion into the economy of Bahrain. This contribution has been made in several areas, such as employment, training, procurement, dividends to the Government, purchases made within Bahrain, etc.

Initiatives during the year 2014 -2015	
Initiatives	Brief
Supporting local technical institutions (includes vocational, technical, educational):	<ul style="list-style-type: none"> <li>• Crown Prince Education program ,Ministry of Education, Bahrain Technical institute (BTI), Bahrain Polytechnic, University of Bahrain, Injaz, Tamkeen.</li> <li>• US\$ 265,000 every year to Crown prince education program US \$ 19,000 every year to Ministry of education, Bahrain.</li> <li>• GPIC supports Bahrain youth development by providing 50 employees each year as volunteers for teaching and coaching students at inJAZ, Bahrain.</li> </ul>
Involvement with Schools in Bahrain	<p>Number of schools engaged per year: 30</p> <p>Type of engagement: Environmental awareness lectures, Coaching to secondary school students, Environmental Research Program</p>
Scholarships for children of employees and community	<ul style="list-style-type: none"> <li>• GPIC Employees Scholarship program Available to all Bahraini employees who have completed five years of continuous service in the company. The employee can only apply for a maximum of four children, provided that only one child can benefit from the Scholarship at any one time. The program is eligible for employees' children who wish to pursue a bachelor degree or equivalent certification in universities and educational institutions. The total amount of scholarship per year is US\$ 5300.</li> <li>• Number of scholarships bestowed to employees children in : 2014: <b>60</b> 2015: <b>73</b></li> <li>• Level of scholarships: university level</li> <li>• Number of scholarships for community children (not employees of the company)</li> <li>• Approximate monetary value: US\$ 2,650 per semester for the employees children sponsorship &amp; US\$ 530 monthly stipend for the University of Bahrain Scholarship students plus the university fees and books expenses.</li> </ul>

**“GPIC’S LEADERSHIP BELIEVES THAT CORPORATE SOCIAL RESPONSIBILITY GOES BEYOND THE TRADITIONAL PHILANTHROPY. IT IS ABOUT BUILDING BRIDGES AND PARTNERSHIPS TO MAKE THE DIFFERENCE.”**

**G4-EC7**

Initiatives during the year 2014 -2015	
Initiatives	Brief
<p>Key Social Contributions 2014/2015</p> <p>GPIC’s leadership believes that corporate social responsibility goes beyond the traditional Philanthropy. It is about building bridges and partnerships to make the difference.</p>	<p>Donations and Sponsorships (The following are some of the recent examples, for a detailed outlook visit our website <a href="http://www.gpic.com">www.gpic.com</a> and browse the section press releases and media).</p> <ul style="list-style-type: none"> <li>• Ministry of Social Development</li> <li>• AlRahma Centre for disabled</li> <li>• Bahrain Cancer Society</li> <li>• inJAz, Bahrain</li> <li>• Ministry of Education, Bahrain</li> <li>• Crown Prince’s Scholarship Programme</li> <li>• King Hamad Hospital Campus</li> <li>• Second West Asian Federation for Ladies</li> <li>• Bahrain Women’s Union</li> <li>• Bahrain Football Association</li> <li>• Bahrain Athletics Association</li> <li>• Bahrain Golf Association</li> <li>• Bahrain Tennis Association</li> <li>• Bahrain Special Olympics for people with intellectual disabilities</li> <li>• GPIC becomes the diamond sponsor to hold the second Bahrain international CSR conference</li> <li>• Bahrain Handicapped Sports Federation</li> <li>• Bahrain Society for Child Development</li> <li>• UNEP for Supporting Environmental Sustainability</li> </ul>
Please refer to social performance indicators section for details	Page 110

**EC 8** Significant indirect economic impacts, including the extent of impacts

Our sustainable business practices and reliable operations along with broad global reach and deep market penetration means that we provide significant indirect economic impacts in a number of ways. As one of the world’s premier petrochemical and fertilizer industry companies, our products help enable productivity, sustainability, food security, and efficiency in the value chains they support.

Examples of other benefits are included in the description of our strategic focus areas at the beginning of this section.

In addition, GPIC gives back to the communities in which we live and work, as part of our commitment to improve quality of life, vitality and sustainability around the world. GPIC has backed this commitment with financial contributions and the active volunteer participation of our employees. We focus on enabling programs and nonprofit organizations that enhance sustainability in the communities in which we operate. The areas of focus for our philanthropic work are described in G4-EC7.

## Production Performance



Operational excellence is our hallmark

### We produced record volumes of quality products and in 2014 we achieved the highest production ever in the history of the Company.

Like in previous years, GPIC has continued to maintain operational excellence during the years 2014-2015. In spite of the challenging situations like the severe sand storm in April 2015, higher than before ambient temperatures during the summer months, and lashing rains in November, GPIC was able to maintain all its plants at the highest level of safety, productivity and reliability. This enabled the company to achieve its annual total production target and even record the highest ever production produced in the month of August, compared to previous August readings.

The key to our success, like that of any other successful fertilizer and petrochemical company, is to keep the plants available and running efficiently while maintaining our focus on their reliability and process safety. During this period, we excelled in our business processes and produced and exported quality products whilst achieving our production targets. The highest portion of GPIC's sales were exported to the US accounting for 39 per cent of the company products combined, while the Far East was our second largest export market, with South America third, accounting for 27 per cent and 15 per cent respectively.

Our chief source of pride during this achievement was the excellence of our SHE performance whilst a simultaneous drive towards process safety excellence that gained momentum. To maintain the operations of our plants at the optimum, we further reviewed and enhanced our staff training and development programs. During 2014 and 2015 we reached several significant

milestones, key amongst them being the successful execution of 'Turnaround 2015' where all the turnaround related objectives were very safely and efficiently accomplished. During 2015 we carried our refurbishment of one of our 30 years old high pressure steam boiler, that has resulted in enhanced reliability and efficiency.

#### Our Achievements:

During turnaround 2015 a total of 52 capital projects were implemented amounting a total expenditure of \$43 million. A few of the key projects are highlighted below:

- Strategic replacement of various catalysts in ammonia and methanol plants
- Replacement of inlet pigtails and inlet headers for both ammonia and methanol reformers
- Methanol storage tank inspection and maintenance
- Installation of 11KV capacitor banks
- Main emergency diesel generator replacement
- Overhauling of major rotating machines in all plants

Post-turnaround 2015 performance of the plants is par excellence with record production and high on stream factor. The following summarises the achievements on the production side in 2014/2015:

We achieved the highest cumulative production of products ever in a year (Ammonia, Urea & Methanol): 1,600,528 tons (1.8% above the budget) and the highest cumulative production of saleable products ever in a year (Ammonia, Urea & Methanol): 1,209,077 tons (1.98% above the budget) by the end of December 2014. In addition, following are the major achievements in the year 2014 and 2015.

#### 2014

Cumulative Urea production from 1998	10 million tons, achieved on 7th September 2014
Cumulative Urea export from 1998	10 million tons, achieved on 14th October 2014
Ammonia Plant completed 750 days of uninterrupted production	31st December 2014.
Urea Plant completed 570 days of uninterrupted production	31st December 2014
Highest ever daily Urea production	2,048 tons achieved on 13th March 2014
Highest ever daily Urea production in a month	2,015 tons in the month of February 2014
Highest ever Daily Average Methanol Production over a Year	1,241 tons
Highest ever Methanol Production in a Year	452,770 tons
Highest ever Urea Production in a Year	694,064 tons

# “1,600,528 TONS

HIGHEST EVER COMBINED PRODUCTION  
(AMMONIA+UREA+METHANOL) ACHIEVED IN 2014”

## 2015

The highest cumulative monthly production of 136,592 MT was achieved during the month of August 2015, for all the three products Ammonia, Methanol and Urea. This surpasses the previous highest cumulative monthly production by 1069 MT which was achieved in August 2013. This record highest combined monthly production has been achieved despite the rise in the sea water temperature to record levels of 38.9 degrees centigrade which is higher by 1.3 degrees centigrade over the sea water temperature recorded in 2013.

Ammonia Plant completed 750 days of continuous production run before the plant was shut down in March for Turnaround 2015.

Methanol plant completed 652 days of continuous production run before the plant was shut down in March for Turnaround 2015.

Urea plant completed 507 days of continuous production run before the plant was shut down in March for Turnaround 2015.

Since 1985, cumulative total of 12.63 million tonnes of Ammonia and 12.43 million tonnes of Methanol production was achieved by end of December 2015

Since 1998, 10.85 million tonnes Urea production was achieved by end of December 2015.

### Our Challenges:

Significant challenges experienced during the reporting period include the following;

- Total number of shutdown days in 2015 for ammonia plant was 30.9 versus a budget of 29 (being a turnaround year), 1.9 days more, primarily due to tube leak of ammonia plant synthesis loop waste heat boiler. The waste heat boiler E-0801 was replaced in turnaround 2015 with a new unit, however it failed prematurely and was replaced with an old, fit for use unit.
- Total number of shutdown days in 2015 for methanol plant was 36.4 versus a budget of 28 (being a turnaround year), 8.4 days more, primarily due to seals issue of the MUG compressor K-1401 of Methanol plant that required a shutdown to resolve the issue.
- During 2014 ammonia plant process air machine MT-0201 thrust bearing high temperature became a major bottleneck, limiting the plant load and production rates. However we continued to maintain the business continuity in a safe and reliable way by using temporary air chillers to decrease load on the machine. The bearing was replaced during the turnaround with an improved version.
- Changing climatic conditions such as the highest ever sea water intake temperature in 2015 summers posed us operational challenges however we were able to produce the highest ever combined production during the month of August.

## Production Performance



Leading from the front - GPIC President during turnaround 2015

Yearly Production and Export Performance Figures	Units	2014			2015		
		Budget	Actual	Deviation	Budget	Actual	Deviation
Ammonia Production	MT	452,340	453,694	0.30%	421,680	415,688	-1.42%
Methanol Production	MT	441,570	452,770	2.54%	411,140	404,478	-1.62%
Urea Production	MT	678,300	694,064	2.32%	627,920	645,475	2.80%
<b>Total Cumulative Production</b>	<b>MT</b>	<b>1,572,210</b>	<b>1,600,528</b>	<b>1.80%</b>	<b>1,460,740</b>	<b>1,465,641</b>	<b>0.34%</b>
Ammonia Exports	MT	65,710	70,228	6.88%	63,770	41,210	-35.38%
Methanol Exports	MT	441,570	459,438	4.05%	411,140	414,805	0.89%
Urea Exports	MT	678,300	699,319	3.10%	627,920	635,124	1.15%
<b>Total Exports</b>	<b>MT</b>	<b>1,185,580</b>	<b>1,228,985</b>	<b>3.66%</b>	<b>1,102,830</b>	<b>1,091,139</b>	<b>-1.06%</b>
<b>On stream Factor (1)</b>							
Ammonia	%	98.36	99.94	1.61%	92.05	91.55	-0.55%
Methanol	%	98.36	99.93	1.60%	92.33	90.03	-2.49%
Urea	%	97.81	100.00	2.24%	91.51	92.82	1.44%
<b>Utilization Factor (2)</b>							
Ammonia	%	105.00	103.64	-1.29%	104.58	103.67	-0.87%
Methanol	%	102.50	103.44	0.92%	101.67	102.58	0.90%
Urea	%	111.76	111.86	0.08%	110.59	112.07	1.34%
<b>Capacity Utilization (3)</b>							
Ammonia	%	103.27	103.58	0.30%	96.27	94.91	-1.42%
Methanol	%	100.82	103.37	2.54%	93.87	92.35	-1.62%
Urea	%	109.32	111.86	2.32%	101.20	104.02	2.80%
<b>Plant outages</b>							
Ammonia (4)	Days	6.00	0.21	-96.50%	29.00	30.90	6.55%
Methanol (5)	Days	6.00	0.25	-95.83%	28.00	36.40	30.00%
Urea	Days	8.00	0.00	-100.00%	31.00	26.20	-15.48%

### Notes:

- 1) Capacity utilization is the percentage of design capacity utilized based on calendar days
- 2) On stream factor is the Operating days as percentage of calendar days
- 3) Utilization factor is the percentage of the design capacity utilized based on operating days
- 4) Ammonia plant shutdown days are more by 6.55% due to unplanned shutdown caused by E-0801 waste heat boiler tube leak
- 5) Methanol plant shutdown days are more by 30 % due to unplanned shutdown caused by K-1401 Mug compressor seal failure
- 6) 2015 is a turnaround year



“IN 2015, THE HIGHEST PORTION OF GPIC’S SALES WERE EXPORTED TO USA ACCOUNTING FOR 39% OF THE COMPANY PRODUCTS COMBINED.”

## Our Exports

Yearly Exports performance Data	Units	2014			2015		
		Budget	Actual	Deviation %	Budget	Actual	Deviation %
Ammonia Exports	MT	65,710	70,228	6.9	63,770	41,210	-35.4
Methanol Exports	MT	441,570	459,438	4.0	411,140	414,805	0.9
Urea Exports	MT	678,300	699,309	3.1	627,920	635,124	1.1
Total Exports	MT	1,185,580	1,228,975	3.7	1,102,830	1,091,139	-1.1

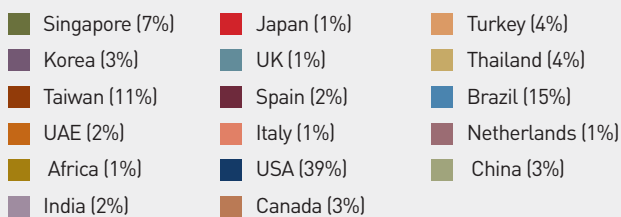
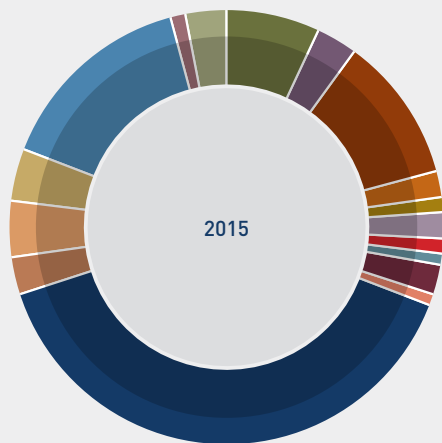
		Unit	2014		2015	
			Tonnes	Percentage	Tonnes	Percentage
Ammonia export by region	India	MT	0	0.0	18,354	44.5
	Indonesia	MT	6,300	9.0	0	0.0
	Madagascar	MT	0	0.0	5,020	12.2
	Japan	MT	3,962	5.6	7,000	17.0
	Singapore	MT	2,200	3.1	0	0.0
	South Africa	MT	0	0.0	999	2.4
	South Korea	MT	25,724	36.6	7,000	17.0
	Taiwan	MT	21,363	30.4	2,837	6.9
	Thailand	MT	6,500	9.3	0	0.0
	USA	MT	4,180	6.0	0	0.0
	<b>TOTAL</b>	<b>MT</b>	<b>70,228</b>	<b>100</b>	<b>41,210</b>	<b>100</b>
Urea export by region	Australia	MT	0	0.0	0	0.0
	Brazil	MT	147,766	21.1	159,443	25.1
	Italy	MT	0	0.0	5,499	0.9
	South Africa	MT	27,499	3.9	0	0.0
	Spain	MT	0	0.0	11,000	1.7
	Thailand	MT	87,998	12.6	46,197	7.3

# “+ 2,000 CARGO SHIPS

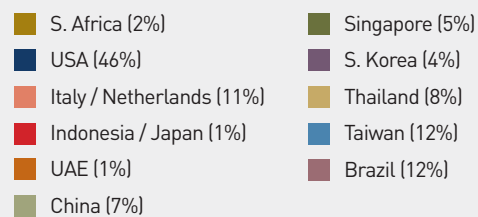
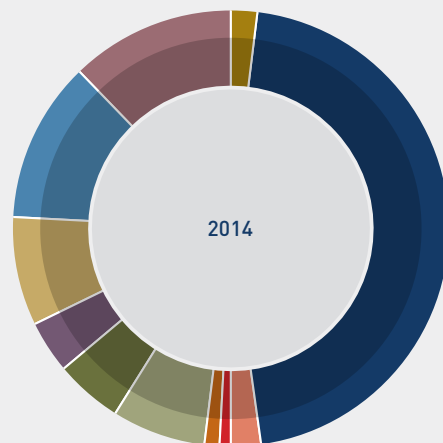
LOADED AND EXPORTED TO THE WORLD SINCE 1985”

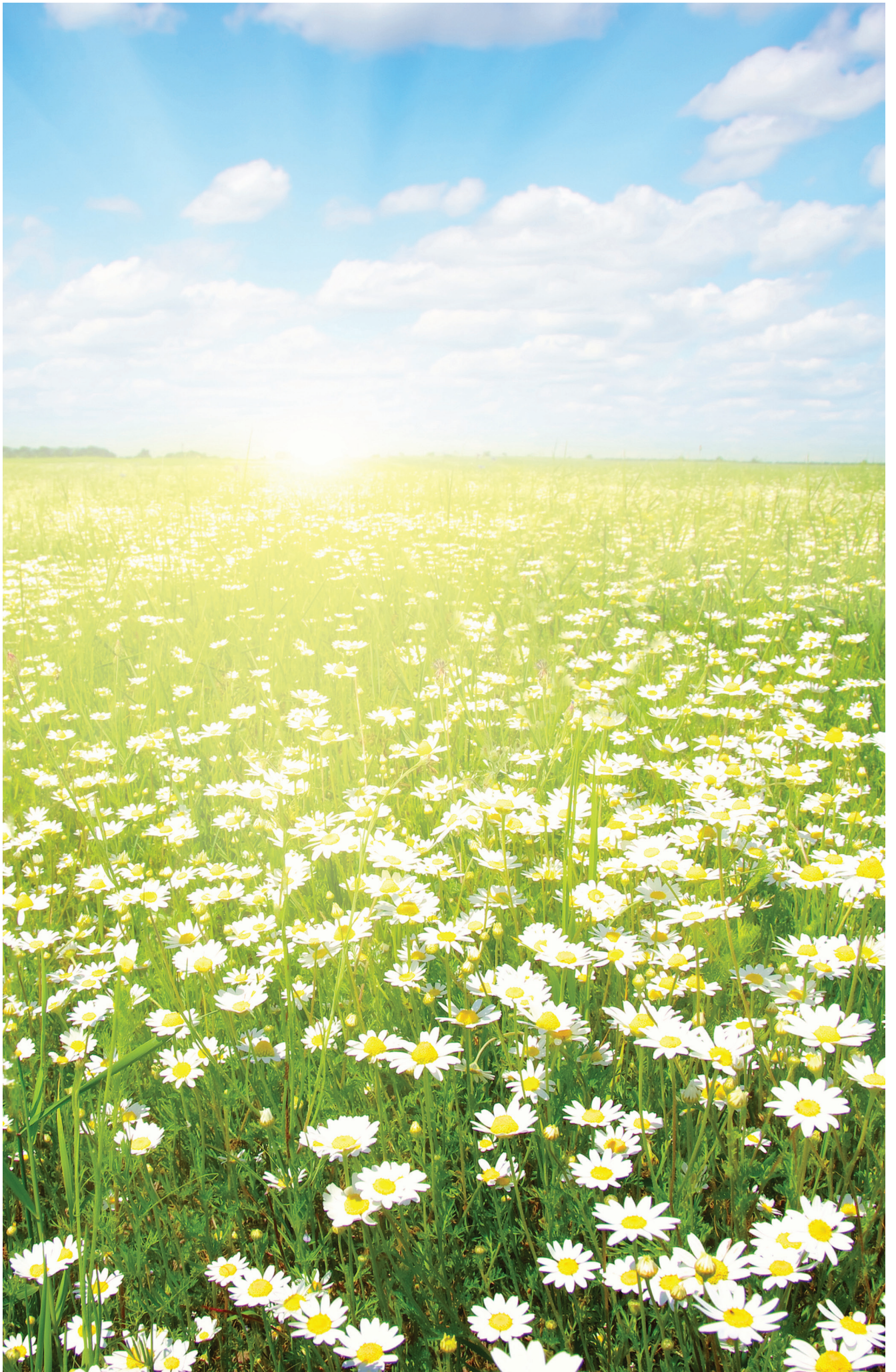
		Unit	2014		2015	
			Tonnes	Percentage	Tonnes	Percentage
Urea export by region	Turkey	MT	0	0.0	45,000	7.1
	UK	MT	0	0.0	15,000	2.4
	USA	MT	435,009	62.2	313,550	49.4
	Canada	MT	0	0.0	38,500	6.1
	LOCAL	MT	1,037	0.1	935	0.1
	<b>TOTAL</b>	<b>MT</b>	<b>699,309</b>	<b>100</b>	<b>635,124</b>	<b>100.0</b>
Methanol export by region	USA	MT	121,896	26.5	108,073	26.1
	Netherlands	MT	6,299	1.4	16,849	4.1
	Spain	MT	0	0.0	8,399	2.0
	Italy	MT	15,673	3.4	0	0.0
	UAE	MT	18,899	4.1	18,004	4.3
	China	MT	84,757	18.4	35,025	8.4
	Singapore	MT	60,755	13.2	79,855	19.3
	South Korea	MT	24,665	5.4	30,489	7.4
	Thailand	MT	5,012	1.1	0	0.0
	Taiwan	MT	121,482	26.4	118,111	28.5
	<b>TOTAL</b>	<b>MT</b>	<b>459,438</b>	<b>100</b>	<b>414,805</b>	<b>100</b>

All products Exports By Destination



All products Exports By Destination





## Safety and Health Performance



Leadership commitment: Inculcating SHE awareness amongst children

### Safety is our top priority – driven by our leadership and applied across the organisation

GPIC's leadership commitment to Safety, Health and Environment is built on a genuine belief in the "triple- bottom-line" business concept, where profitability and creating shareholder value is equal to the company's social responsibilities and commitment to health, safety and protection of the environment. The Safety, Health and Environment (SHE) department is an integral part of GPIC's organization and handles a wide range of functions in safety, fire, environment and security. The department has played a pivotal role throughout the years to engrave safety as a way of life and lay the foundations for GPIC's 'Gpicsable' culture. Every individual, section and department are the key to contributing a sustainable culture.

Similarly, our SHE department has been pivotal in ensuring the suitable and correct allocation of safety manpower, appropriate risk assessment and positive site preparations which has all contributed to the ultimate cultivation of an extremely safe working environment. Throughout the years, GPIC continued to enhance and strengthen its safety, security, health and environmental management systems including training, capacity building and testing of its emergency response and preparedness.

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

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

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

To achieve Zero Harm in every aspect of any activity carried out by the company, concerted effort is put in to planning every activity from risk assessment, ensuring there is adequate provision of equipment and materials. The manpower is sufficient and qualified and the workplace is made as safe as possible. Then the correct procedures and permissions are granted and supervision is put into place. All this effort is to ensure the jobs are carried out efficiently and safely resulting in Zero Harm.

### Our Achievements

GPIC achieved a strong Responsible Care performance in 2014- 2015, particularly in the area of employee health and safety. We achieved over 22 million man hours without a lost time accident till the end of 2015. We continue to benchmark our SHE performance with the best in class and in 2015 were awarded the Best Responsible Care Company in the GCC by Gulf Petrochemicals and Chemicals Association(GPCA). One of our proudest and biggest achievements in 2015 was to complete the maintenance turnaround successfully in a safe, secure and environment-friendly manner. A daily average manpower of 4,000 regional and international contracting personnel along with GPIC carried out the jobs safely and efficiently without any accident. A staggering 1.2 million safe man-hours was achieved during this period.

One of our main campaigns carried out throughout the turnaround(TA) was to reduce hand injuries and was in relevant terms a huge success. The below graph 1 shows a significant success in reducing hand injuries to 2. There is a downward trend on injuries as a whole and a big reduction on hand injuries. Hand injuries have always been identified and trended as the highest type of injury sustained during turnarounds.

We maintained our process safety performance through operational excellence , robust risk management, training and lessons learned. We did not have a tier 1 or tier 2 process safety event during 2014-2015. The PSM committee oversees all the elements of PSM OSHA CFR 1910.119 and in 2014 formally established the PSM Key performance indicators as an outcome of an insurance survey in 2013.

**“+ 22 MILLION**  
MAN HOURS WITHOUT LTA AS ON DECEMBER 2015”

Accidents involving injury from 2003 to 2015 TA years

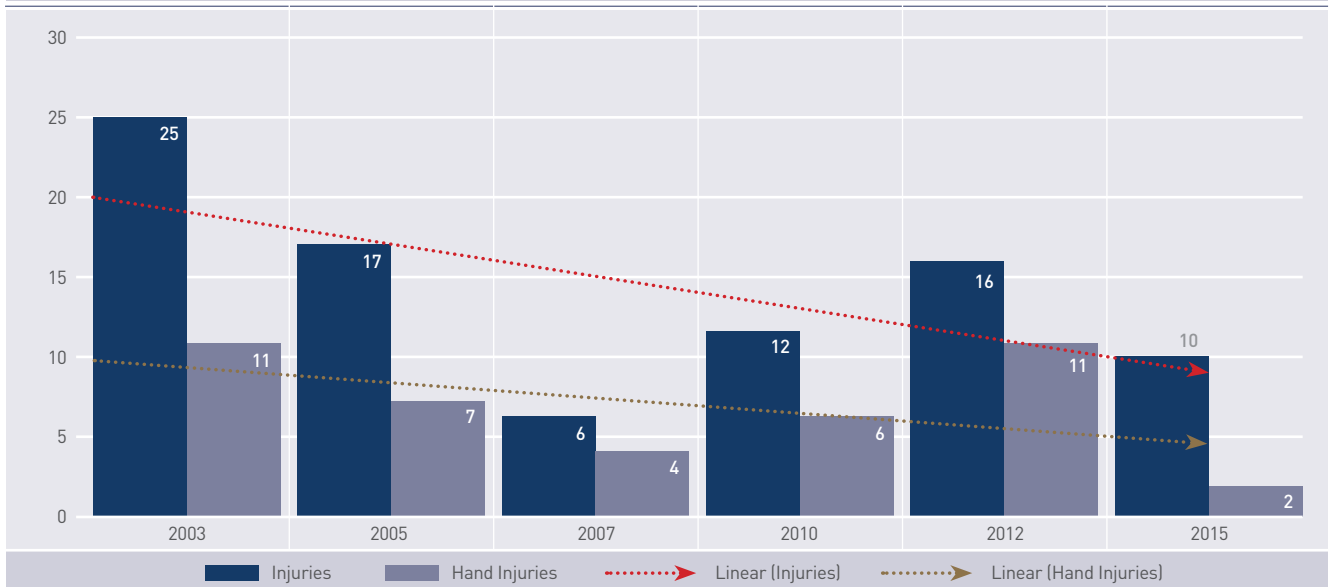


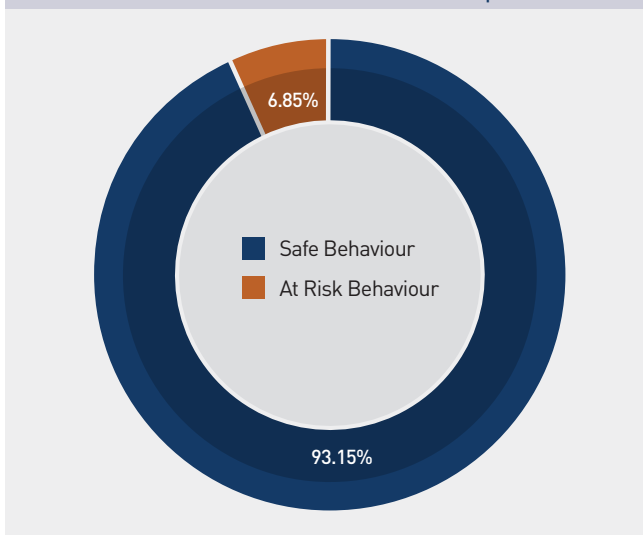
Figure 1 – Accidents Involving Injury

Our turnaround (TA) Behaviour Based Safety (BBS) program proved again to be highly successful as in previous years. It allows us to collect data via the help of Safety Representatives and GPIC safety personnel. This data identifies both positive and negative trends. Where negative trends were identified, these were brought to the attention of the safety representatives in the morning meeting. The negative trend was discussed and a prepared toolbox

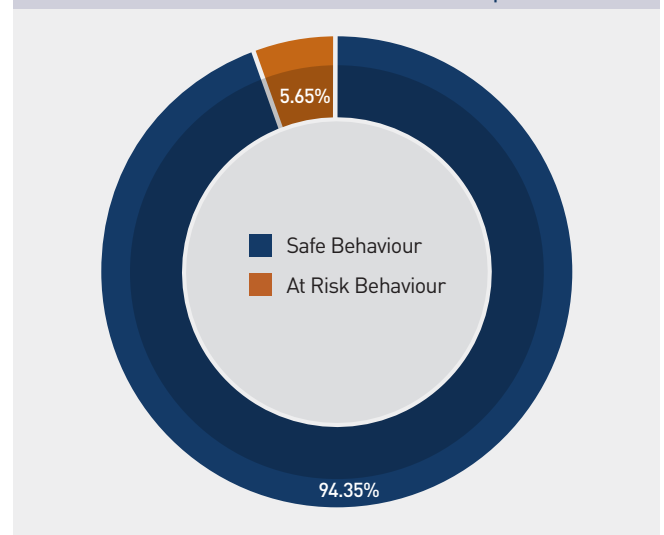
talk was given to each safety representative to aid the carrying out of the talk.

Graph 2 shows the Safe Behaviour to be 93.15% in 2012 and Graph 3 illustrates an improvement of 1.2% in Safe Behaviour. This success is amplified when we consider that there was a 27% increase in the number of people who were employed for the TA.

2012 Turnaround Safe & At Risk Behaviour - Graph 2



2015 Turnaround Safe & At Risk Behaviour - Graph 3





**Our challenges**

Even though our performance with respect to lost time accidents has improved, our concern and focus remains on reducing the number of minor first aid injuries both for our employees and

the contractor workforce. The number of first aid injuries remain close to 30 and our challenge is to bring down these numbers to minimum possible.

Our Safety, Health, Environment and Security Performance						
S. No	Metric Name	Metric Formula / Definition	2012	2013	2014	2015
<b>A Occupational Health &amp; Safety</b>						
1	Employee Fatalities	# of Fatalities	0	0	0	0
2	Lost Time Injury Incident rate for Employees	(# of days away from work cases X 200,000) / Employee man-hours worked	0	0	0	0
3	OSHA Recordable Cases Incidence Rate for Employees	(# of Injuries X 200,000) / Employee man-hours worked	0.789	1.176	0.17	0
4	Contractor Employee Fatalities	# of Fatalities	0	0	0	0
5	Lost Time Injury Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man-hours worked	0.452	0	0	0
6	OSHA Recordable Cases Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man-hours worked	1.807	0.398	0.56	0
<b>B Process Safety</b>						
1	Process Safety Incidents (Tier 1 and Tier 2)	(# of Incidents that meet the Process safety Incident Criteria	0	0	0	0
2	Process Safety Total Incident Rate (PSTIR)	(# of Process Safety Incidents x 200,000) / (Employee + Contractor Employee man-hours)	0	0	0	0
3	Process Safety Total Incident Severity Rate (PSTISR)	(Total Severity Score x 200,000) / (Employee + Contractor employee man-hours)	0	0	0	0
<b>C Environemnt</b>						
	Reportable Environmental Incidents	Tier 1 and Tier 2 Incidents	0	0	0	0
<b>D Security</b>						
1	Security breaches	Number of security breaches	0	0	0	0

“WHEN IT COMES TO A SAFE AND HEALTHY WORKPLACE, THERE CAN BE NO COMPROMISE. THAT’S WHY WE DO EVERYTHING WE CAN TO CREATE AND MAINTAIN A SAFE WORK ENVIRONMENT FOR OUR EMPLOYEES AND CONTRACTORS.”

### Wellness at Work at GPIC

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

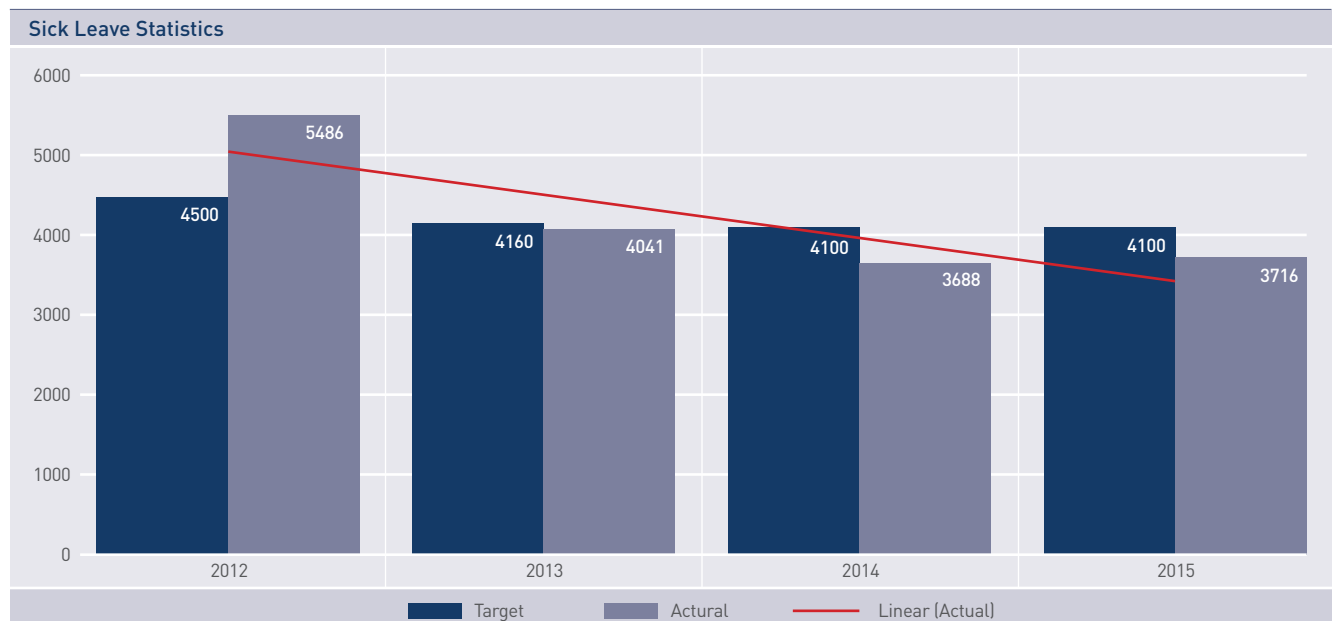
- Regular medical checks for all employees
- Smoke-free GPIC campaign  
Health campaign on Diabetes, Hypertension and Fat Composition
- Beat the heat campaign
- Obesity Management Programme
- Blood donations by GPIC employees
- First aid training for GPIC employees  
Occupational health and disease awareness lectures, newsletters
- Breast Cancer screening tests were introduced for GPIC ladies and Employees wives in coordination with Bahrain Cancer Society and King Abdulla Medical City
- Some of the latest awareness presentations include;
  - o Prevention on respiratory infections
  - o Office Yoga
  - o What you should know about cancer
  - o Beat Diabetes- Follow medical advise

### Sick leave statistics

Year	No. of sick leave days including surgical sick leave days	% sick leave days	% sick leaves by gender		% sick leave days by age					
			Male	Female	<20	20-29	30-39	40-49	50-59	60 +
2010	5969	2.8	2.6	5.7	1.5	1.5	2.5	3.9	2.4	1.8
2011	4729	2.4	2.3	2.2	1.4	2.1	2.4	2.9	1.8	1.0
2012	5486	2.6	2.76	2.4	1.92	3.08	2.83	3.03	1.97	1.51
2013	4963	2.4	2.39	2.24	0	2.65	2.57	2.65	1.59	1.05
2014	4694	2.28	2.3	2.17	0.00	2.66	2.06	2.64	1.98	0.46
2015	5040	2.44	2.37	2.69	0.00	2.71	2.24	2.84	1.93	0.84

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

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



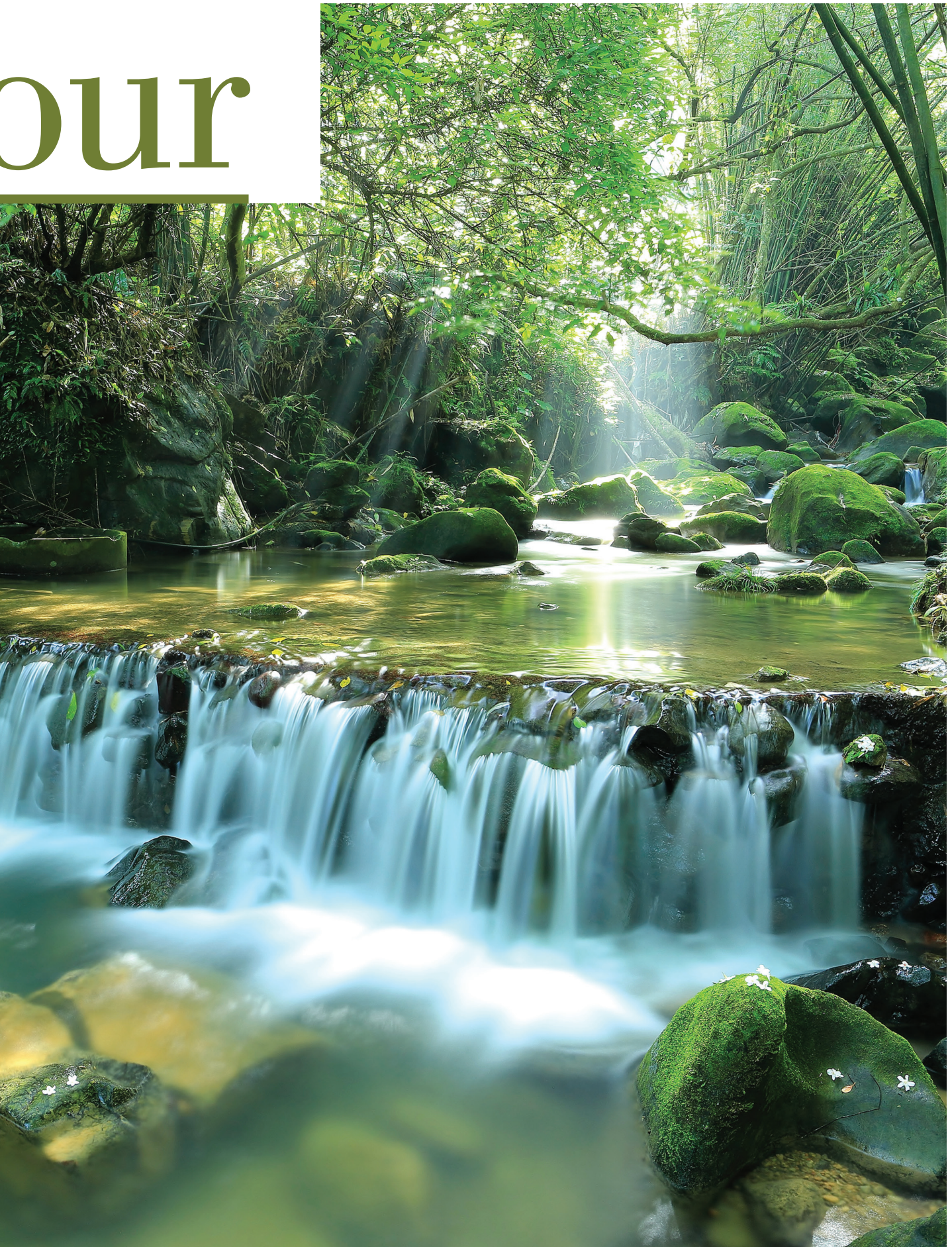
2012 figures includes surgical sick leave days . 2013, 2014, 2015 data is without surgical sick leave days

# Protecting Planet





our



# Environmental Summary



DMA

ENVIRONMENTAL SUMMARY

64

## Growth but not at the cost of the Earth

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

As the world's climate begins to change, no company can afford any longer to ignore the impact it has on the environment. GPIC has committed itself to some of the most stringent of standards when it comes to environmental management because it believes that the way any organisation manages environmental issues is a crucial measure of its standards of corporate social responsibility, competitiveness and vision.

At GPIC, our management approach is based on three areas: Reducing the environmental footprint of our activities, embedding environmental protection (alongside safety and health) into our operations and complying to legislation, and communicating our environmental performance to our various stakeholders as done in this report.

The Company has shown strong commitment by establishing and upholding high environmental standards while at the same time pursuing capabilities and expertise towards softening impact of our industrial activities on communities and natural environment.

This approach is aligned to the Bahrain Environmental policy, based on the precautionary principle, the polluter-pay principle, the sustainability concept, and the concept of shared responsibility, to fulfill the ultimate goals of sustainable development through harmonious action of all relevant actors. Below are the highlights of our Environmental Strategy based on which we have prioritized our investments accordingly.

## Environmental review at design stage

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

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

## Monitoring and control of emissions ,effluents and waste

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

## Resource Efficiency and conservation

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

## Strict Compliance to Legislative and regulatory requirements

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

## Benchmarking for continual improvement

Furthermore we benchmark ourselves against some of the highest global standards by pursuing internationally recognized certifications such as the Environmental Management System ISO 14001:2004, Responsible Care RC 14001:2013, Energy Management System ISO 50001:2011 and others.

## Regular Audits

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

## Environmental awareness

We are also actively engaged in inculcating a culture of environmental responsibility amongst our people and the community. This is sustained by training our employees and providing them with skills, competencies and empowerment to continuously improve, as they are the key to the success in implanting Safety, Health and Environment best practices.

A priceless resource, nature brings a myriad of benefits to society and business. GPIC recognizes and appreciates the value of nature and the benefits it provides to business. We take care of natural habitats and biodiversity at GPIC. Our production site now hosts; a fish farm where about 100,000 sea bream fish are released into the deep sea annually to enrich marine life, a bird sanctuary which hosts birds of different species, and a number of gardens specifically made to plant rare indigenous, aromatic and desert plants to form a case study for educating school students on environmental natural presentation.

## Environmental care beyond borders

At GPIC, in line with our business principles of sustainability, coupled with responsible care and corporate social responsibility ethics, our strategy of environmental management goes beyond our facilities. Our responsible operations strategy ensures that we do not impact adversely on our neighbouring communities. The key goal is to manage our business processes to produce an overall positive impact on society.

**“GPIC HAS CONSISTENTLY DEMONSTRATED THAT A RAPIDLY GROWING COMPANY IN A HIGHLY COMPETITIVE EMERGING MARKET CAN, NOT ONLY MEET ITS ENVIRONMENTAL RESPONSIBILITIES, BUT ALSO DRAMATICALLY REDUCE ITS CARBON FOOTPRINT WHILST SIMULTANEOUSLY IMPROVING PROFITABILITY.”**

## G4-DMA

### Climate Change Commitments:

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

GPIC has been able to implement some projects such as the urea plant and the carbon dioxide recovery plant that have reduced the company's carbon footprint and greenhouse gas emissions, thereby helping to slow the pace of climate change. Carbon Dioxide Recovery (CDR) plant commissioned in 2009, captures 450 MT/Day of CO<sub>2</sub> from methanol reformer flue gases and recycles back. Hence reducing the Company's carbon footprint in addition to resource efficiency and production augmentation. This project is a best example of how GPIC combines business strategy with environmental sustainability.

### Global engagement and sustainability:

In addition to the commitment and responsibilities GPIC has for its own operations, we are engaged in environmental efforts at several levels, Creating Impact, efforts for environmental sustainability and stewardship. One of these examples are our commitment to the UN Global Compact 10 Principles including the three principles on environmental sustainability (Principle # 7,8,9) and also the UN Global Compact Food and Agriculture Business Principles (FAB 6) where Principle number 2 is to be Environmentally Responsible. [\(For details refer to the sections on UNGC and FAB 6 principles.\)](#)

We take environmental stewardship very seriously and in this context we are the joint Sponsors of the yearly RoSPA International Dilmun Environmental Award that is given to the companies with outstanding Environmental management system.

### Our Environment Performance 2014- 2015

- Our Environmental performance during 2014-2015 was par excellence. We achieved our environmental targets including the energy targets. Our emissions and effluents were in compliance to the Bahrain Environmental Standards and we did not experience any reportable environmental incidents. Turnaround 2015 was managed in an eco-friendly way. We enhanced our waste recycling and introduced cardboard recycling for the first time in GPIC. Liquid waste management was effective due to the commissioning of new evaporation pond in 2014. We continued our drive towards energy efficiency and energy efficiency projects such as the introduction of energy efficient lighting. We participated in a number of environmental benchmarking studies including IFA benchmarking for effluents and emissions. To demonstrate the eco-

friendliness of its operations, GPIC has implemented a number of projects inside and outside of its complex, the latest of which is the Bahrain-Japan Friendship Garden. On 18 February 2015, in the presence of Her Royal Highness Princess Sabika bint Ibrahim AL Khalifa, wife of His Majesty, The King, GPIC inaugurated yet another exceptional example of their drive to a sustainable future in the official opening of an exquisite Bahrain Japan Friendship Garden in Al Areen Park. The Japanese garden built on an area of 6833 sq.m. is first of its kind in Bahrain and is having 35 different type of plants. The exquisite garden is funded by GPIC and is a testimony of Company's unwavering commitment towards corporate social responsibility and environmental sustainability.

During the past two years we have been engaged on a number of projects and initiatives and some of the salient ones are as below;

- o For its new plant Ammonia II and Urea II, GPIC has embarked on HSEIA study for the conceptual phase of the project. EIA and QRA is in its final phase and expected completion in Q3 2016.
- o GPIC has been engaged with governmental bodies on National level strategy formulation and legislation revision;
  - Industrial sector input to the formulation of Bahrain's INDC for COP21
  - Engaged in post COP21 road map for Bahrain's Industrial sector Carbon inventory and management
  - Stakeholder for National Biodiversity strategy revision
  - Involved in National Energy Efficiency and National Renewable energy action plan
  - GPIC President is in the UNEP's HLG of GEO 6 assessment and provides advise on regional assessment
  - Stakeholder for updating the National emission and effluent standards

### Challenges:

- Our biggest environmental challenge is the location of our facilities, which is surrounded by sea, neighbouring facilities and the residential communities. We as a responsible care company are mindful of the challenges and hence follow a precautionary approach when it comes to environmental sustainability. Sustainability is embedded in everything we do, our strategy, operations and daily actions.
- Compliance to the Environmental legislations, reducing energy consumption and emissions, resource conservation, energy efficiency, hazardous waste management and pollution prevention are some of our main priorities towards the environmental challenges we face at GPIC.

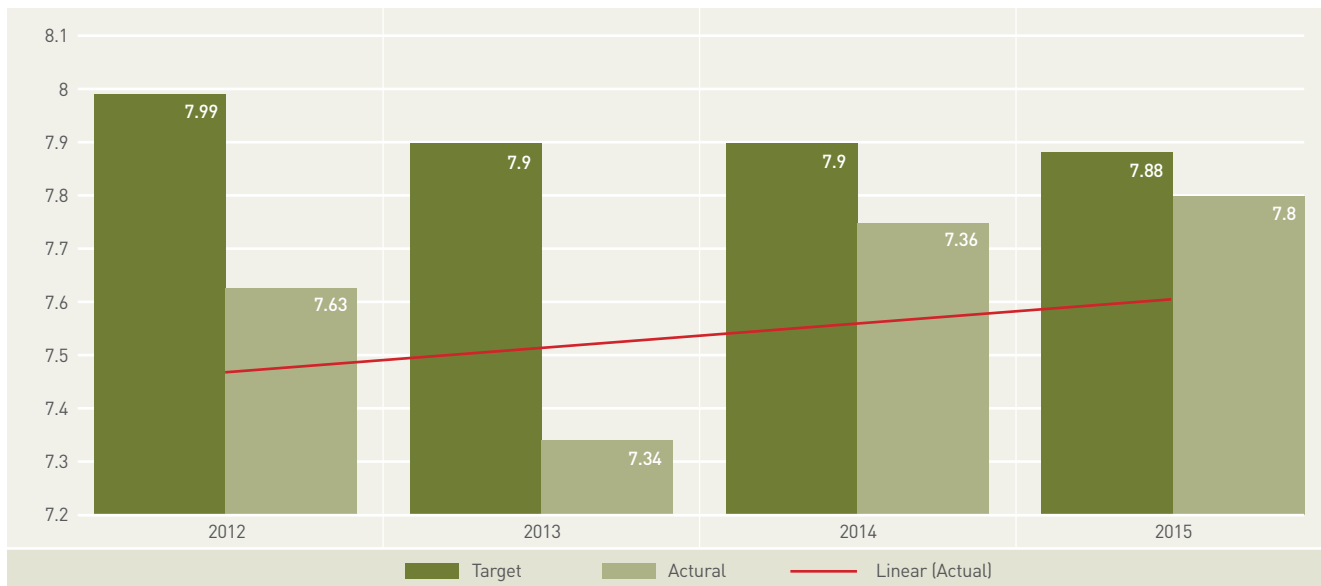
# Environmental Performance Indicators



## G4-DMA

### Energy Consumption Gcal/MT

In 2015 our energy consumption per tonne of product was higher due to the plant outage for turnaround 2015.



### Aspect: Energy

#### G4-DMA

The Company believes that a sustainable energy future is connected to innovative technologies and energy efficient operations where sustainable production and consumption is the area of focus.

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

GPIC has reduced its GHG emissions and improved our energy efficiency significantly since the commissioning of our first ammonia and methanol plants in 1985. At that time the total energy per tonne of the product was 11Gcal/Metric tonne, which is currently 7.34 Gcal/Metric tonne, a significant reduction through reliable operations with high on stream factor and high capacity

utilization and through energy saving projects, such as the implementation of the urea plant in 1998 and commissioning of the carbon dioxide recovery unit in 2009.

In recent years, GPIC has embarked on energy saving projects, the latest being the ammonia converter revamp that involved the replacement of Uhde converter basket with Haldor Topsoe S-200 series basket that resulted in a reduction in the synthesis loop pressure and a net energy saving of 0.17 Gcal/MT of ammonia produced. Furthermore our equipment have been technically upgraded to optimize energy efficiency, and energy-saving programs have been successfully implemented in our other facilities. Improved energy efficiency has the added benefit of reducing CO2 emissions.

With energy efficiency being a corporate priority, GPIC has opted to go for ISO50001 certification in 2015. Among our several energy goals GPIC has a very ambitious project in place to replace all the conventional lights with LEDs and also to provide solar energy to its buildings outside process areas.

# "32 MWH/YEAR ENERGY SAVINGS BY INSTALLING 1120 LEDs."

EN

3

G4

## Energy consumption within the organization

		2015	2014	2013	2012
Component	Unit	Quantity	Quantity	Quantity	Quantity
Total energy consumption as Natural Gas (Feed and fuel)	GJ	34,754,906	36,760,203	36,654,554	35,092,603
Total imported electricity	MWH	127,186	128,215	128,799	97,739
Total imported electricity in terms of natural gas	GJ	1,526,134	1,538,477	1,545,490	1,172,793

EN

5

G4

## Energy intensity

		2015	2014	2013	2012
Component	Unit	Quantity	Quantity	Quantity	Quantity
Energy Intensity	Gcal/MT of Combined product	7.80	7.36	7.34	7.63

1) Energy intensity in 2015 has been higher by 6% as compared to 2014 due to plant outage for planned maintenance turnaround in March / April 2015.

EN

6

G4

## Reduction of energy consumption

In the light of the increasing gas price in Bahrain and increased competitiveness in the global market, Reliability and Energy Efficiency have become one of the most important means to maintain and sustain the profitability of a petrochemical plant. GPIC, has been very successful in achieving high standards by consistently maintaining on-stream factors, as well as an excellent safety track record for the Complex.

On the energy front, the specific energy consumption of the Ammonia, Methanol and Urea plants has improved over the years. This improvement is an outcome of implementing various energy saving and environmental schemes and adopting efficient technologies for the new equipment and plants. The declining trend in the average energy consumption of the plants over the years is the testimony to these efforts.

GPIC always believed that a plant with high on-stream factor and with high capacity utilization only, can be regarded as an energy efficient plant on a sustained basis.

In line with this theme, some of the major modifications implemented to improve the reliability and efficiency in the past 5-7 years, are listed below detailing their accrued benefits

- **2007:**
  - o Replacement of Ammonia plant Secondary Reformer with Modified Design helped in reducing the specific energy consumption by 3.7%.
  - o Reformer Tubes Replacement in Ammonia Plant and Methanol plant to take advantage of reduced specific energy consumption. An energy saving of 0.4% i.e. 0.04 Gcal/MT of Methanol was realised.
- **2009:**
  - o Energy Saving by increasing Production through Carbon Dioxide Recovery Plant. The overall specific energy consumption has reduced by a minimum of 3.4%. This was possible due to the installation of new Omega Bond Stripper in urea plant.
- **2012:**
  - o Replacement of Converter Basket in Ammonia Synthesis Converter resulted in a reduction in the synthesis loop pressure and a net energy saving of 0.17 Gcal/MT of ammonia produced.



Fish farm close to GPIC sea water outfall

### G4-EN6

- **2014-2015**
  - o A solar energy project has been approved by the Board to provide solar power to buildings in non-process areas with an anticipated net energy saving of 758,616 KWH/year. However the project has been put on hold temporarily as part of Company's cost optimization drive.
  - o Upgrade of existing light fittings to LED type fittings. This is an ongoing project and till February 2016, 1119 light fittings have been replaced with LED type resulting in an energy saving of 32.13MWH/Year and a cost saving of US \$ 17,034 /Year.
  - o An 11 KV capacitor bank was installed and commissioned in April 2015 to improve the power factor. The improved power factor above 0.9 shall ensure optimum consumption of electricity without much reactive power loss to both GPIC and Electricity and Water Authority. This has resulted in substantial cost saving for the Company and the net saving as a result of this project has been US\$ 1.6 million till December 2015.
  - o As part of ISO 50001 GPIC has identified its significant energy uses which is primarily natural gas as fuel and steam. In this context a couple of energy saving opportunities have been identified and modifications are being processed for implementation in Urea plant and CDR unit.
  - o GPIC retrofitted one of its 30 years old HP steam boilers, hence increasing its reliability and efficiency. The efficiency of the refurbished boiler is around 94% that is higher than the other three boilers.

### Aspect: Water

#### G4-DMA

Water is an important factor in the manufacturing processes. GPIC mainly needs it for production of steam and cooling purposes and some part goes for horticulture. The water requirements are met by sea water and desalinated water and as per design most of the process related water streams such as process condensate, steam condensate is recovered and recycled back into the process after treatment through steam stripping and polishing for higher resource optimization and energy efficiency.

There is a strict monitoring regime involving online analysers, laboratory analysis and regular checks by government regulators. These stringent controls ensure we remain compliant to national legislative requirements by not exceeding the allowable threshold levels. Ground water monitoring is also done to ensure the leaking process fluids and chemicals do not contaminate the sea water and are detected in time. In 2012, use of chlorine from sea water system was eliminated and Sodium Hypochlorite was introduced as a safer alternative. In 2014 GPIC has constructed and commissioned a double HDPE lined evaporation pond which is capable of storing 1000 m3 of waste water and other solvents. This pond was used very effectively during turnaround 2015 for spent fresh cooling water (nitrite based), catalyst contaminated waste water (Heavy metals contamination) etc. The solid sludge after evaporation is disposed to governmental hazardous waste landfills.

The waste water generated in our processes is treated through skimming (oil removal) and neutralization to reduce the pollutant to acceptable limits prior discharging it into the marine environment. Hence our effluents do not burden the environment.

On an average basis during 2014-2015 the discharged water to marine environment contained Chemical Oxygen Demand (COD) value of <25 ppm and Biological Oxygen Demand value of 5 ppm, which were well below the accepted levels as per Bahrain Environment Standards.

GPIC complex is certified against environmental standard ISO-14001:2004 and RC-14001. All the emissions and effluents are within the prescribed BES limits and regularly reported to Supreme Council for Environment. This reporting includes 29 parameters from our 4 effluent streams leading to marine environment and 8 parameters of emissions from 9 sources of emissions in our facilities.

One of the challenges and an opportunity is to further reduce our water consumption by treating and reusing some of the waste water streams that includes biological waste water streams and the methanol contaminated waste water streams. In addition to that we continuously work on reducing our steam losses which in turn reduces our energy and our water consumption.

“GPIC ALWAYS BELIEVED THAT THE ENVIRONMENT SHOULD BE PROTECTED AND INDUSTRIES SHOULD OPTIMIZE RESOURCE USE SO AS TO MINIMIZE IMPACT ON THE ENVIRONMENT WHILE MEETING THE NEEDS OF MODERN SOCIETY.”

EN 8 G4		Total water withdrawal by source			
Component	Unit	2015	2014	2013	2012
Sea Water intake	M <sup>3</sup>	326,983,000	353,230,000	345,582,000	333,354,000
Sea water discharge	M <sup>3</sup>	325,403,991	351,620,462	343,910,835	331,779,958
Sea water converted to desalination water	M <sup>3</sup>	1,579,009	1,609,538	1,671,165	331,779,958
Purchased Water (Alba)	M <sup>3</sup>	95,444	70,001	79,111	84,507

#### Aspect: Biodiversity

EN 11 G4		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
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GPIC appreciates the impacts we have on nature and our dependencies on the critical services that nature provides. GPIC is constructed on a reclaimed land of 60 hectares with a close proximity to the sea shore. We are mindful of our responsibility towards biodiversity and preservation of natural habitats. We have embarked upon several environmental projects that focus on the long term preservation of natural habitats in and around the complex.

The total area of habitats preserved is summarized as:

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

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

For details on our biodiversity please refer to our Sustainability report 2014 on [www.gpic.com](http://www.gpic.com)

#### Aspect: Emissions

##### G4-DMA

GPIC's concern for minimizing the emission of Greenhouse gases, received the highest attention right at the design stage of the plants. GPIC always believed that the environment should be protected and industries should optimize resource use so as to minimize impact on the environment while meeting the needs of modern society. GPIC therefore, built several concepts over the years, into the design of the plant and structured its operating philosophy in such a way that the greenhouse gases released are low.

Reduction of GHG to below 2013 levels is one of the long term sustainability goals at GPIC.

##### GPIC's Philosophy to minimise the emission of Greenhouse Gases (GHG)

In GPIC, the emphasis has always been in maintaining a very high on-stream factor of the plants while improving on environmental and safety aspects. GPIC always believed that a plant with high on-stream factor and with high capacity utilization only, can be regarded as an energy efficient plant on a sustained basis. More the interruptions in the plant operation, more will be the emission of the greenhouse gases.

Globally, it is regarded that an energy efficient Plant will emit fewer greenhouse gases as compared to the one which is not so energy efficient.



Since those first years, we have reduced the total CO<sub>2</sub> emissions from 1.46 MT/MT of product to 0.606MT/MT of product. A decrease of 58%. This has been achieved through reliable operations and several energy-saving projects, starting with the debottleneck project in 1989 followed by startup of the urea plant in 1998 and commissioning of carbon dioxide recovery(CDR) unit in 2009. The CDR unit recovers 450 tonnes of CO<sub>2</sub> per day from methanol reformer stack emissions and converts it into more methanol and urea. On an annual basis around 0.12 million tonnes of CO<sub>2</sub> emissions are reduced. Since 2009 around 0.70 million tonnes of CO<sub>2</sub> emissions have been reduced through the CDR unit alone.

All the above initiatives and those mentioned under energy efficiency initiatives, covered under G4-EN6 have significantly contributed to the reduction in the Greenhouse gases emission and enhancing energy efficiency.

**Direct greenhouse gas (GHG) emissions**

Direct greenhouse gas (GHG) emissions are from sources controlled by GPIC. Our 2015 direct GHG emissions, expressed as carbon dioxide equivalents, were lower than 2013 (our benchmark year) due to planned outage for maintenance turnaround however the GHG emissions of 2014 were 2% higher than 2013 figures.

EN 15 G4		Direct Greenhouse Gas (GHG) Emissions (Scope1)			
Component	Unit	2015 Quantity	2014 Quantity	2013 Quantity	2012 Quantity
<b>Direct greenhouse gas emissions as CO<sub>2</sub> equivalent</b>					
CO <sub>2</sub> Emissions from direct energy	tonnes CO <sub>2</sub> equivalent	878,615	929,422	916,287	865,914
CO <sub>2</sub> Emissions due to Granulation Washing	tonnes CO <sub>2</sub> equivalent	3,445	4,823	3,673	3,192
CO <sub>2</sub> Emissions due to Urea Shutdown	tonnes CO <sub>2</sub> equivalent	1,726	0	17,003	749
CO <sub>2</sub> Emissions due to Diesel burning	tonnes CO <sub>2</sub> equivalent	603	1,259.6	509	228
CO <sub>2</sub> Emissions due to Petrol burning	tonnes CO <sub>2</sub> equivalent	600.6	577.5	647	404
CO <sub>2</sub> Emissions due to R22- consumption	tonnes CO <sub>2</sub> equivalent	0	267.88	376	49
CO <sub>2</sub> Emissions due to R404-A consumption	tonnes CO <sub>2</sub> equivalent	428.7	214.3	1,672	605
CO <sub>2</sub> Emissions due to plant trips/ shutdown	tonnes CO <sub>2</sub> equivalent	1690	-	-	-

**Notes:**

**Baseline year**

Year 2013 is taken as the base year because this is the best year in terms of energy efficiency and energy intensity.

**Standards, methodologies, and assumptions used.**

There are number of flow meters distributed in the fuel gas system. From the fuel gas composition (almost having same analysis) and flow meters readings, the CO<sub>2</sub> generation is calculated. In case of granulation washing, Urea Plant load is reduced to approximately 70% for couple of hours leading to CO<sub>2</sub> vent in Ammonia Plant. Based on average three days CO<sub>2</sub> consumption and the granulation day reported figure, the CO<sub>2</sub> is calculated. For total Urea Plant shutdown, all generated CO<sub>2</sub> from Ammonia Plant will be vented which is a known figure per day. For Diesel burning, Petrol burning, R-22 consumption and R-404A consumption, the tonnes of CO<sub>2</sub> equivalent is calculated based on factor conversion from IPCC fourth assessment report.

**Source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source.**

100-year GWPs from IPCC Fourth Assessment Report (AR4), 2007. IPCC AR4 was published in 2007 and is among the most current and comprehensive peer-reviewed assessments of climate change. AR4 provides revised GWPs of several GHGs relative to the values provided in previous assessment reports, following advances in scientific knowledge on the efficiencies and atmospheric lifetimes of these GHGs and of CO<sub>2</sub>.



“+ 0.7 MILLION <sup>TONNES OF</sup> CO<sub>2</sub> EMISSIONS  
REDUCED BY CARBON DIOXIDE RECOVERY UNIT SINCE 2009.”

#### Indirect greenhouse gas (GHG) emissions

Indirect GHG emissions are the consequence of GPIC’s consumption of energy but are emitted from sources controlled by another company, for example, by the supplier of purchased power.

EN 16 G4		Indirect Greenhouse Gas (GHG) Emissions (Scope2)			
Component	Unit	2015	2014	2013	2012
Quantity					
<b>Indirect greenhouse gas emissions as CO<sub>2</sub> equivalent</b>					
CO <sub>2</sub> Emissions from imported power	tonnes CO <sub>2</sub> equivalent	90,814	91,660	91,994	69,823

#### Greenhouse gas (GHG) emission intensity

In 2015, GPIC’s GHG emissions intensity was 0.605 metric tons per metric ton of production, approximately a 5 percent increase from the benchmark year 2013. As for the year 2014, GHG emissions intensity was 0.583 metric tons per metric ton of production, approximately a 1.2 percent increase from the benchmark year 2013.

EN 18 G4		Greenhouse Gas (GHG) Emission Intensity			
Component	Unit	2015	2014	2013	2012
Quantity					
GHG emission Intensity	tonnes CO <sub>2</sub> equivalent emitted/ton of product	0.604	0.585	0.576	0.595





We are conscious of our obligations towards climate change

**EN 19**  
**G4** Reduction of greenhouse gas emissions

We have reduced the Company's absolute GHG emissions by more than 50 percent since 1985. The energy savings resulting from increased efficiency from 2007 through 2015, as reported in EN6, can be converted to equivalent GHG emissions avoided. The activities described in EN6, in addition to implementing new processes that emit less GHGs compared to traditional routes, will be important to driving reductions in the future. GPIC's long term sustainability goal regarding climate change is to maintain GHG emissions below 2013 levels on an absolute basis for all GHGs, thereby growing the Company without increasing its carbon footprint.

GPIC is actively involved in pre and post COP 21 consultations at National and International levels. We have contributed towards Bahrain's Intended Nationally Determined Contribution (INDC) and are currently engaged at the National level in systemizing a carbon inventory management and reporting protocol. In addition to this we are also involved in national discussions regarding a renewable energy action plan and a national energy efficiency action plan, an initiative spearheaded by Bahrain's Ministry of Energy in collaboration with UNIDO.

Recently, in partnership with Mitsubishi Heavy Industries (MHI), GPIC hosted a technical conference on carbon dioxide extraction during the latter part of 2015. GPIC was the first company in the region to successfully construct its carbon dioxide recovery (CDR) unit and employ such technology. The conference gave us the opportunity to share our extensive expertise and knowledge with the industry sector in this regard.

Our CDR, which has been in full operation since 2009, has so far extracted over 700,000 tonnes of carbon dioxide, which has been used to enhance the production of urea and methanol. This translates to an average of 200,000 Nm<sup>3</sup>/day carbon dioxide being captured by the CDR recovery unit.

Year	CO <sub>2</sub> removed from flue gas
2013	131,612 tonnes
2014	131,483 tonnes
2015	127,750 tonnes (Turnaround year)

**EN 20**  
**G4** Emissions of ozone-depleting substances (ODS)

Ozone-depleting emissions include substances with an ozone depletion potential greater than zero that can deplete the stratospheric ozone layers. The emissions factors are based on the Montreal Protocol.

In compliance to Bahrain's Environmental legislation and in accordance to the requirements of the Montreal Protocol GPIC is taking proactive steps to make our complex free from ozone depleting substances, such as class 2 HCFC's. In this context we are undergoing a phased replacement of Air Conditioning units using R-22 with an environmentally friendly refrigerant. During 2014/2015 about 26 units have been replaced with environmentally friendly refrigerants.

**National Strategy for Hydrochlorofluorocarbons (HCFCs) Phase out Management Plan (HPMP):**

The Kingdom of Bahrain committed itself to all requirements of protecting ozone layer that includes joining Vienna Convention for protecting the Ozone layer and the Montreal Executive protocol dedicated for Ozone depleting substances "ODS" in April 1990.

HCFC – an international agreement has been made to phase out these materials by 2030 for all developing countries. The measure includes a gradual reduction of 10% and 35% and 67.5% during the years 2015 and 2020 and 2025 respectively by starting freezing the countries' consumption on Jan 1st 2013 based on average of 2009 and 2010.

Bahrain has issued law No [54] for 2014 on enforcing the Unified regulation on ozone depleting substances for the GCC states, which aims to regulate the import and re-export, transfer and storage of equipment, machines, and products that have been developed to control and phase out the ODSs and replace them with safe alternatives.

- The Supreme Council for Environment (SCE) is currently implementing the first phase of HCFC Phase Out management Plan (HPMP) which extends up to 2030. The intention is to freeze the HCFCs baseline in 2013 and apply a 10% reduction in 2015, reaching 40% reduction by 2020. The enforcing unit will be The National Ozone Unit "NOU" in Assessment and Control Directorate in Supreme Council for the Environment.

**“IN ORDER TO MAKE GPIC FREE FROM OZONE DEPLETING SUBSTANCES, SUCH AS CLASS 2 HCFCs, WE ARE UNDERGOING A PHASED REPLACEMENT OF AIR CONDITIONERS USING R-22 WITH AN ENVIRONMENTALLY FRIENDLY REFRIGERANT.”**

**G4-EN20**

- The Bahrain’s HPMP is going to be implemented in collaboration with UNEP and UNIDO through a number of components that are intended primarily to help the air conditioning manufacturing sector to switch to other decent alternatives. These components are:
  - o Modernization and enforcement project of legislative and regulatory mechanism.
  - o Monitoring training for customs and other relevant sectors to control the importation of restricted substances and illegal trade.
  - o Convert the national “HVAC” industry, which based on HCFC22” material to other non-ozone-depleting substances alternatives
  - o Support refrigeration and air conditioning sector and sectors based on these applications through specialized studies and renovation the desired specifications and standards.
  - o Develop a code of practices for refrigeration and air conditioning sectors and set as pre-requirement licensing.
  - o Establish recycling and reclaim refrigerants Center.
  - o Awareness activities and training which are associated with strategy to enhance uses of decent alternatives.

In conclusion, the kingdom of Bahrain will work on Phasing out HCFCs by limiting the imports and decreasing the limit by 10% each year starting 2015 until 2020. They will build a new recycling center in which ODSs can be recycled and reused. To implement this efficiently, they will run training sessions for companies that handle such gases to make sure that these gases are not emitted and are safely transported to the new recycling center.

Ozone Depletors as CFC-11 equivalent		2015	2014	2013	2012
Component	Unit	Quantity	Quantity	Quantity	Quantity
<b>ODP of R22- is 0.05 and for CFC11- it is 1</b>					
Ozone Depletors	tonnes CFC 11- equivalent	0.005	0.021	0.027	0.012

**EN 21**  
**G4** **NOx, SOx, and other significant air emissions**

Air pollutants can have adverse effects on climate, ecosystems, air quality, habitats, agriculture, and human and animal health. Reductions in regulated pollutants lead to improved health conditions for workers and neighbouring communities. GPIC is mindful of the fact that reductions, or performance beyond compliance, can enhance reputation of the company, enhance relations with the neighbouring communities and workers, and the ability to maintain or expand operations. More regional impacts from GPIC production plants include emission of acidifying gases (NOx and SOx) from flue gas stacks of four HP

steam boilers, one LP boiler, two reformers, one gas turbine and particulate matter and ammonia from the urea granulator stack. All such impacts are monitored closely through online continuous emission monitoring system (CEMS) and also through laboratory sampling to ensure that allowable levels are not exceeded. GPIC is the only industry in Bahrain to have a mobile ambient air quality monitoring station. Over the years GPIC has taken several steps to further reduce emissions beyond compliance, for instance, operational improvements and investments in clean technologies such as the ultra low NOx burners in the new HP steam boiler and the CDR boiler.



G4-EN21

Component	Source	Unit	2015	2014	2013	2012
			Quantity	Quantity	Quantity	Quantity
SOX	HP steam boilers, gas turbine, reformer stacks	Metric tonnes	3317	3389	3354	3750
NOX	HP steam boilers, gas turbine, reformer stacks	Metric tonnes	1077	1056	1076	1014
VOC	Urea Granulation stack	Metric tonnes	72	62	30	26
PM 10	Urea Granulation stack	Metric tonnes	122,071	130,546	135,123	139,810
NH3	Urea Granulation stack	Metric tonnes	100,258	127,261	116,530	100,433

**Note:** The higher emission quantity of VOC from the granulation stack is due to more load/ production and also due to higher dosage of UF 85, Urea formaldehyde due to process requirements. However the recovery is within the thresholds as per the Bahrain Environmental Standards.

**Aspect: Effluents and waste**

**G4-DMA Effluents**

Our main effluent to the marine environment is the sea water discharge from the process units. All other effluents after their primary treatment and quality checks also intermix with the main sea water effluent before discharging to the marine environment.

The main sea water effluent is closely monitored through regular laboratory analysis and periodically monitored by governmental environmental inspectors for compliance.

We optimize our total water requirements and associated effluents keeping in view our process requirements related to load and climatic conditions. For example our sea water requirements increase by approximately 33% during summers.

**EN 22**

**G4** Total water discharge by quality and destination

Component	Unit	2015	2014	2013	2012
		Quantity	Quantity	Quantity	Quantity
Sea water	Millions of M <sup>3</sup>	325.4	351.6	343.9	332

**Note:**

- Sea Water quantity includes 1) Return SW cooling 2) desalination unit reject 3) desalination unit vacuum system sea water outlet 4) desalination unit sand wash pump discharge 5) neutralized waste water from plants.
- The quality of water discharged was in accordance to the permissible limits as per the Bahrain Environmental Standards stipulated in Ministerial Order No 3 of 2001 and there were no exceedances observed during the period 2014-2015.





Our Bird Sanctuary where more than 70 species of birds have been recorded

### Waste Management

#### G4-DMA

Responsible management of hazardous and non-hazardous waste is one of the focus areas of our environmental strategy. We have taken a number of steps over the years in enhancing recycling of paper, plastic and metals and have introduced Cardboard Recycling in April 2015. An increase in recycling target (10% increase over the 2014 baseline) was introduced in 2015 and was achieved. The target has been increased to 15% for the year 2016.

The total quantity of waste (plastic, metal cans, paper, cardboard) recycled during 2015 is 39% higher than 2014 mainly due to enhanced recycling during turnaround 2015 and also due to the introduction of cardboard recycling in April 2015.

Since 2005 we have shredded and recycled 54,232 Kg as part of our waste for charity programme and to date we have recycled about 80 tonnes of plastic, paper, metal cans and cardboard. We have been able to reduce our environmental footprint by our recycling endeavours; we have achieved energy savings of 278,800 Kwh, reduced our carbon dioxide emissions by 105 tonnes and saved 526 cubic yards of landfill space.

Catalysts are one of the main raw materials in our industry and we recycle hazardous spent catalysts by selling them to overseas certified recycling agencies. In 2015 103 tonnes of spent catalyst that was unloaded in turnaround has been sold to M/S Metaal

Magnus International, The Netherlands. In addition to reducing our carbon footprint through recycling of spent catalyst, GPIC has sold the spent catalyst at a price of US\$ 97,974.

We are working towards our ultimate goal of minimal waste to landfill, however still we generate significant amount of waste that goes to the landfill. We have sent 101 tonnes in 2015 and 171 tonnes in 2014 of hazardous solid waste to the governmental landfill at a total fee of US\$23,900.

One of our latest initiatives to manage hazardous liquid waste is the construction and commissioning of a 1000 M3 double HDPE lined evaporation pond in 2014. The pond was effectively used during turnaround 2015. Additional initiatives include:

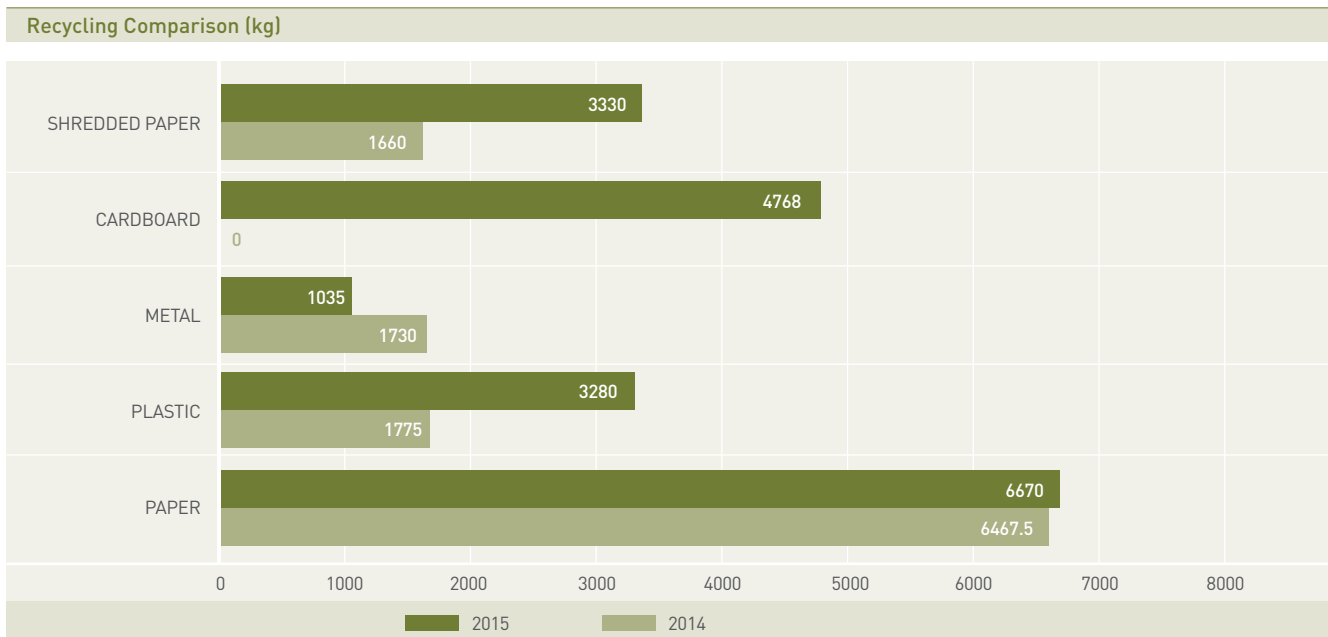
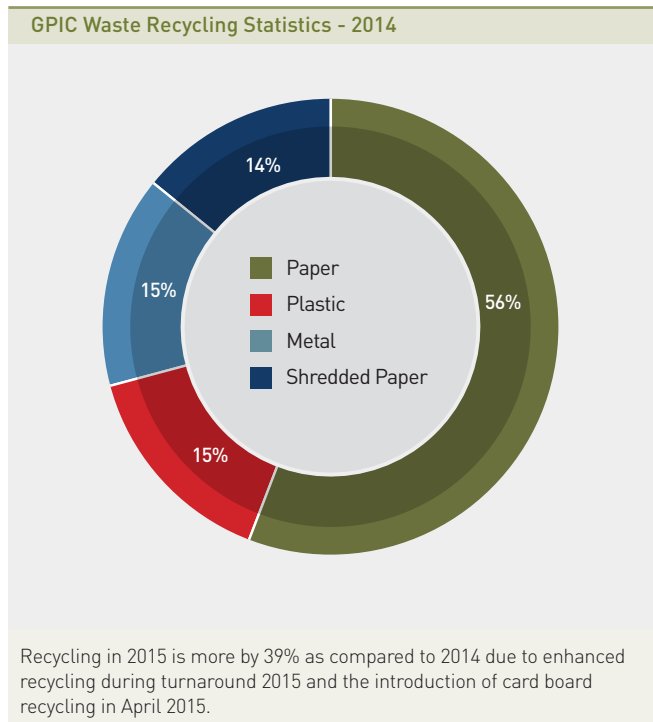
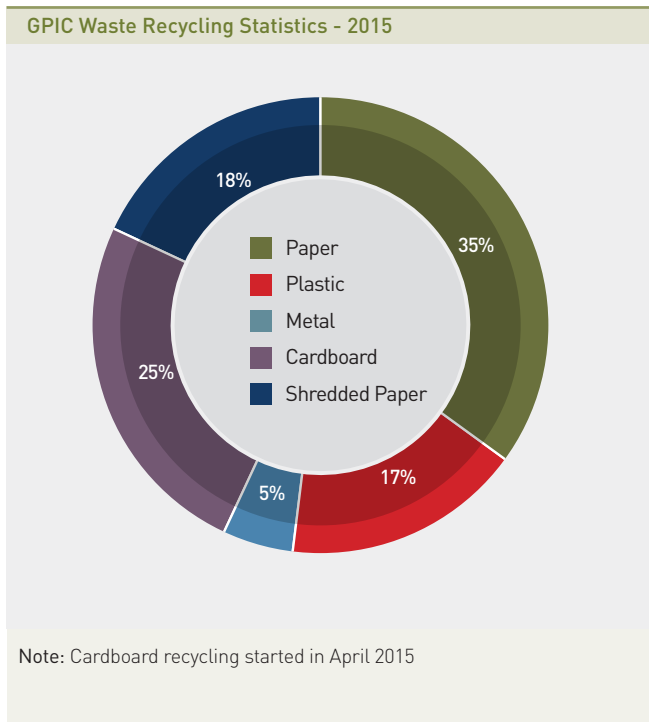
- o Reducing our hazardous waste (mainly catalysts) by operating the plants in an efficient way with minimum unplanned outages and hence increasing the useful life of the catalysts.
- o Reusing a number of items such as the catalyst drums from new catalyst. These drums are used to store spent catalyst.
- o Some of the empty chemical drums are cleaned and reused to store spent resins prior to sending them to landfill.
- o Wood waste is reused to make wooden boxes for storing maintenance tools and also for storing rotary equipment such as compressor rotors for sending them to overseas OEM workshops.



EN 23		G4 Total weight of waste by type and disposal method				
Component	Unit	Type	2015	2014	2013	2012
The total amount of waste (hazardous & non-hazardous) in tonnes by type for composting.	tonnes		nil	nil	nil	nil
The total amount of waste (hazardous & non-hazardous) in tonnes by type for reuse.	tonnes		nil	nil	nil	nil
The total amount of waste (hazardous & non-hazardous) in tonnes by type for recycling.	tonnes	Hazardous Waste				
		Spent Catalyst to overseas recycling agencies.	103	nil	300	172
		Gas condensate to Bapco refinery	272	176	224	Not quantified
		Non-Hazardous Waste				
		Metal Scrap	212	0	387	357
		Plastic & Aluminum cans	4.3	3.5	Not quantified	Not quantified
		Paper & card board	14.8	8.2	Not quantified	Not quantified
The total amount of waste (hazardous & non-hazardous) in tonnes by type for landfill.	tonnes	Hazardous waste (spent catalyst & Resins etc.)	101	171	97.33	143
		Non-Hazardous General Waste(M <sup>3</sup> )	9846	7381	Not quantified	Not quantified



G4-EN23





**“AT GPIC COMPLIANCE WITH ALL RELEVANT LAWS AND REGULATIONS IS AN ESSENTIAL ELEMENT IN OUR REALISATION OF OUR VISION AND, AS SUCH, WE ENDEAVOUR TO INTEGRATE SUCH COMPLIANCE THROUGHOUT ALL OF OUR BUSINESS ACTIVITIES.”**

**EN** 24  
G4

**Total number and volume of significant spills**

Our operations can result in products or other hazardous materials released to the environment through accidental spills. Our utmost responsibility is in managing safe operations and product handling; therefore, we aim to prevent accidental spills. During 2014-2015 we did not experience any reportable environmental incidents involving significant spills however there were some cases of minor spills which are listed below:

- Overfilling of a top open waste liquid drum (having catalyst waste water) resulted in some spillage (100 liters) due to wind drifts. The soil was remediated.
- A leaky oil pump in ammonia storage area resulted in a spill of 250 liters. The area was cleaned and soil remediated
- An oil spill of 4 liters resulted when a temporary hose came off in ammonia plant.
- During turnaround 2015 a fresh cooling water spillage of 1000 liters took place due to a passing valve. The leak was contained.
- A 5000 liter urea solution spill took place during maintenance activity in granulation section. The leak was contained.
- A 15 liter oil spill from Benfield solution pump was contained.

**Aspect: Products and Services**

**EN** 27  
G4

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

At GPIC we are committed to being a responsible producer of fertilizer and petrochemicals. We are committed to being ethical, transparent and accountable environmental stewards. GPIC has an enduring belief that business success does not need to cost the Earth. Therefore by applying environmental protection principles, standards and frame works, GPIC has become not only a responsible corporate citizen, but a smart and forward thinking organization as well.

The Company products do not have any significant adverse impact on the environment. However, GPIC has taken a number of initiatives to further reduce the impact on the environment. Our recent initiatives are highlighted under G4 –EN6, EN19, EN21, EN22, EN23.

**Aspect: Compliance**

**G4-DMA**

Proper compliance with legislation and regulations is a precondition for operating a sustainable and socially responsible business. Organizations are held accountable for their ‘compliance behaviour’ and non-compliance carries heavy risks.

At GPIC compliance with all relevant laws and regulations is an essential element in our realisation of our vision and, as such, we endeavour to integrate such compliance throughout all of our business activities. We see this commitment as fundamental to any responsible company operating in today’s world, thus we have made it an integral part of our Corporate Governance and policies.

**EN** 29  
G4

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

GPIC was fully compliant to all environmental laws and regulations during the reporting period 2014-2015 and hence did not pay any fines or experience any non-monetary sanctions.



## Environmental Performance Indicators



### Aspect: Overall

EN 31 G4 Total environmental protection expenditures and investments by type				
	2015	2014	2013	2011
Hazardous Waste disposal costs	US\$9222	US\$14636	US\$ 16000	US\$ 17200
Cost for Environmental Management Systems (ISO14001, RC14001, ISO5001)	US\$46,269	US\$9712	Not calculated	Not calculated
Technical Environmental projects (2014-2015)	US\$291566	Evaporation pond to handle hazardous liquid waste		
	US\$ 5,810,469.5	Dedicated Urea Flare		
	US\$ 1,083,081.5	Ammonia venting system		
	US\$ 318053	1041 LED lights (The project is in phases)		
	Not collated	26 units of R-22 ACs replaced with environmentally friendly refrigerants. (The project is in phases)		

### Aspect: Supplier Environmental Assessment

EN 32 G4 Percentage of new suppliers that were screened using environmental criteria	
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Locally based suppliers are defined by the Company as 'Suppliers within Bahrain'. Wherever possible we prefer to procure from local suppliers. We always promote local suppliers as a priority, and nearly 40% of our approved suppliers include local suppliers.

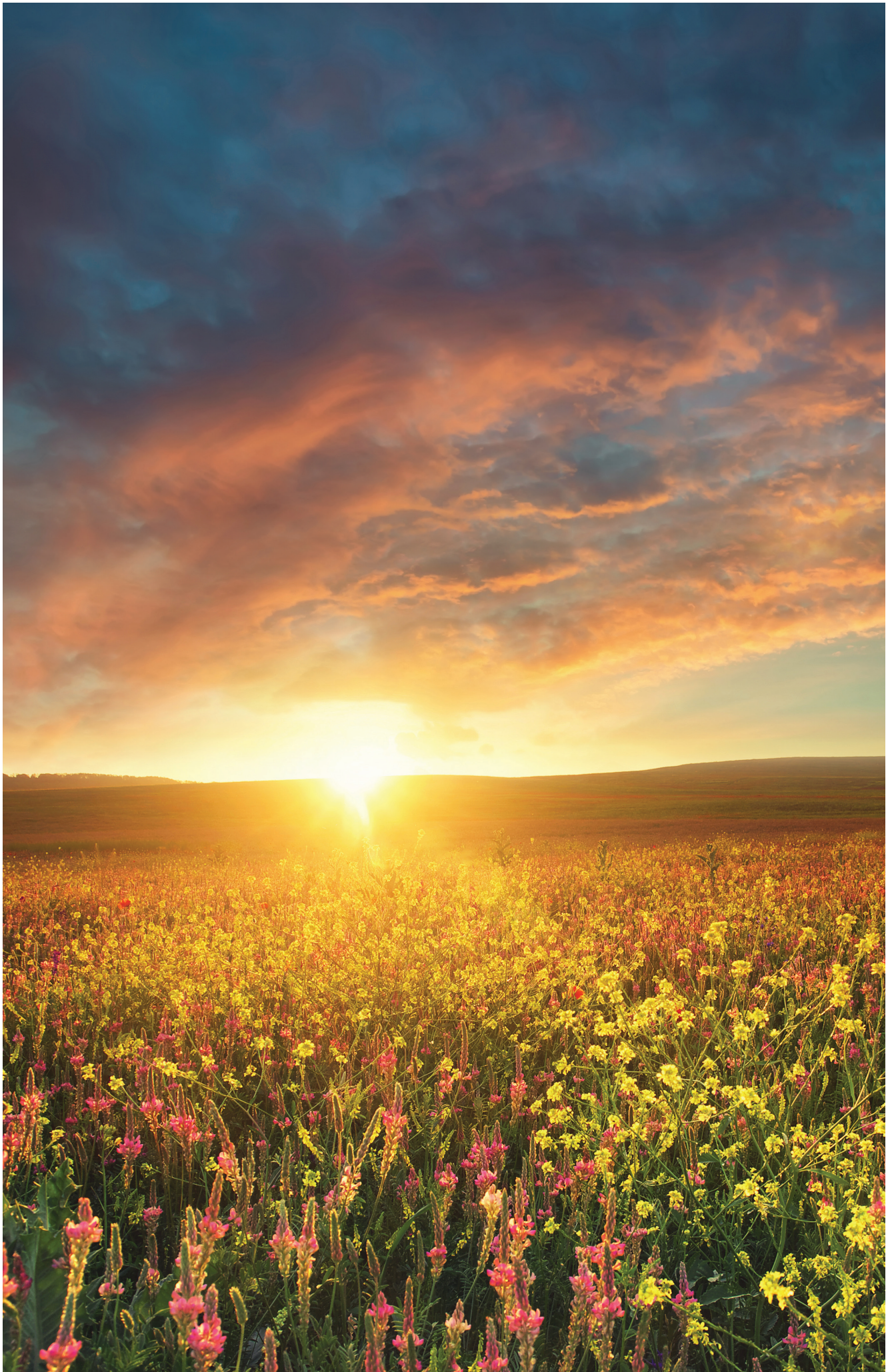
The following factors are considered in selecting suppliers.

- Suppliers' ability to meet the requirements.
- Principal suppliers or original manufacturers.
- Suppliers' previous history record of performance in similar scope of supply.
- Suppliers who have service facilities in Bahrain.
- Suppliers with Bahrainisation level of manpower.
- Safety, Health & Environment system certification.

### Aspect: Environmental Grievance Mechanisms

EN 34 G4 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	
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By focusing on safe and reliable operations with high on-stream factor and robust mechanical integrity program, we did not experience any event impacting adversely our environment. We also did not receive any complaints from neighbouring communities regarding any negative impacts of our operations.



# Great Place to Work

At GPIC We Change Lives





## Our People Summary



Our women employees play a major role in the success of our business

DMA

ENVIRONMENTAL SUMMARY

G4

### Our People Summary (G4-DMA)

GPIC values human resources as an important capital and believes in treating employees fairly, promoting diversity and inclusion, providing open feedback and ensuring compliance with laws, regulations and the Company's own Code of Conduct. We also endeavor to educate employees and ensure their health and safety. At GPIC we have a well-defined HR policies to manage HR priorities that are based on Bahrain's Labour Law.

Succession planning, development planning, development of local talent, leadership development, coaching, recognizing and rewarding the prestigious talent are part of our HR development vision.

The training and development of Bahraini nationals is a main priority for our management, and our training policy aims to achieve a progressive integration of Bahraini nationals into our work force through the implementation of a well-structured and systematic career development scheme.

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

### Attracting talented people and investing in tomorrow's talent

Recruiting and retaining manpower with relevant skills has become a major challenge within the chemical industry. As a way forward, we have sought to develop innovative approaches to recruitment, enhance our people development programmes and maintain a highly engaged work force.

2014- 2015 saw important progress in our strategy to maintain continuity in our capability as an organization as we made enhancements to our recruitment, development and management of staff, all designed to help us provide a great workplace for talented, committed and responsible people.

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

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

programmes across Bahrain, along with also providing scholarships for our employees' children.

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

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

In recruiting potential future leaders and other staff, we focus on empowering the indigenous communities. The minimum age for being recruited in GPIC is 18 years – as per provisions under The Ministry of Labour.

GPIC is an equal opportunity employer and provides equal employment opportunity to all applicants for vacancies subject to applicable rules and regulations. The Human Resources Department rules are applied in a non-discriminatory manner in all aspects of employment including recruitment, assignment, promotion, transfer, termination, salary and other benefits and even in nominations for training etc.

In 2011 we launched our bridging programme which enabled experienced employees to further develop their skills by pursuing their formal education until they reached a competency level commensurate with a supervisory level position. Now these employees have graduated and are progressing in their development programme as supervisors.

### Developing our People

The personal and professional development of our people is a priority for us and we use a variety of methods to help our people develop their capabilities. Each employee has a personal development plan.

Our people are provided with growth opportunities in an effort to enhance the Company's culture. This is achieved through organizational development interventions such as training, the ability to participate in secondments, travel opportunities and engaging in volunteering within the community.

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

We focus on employee development through periodic training, which is conducted on a competency based needs-analysis. Our people are also provided with opportunities to enhance their skills through self-learning platforms such as E-learning and the Toastmasters Programme to improve their confidence and communication skills.

**“WE ENSURE FOCUS ON SUCCESSIVE LEADERSHIP DEVELOPMENT AND HAVE A COMPREHENSIVE SUCCESSION PLANNING PROGRAMME IN PLACE.”**

## G4-DMA

### Adhering to our Principles

GPIC adheres to the strictest principles of merit in recruitment, compensation and promotion decisions to ensure that all our people feel that they have been treated fairly and without bias.

We also recognize and reward our people for their superior efforts and performance through an awards programme and seek to retain the best of our talent through leadership opportunities.

### Our Leadership Programme

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

We identify people with potential based on their aspirations, engagement and ability, and we support them in their development to enhance our internal talent pool. As a result of this practice, all current members of our Executive Management Team were promoted from within the organization. Currently all our managers represent the indigenous community.

### Our Young Leadership Programme

#### At GPIC we change lives

Almost half of employers failed to fill vacancies last year because many university graduates lack basic communication and leadership skills, according to a number of research surveys conducted over the past few years. Even government departments' experienced problems finding suitable candidates as graduates with often "very good degrees" were unable to impress during interviews or have some solid experience in working with and collaborating in teams to achieve the necessary goals.

The main shortfalls were in areas such as interpersonal proficiencies, where applicants were unable to demonstrate the right combination of "softer" skills such as team-working, communication and attitudes in addition to academic achievements.

In alignment with GPIC's key strategy on sustainable Corporate Social Responsibility (CSR), the company developed a Junior Leadership Program that tackled the competency gaps regarding necessary soft skills for potential young entrants into the job market, as well as through its overview research conducted with undergraduates and graduates to identify specific areas for development.

The Junior Leadership Framework and its related curriculum is strategically aligned to the identified Core competencies developed within GPIC.

### Sustainable Coaching Culture

We have been working on the development of a formal and sustainable coaching culture at GPIC for a long time and wanted a robust and sustainable system in place. Hence the first stage to develop a formal and sustainable coaching culture was achieved, when 42 members of the GPIC team qualified through a formal training work shop by one of the world's leading international coaching expert, The Leadership Trust.

Achieving this milestone brings us to the next stage which is for the Coaches to practice and propagate coaching correctly and work towards making it a sustainable practice at GPIC.

### Diversity and Inclusion

We work towards building an equal opportunities working environment, and focus particularly on empowering women and the indigenous communities within Bahrain. About 20% of our employees are expatriate workers from Asia, Africa, Europe and the Far East. 9 % of our employees are female employees. Our Ladies Working Committee is actively involved in promoting the role of women in the company and society.

Its charter includes:

- Carry out activities in support of women inside and outside the company.
- Organize special events for women.
- Coordinate with external women organizations.

For further details on women empowerment please refer to the section on 'Women's Empowerment Principles'

### Safety of our Employees and the Host communities

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

We have a number of committees which oversee the implementation and maintenance of our policies related to occupational safety, Process Safety and Responsible Care.

These committees include:

- Safety, Health and Environment Council.
- Safety Committee.
- Process Safety Management Committee.
- Responsible Care Committee



GPIC Labour Union elections

### G4-DMA

#### Health Care

Health Care at GPIC is not limited to our people, it covers their families too. We maintain a state of the art Health Centre on our facility which operates on a 24 hour basis for any emergency needs.

All our people undergo regular health checks. We also facilitate several awareness lectures on industrial hygiene and occupational health. Obesity control remains an area of focus at the health center, with a professional nutritionist available to assist our people. Many of the GPIC employees are certified first aiders.

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

We have an active Health Committee whose prime objective is to oversee all health issues and to raise awareness of GPIC employees on health related subjects in coordination with the Safety, Health and Environment Council.

The committee's charter includes:

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

pertaining to and affecting the health, hygiene and wellness of GPIC employees at the complex and at the GPIC Club premise.

#### Innovation and Creativity

GPIC believes that innovation and creativity are crucial to business success. We provide lots of opportunities and platforms for our people to express their views, exchange ideas and unleash their talent. The Suggestions and Best Practices Committee and GPIC's Innovation and Patent Program are a few examples.

#### GPIC Labour Union

Our commitment towards labour rights is ingrained across the organization and are agreed upon between the Executive Management and the Labour Union at the beginning of each year. GPIC is one of the first companies in Bahrain to facilitate a forum to encourage our people to voice their opinions in the form of a labour union.

The management and the labour union share a strong relationship and the two groups are partners in working committees such as: Management Labour Union High Council, Management Union Committee, SHE Council, Safety Committee, Health Committee, Environment Committee, Savings Committee, Social Committee, Training, Development and Education Sponsorship Coordination Committee, Housing Loan Committee and Special Needs Cases Committee, etc.

This arrangement ensures that the labour union representatives are involved in all key decision-making processes.







## G4-DMA

Labour Union Representation in GPIC Councils & Committees for 2015 and Beyond	
Committee	Members
Safety, Health & Environment Council	LU Chairman
Safety Committee (SC)	LU Representative
Health Committee (HC)	LU Representative
Environment Committee (EC)	LU Representative
Management & Union High Council (MUHC)	LU Chairman LU Deputy chairman LU Representatives(5)
Social Activities Committee (SAC)	Deputy chairman LU Representative
Housing Loan Committee (HLC)	LU Chairman LU Representative
Saving Scheme Committee (SSC)	LU Deputy chairman LU Representative
Management Union Committee (MUC)	LU Chairman LU Deputy chairman LU Representatives(5)
Fish Farm & Bird Sanctuary Committee (FFABSC)	LU Deputy chairman
Employees Children's Education & Sponsorship Committee (ECSC)	LU Chairman LU Deputy chairman LU Representative
Canteen Inspection Committee (CIC)	LU Representative
GPIC Club Committee (GCC)	LU Deputy chairman LU Representatives(2)
Saving Scheme Committee (SSC)	LU Deputy chairman LU Representative
Management Union Committee (MUC)	LU Chairman LU Deputy chairman LU Representatives(5)

### Recognizing and rewarding employees

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

We also have an incentivized scheme to reward our people during an annual awards ceremony. Some of the awards recognize sustained performance, outstanding performance, Best Suggestion of the Year, Environment Personality of the Year, Safety Personality of the Year, etc.

### Employee Benefit Scheme

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

voluntary early retirement policy for our Bahraini employees, to improve employee attainability of benefits whilst still ensuring the company's financial security and business continuity.

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

Please refer to G4-EC3 for further details on employee benefits.

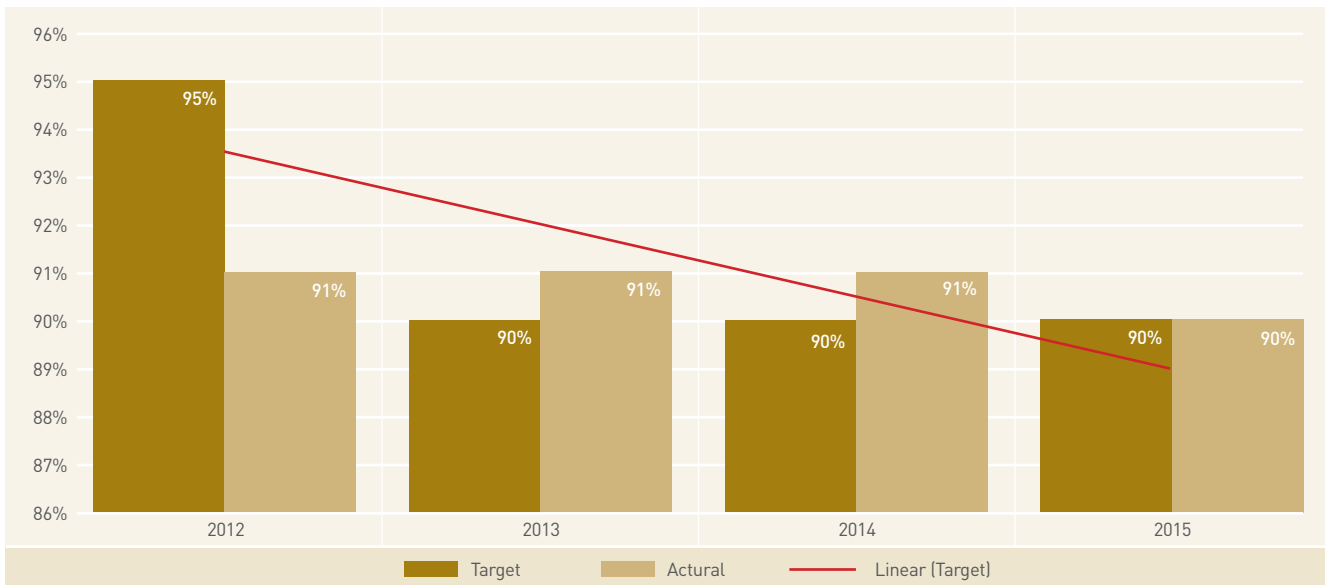
### Our Human Resources Performance 2014- 2015

GPIC achieved most of its objectives with regards to training and development of our Bahraini employees during 2014-2015. We maintained our prime focus on the development of our talent whereby taking measures to mitigate the biggest challenge of recruiting and retaining the best of the talent available.



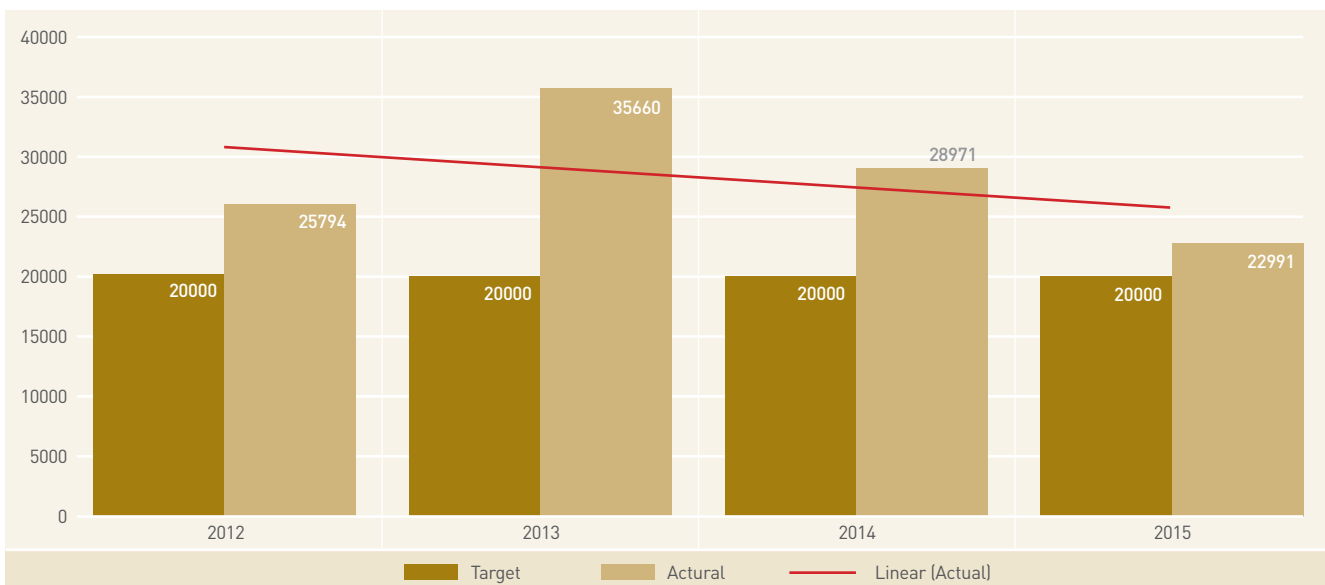
**Bahrainization level**

The target for 2014 and 2015 was achieved, however in 2012 the Bahrainization target was not achieved due to number of employees went on early retirement.



**Total training hours**

In 2014 and 2015 the total training hours exceeded the budgeted training hours.

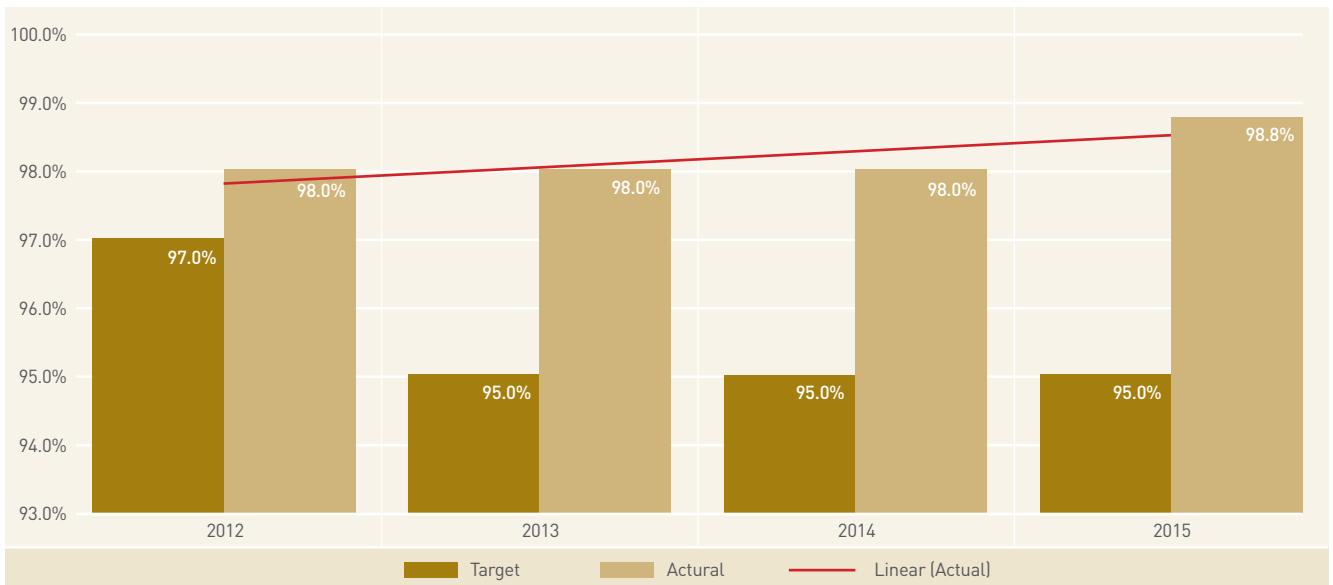




GPIC President meeting with vendors during turnaround 2015

### Employee Retention

In 2014 and 2015, employee retention targets were achieved.



### Our challenges in the Human Resources Business area

To maintain our competitiveness and to sustain and persevere as an organization, our biggest challenge remains to recruit and retain the best of talent. To this end, as a company, we continue to introduce best practices, including highly competitive benefit plans, development and growth opportunities for our people, which may go a long way in reasserting our position as an employer of choice.

A number of Bahraini employees opted for the early retirement package which is both a challenge and an opportunity to induct young employees into our work force.

The second challenge, which is also common to our industry, is 'complacency'. We have launched several programmes which will assist in combating complacency. These programmes include coaching, mentoring, behavioral based safety and many more. Diversity is another challenge. Even though we are on the right track aligned to women's employment and empowerment, we still have to go a long way in increasing the number of women within our organization.

Improving on Employees' productivity is one of the focus areas and also a challenge for 2016 and beyond.

# Labour Performance Indicators



Beat the heat summer campaign

## Aspect: Employment

LA

1

G4

Total number and rate of new employee hires and employee turnover by age group, gender, and region

### Employee turnover

Year	Number of Employees Who Resigned from the Company	Male Employees	Female Employees	Bahraini	Pakistani	Indian	British	Turnover
2009	16	16	0	10	2	4	0	2.80%
2010	14	14	0	6	1	6	1	2.40%
2011	7	6	1	4	0	3	0	1.20%
2012	14	14	0	8	0	6	0	2.00%
2013	5	4	1	3	0	1	1	1.00%
2014	11	10	1	3	0	7	1	1.90%
2015	6	4	2	3	0	2	1	1.00%

### New Recruits

Year	Total Number of New Employees Who Joined	Male Employees	Female Employees	Bahraini	Pakistani	Indian	British	Other Nationality
2012	62	52	10	36	1	24	0	1 Filipino
2013	10	8	2	8	0	1	0	-
2014	38	29	9	32	0	4	2	-
2015	16	11	5	8	0	6	0	2 Sudanese

LA

2

G4

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

GPIC makes a wide variety of benefits available to all eligible regular full-time employees.

For detailed outlook on the benefits plan please refer to G4-EC3

## Aspect: Occupational Health and Safety

Refer to details on Safety and Health in the Economic impact section on page 66.







Committed employees

**Aspect: Labor/Management Relations**

**LA 4** Minimum notice periods regarding operation changes, including whether it is specified in collective agreements  
**G4**

GPIC has a proven history in recognizing and respecting all labor and employment laws in the country we operate. We maintain strong relationships with our labour union.

We strive to create mutually beneficial agreements for both our people and our business. Safety concerns are always non-negotiable, as GPIC maintains a strong safety culture and has one of the best safety records in the industry.

There is no globally established minimum notice period for operation changes. However, the stipulations regarding what would happen in the event of operation changes are always agreed upon ahead of time by all parties and included as a clause in the labor contract. Stipulations regarding action taken in the event of operation changes may vary by region

GPIC makes a conscious effort to keep all employees well informed of operational changes through a variety of channels.

The top management cascade communications through the organization to GPIC employees. These communications occur in a timely and effective manner. Regular committee meetings regularly occur between labor union representing employees and GPIC management to discuss a wide range of topics, from safety concerns to administrative issues. All employees are provided with regular forums to voice concerns. See LA16 for a description of the formal grievance process.

**LA 5** Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs  
**G4**

“Zero Harm” continues to be our vision. As we move forward, our resolve to achieve our goals must intensify. “Zero Harm” is not mostly about rates, statistics, numbers or metrics, although these are important ways to measure our progress. It is about people, and keeping our people, facilities, environment and communities safe.

GPIC also has a well-developed health strategy focused on prevention, quality, health system management and advocacy.

Employees are provided with the tools and information they need to take action to invest in their personal health and the health of their families, while the company works to establish a “culture of health” through additional policies and practices.

By the end of December 2015 we have achieved 22,663,607 working hours for our workforce and contractors without any lost time accident, exceeding 5,000 days.

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



GPIC President with industrial trainees

“ZERO HARM IS NOT MOSTLY ABOUT RATES, STATISTICS, NUMBERS OR METRICS, ALTHOUGH THESE ARE IMPORTANT WAYS TO MEASURE OUR PROGRESS. IT IS ABOUT PEOPLE, AND KEEPING OUR PEOPLE, FACILITIES, ENVIRONMENT AND COMMUNITIES SAFE.”

LA

6  
G4

**Rates of injury, occupational diseases, lost days, and absenteeism and the number of work-related fatalities by**

is a standard way of viewing the rate of injury and illness for a specific population. The progress made in reducing our rate of injury and illness since 2012 has prevented recordable incidents involving GPIC employees and contractors.

The overall Injury and Illness rate is a highly visible metric of the Company’s Sustainability Goals. Dividing incidents by a defined cumulative number of hours worked by the employee population

Occupational Safety		2012	2013	2014	2015
Employee Fatalities	# of Fatalities	0	0	0	0
Lost Time Injury Incident rate for Employees	(# of days away from work cases X 200,000) / Employee man-hours worked	0	0	0	0
Recordable Cases Incidence Rate for Employees	(# of Injuries X 200,000) / Employee man-hours worked	0.789	1.176	0.17	0
Contractor Employee Fatalities	# of Fatalities	0	0	0	0
Lost Time Injury Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man-hours worked	0.452	0	0	0
Recordable Cases Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man-hours worked	1.807	0.398	0.56	0
First Aid Injuries	Employees + Contractors	37	28	31	31

**Note:**

Whether first aid is included in injury rate - No

Lost days mean Scheduled work days

Lost day count begins Lost day count begins the day after the incident

There were no female employee injuries during 2014-2015.





Capacity building of our contractors through state of the art e-learning courses

**Aspect: Training and Education**

**LA 9** Average hours of training per year per employee, by gender, and by employee category  
**G4**

GPIC’s philosophy of continuous learning and development is supported by a robust curricula assigned to leaders and employees. Recognizing that effective leadership is a critical link to employee engagement, the Company’s leadership development solutions target employees transitioning to people leader roles. A smooth and successful transition is important for leadership effectiveness.

The Company offers structured learning courses for experienced leaders, enabling them to continue to develop their leadership skills.

GPIC encourages continuous learning – in classrooms, on assignment and through mentoring and networking as a way of enabling employees to sharpen their knowledge, skills and abilities. For ongoing training, employees also use the online e-Learning system that helps them select and manage curriculum that aligns with their core role responsibilities and personal development interests. Required training is assigned to employees in this same e-Learning development tool.

In addition to e-Learning courses, GPIC employees complete thousands of hours of job-specific training annually. GPIC’s training opportunities include both traditional classroom and hands-on Training. Training and education varies by job role and responsibilities. On average, there were 51 hours of training per employee in 2014 and 41 hours of training per employee in 2015.

Classification	2014	2015
Total training hours	29530	23214
Total training events	251	296
Total number of employees undergone training	541 out of 578	488 out of 568
Total training hours for management staff	4240	2827
Total number of staff who attended management courses	376	407
Total number of staff who attended non- management courses	512	504
Total training hours for non-management staff	25290	20387
Total management staff trained	52	52
Total non-management staff trained	489	436
Average hours of training per year per employee for management staff	81.53	54.36
Average hours of training per year per employee for non-management staff	48.07	39.58
Total training hours for females	4115	3495
Total training hours for males	25415	19719
Average hours of training per year per employee for female	79.13	64.722
Average hours of training per year per employee for male	48.31	38.36
Total participants in all training events	2199	2247







We support Toastmasters for leadership development.

**LA 11** Percentage of employees receiving regular performance and career development reviews by gender  
**64**

Performance Management (PM) strives to maximize the connection between employee development and organizational performance. Both leaders and employees together play a key role in ensuring the effectiveness of Performance Management by establishing SMART goals, encouraging continuous development feedback and dialogue, and reviewing progress on an on-going basis throughout the year, both formally and informally. Performance Management aligns with GPIC’s overall employee development strategy by building skills that promote change, aligning behaviors with corporate strategies and ethical standards, and providing employees opportunities to improve their performance and effectiveness.

Our Performance Management cycle provides a structure to facilitate the alignment of expectations and goals, the integration of on-going coaching and feedback and the summary of contributions – both “What” (core job, goals, impact) and “How” behaviors and competencies.

The steps below are key elements:

- Aligning Expectations & Establishing Goals
- Ongoing Coaching, Feedback, and Reviews
- Summarizing the Annual Contribution
- Mid- term and Annual Review

Setting clear, meaningful and challenging performance expectations along with providing regular coaching and feedback are critical leadership skills. Our leaders are encouraged to

partner with their employees to identify their strengths as well as opportunities for development. This on-going collaboration is one way we can engage our employees and drive GPIC’s success.

The Performance Management cycle concludes with a formal review of annual performance. This discussion features feedback on highlights and areas for development from throughout the year, which employees use to craft personal development goals for the coming year.

100 percent of eligible employees receive an Annual Performance Review and have a performance rating in the system.

**Aspect: Diversity and Equal Opportunity**

**LA 12** Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity  
**64**

GPIC continues in its commitment of support to the UN Women’s Empowerment Principles (WEPs), signed in 2014 by Dr. Abdulrahman Jawahery GPIC’s President. The WEPs is a partnership initiative supporting the mission to promote gender equality and women’s empowerment globally. Signing these principles has complemented GPIC’s internal efforts around women’s advancement. As a result of the WEPs, GPIC is reporting a broad range of data related to women’s equality to create greater transparency around our efforts.

For details please refer to our section on Women’s Empowerment Principles

**2015**

Employee Category	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	35-50	>50
Management	51	3	45	9	0	29	25
Staff	464	50	418	96	122	303	89

Gender	Minority Group		Age Group		
	Muslim	Non-Muslim	<30	35-50	>50
Male	414	101	102	299	114
Female	49	4	21	32	0

Governing Body

Governing Body	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	35-50	>50
Board of Directors	8	0	8	0	0	3	5

"GPIC IS A UN GLOBAL COMPACT MEMBER AND A RESPONSIBLE CARE CERTIFIED COMPANY. WE ENSURE ETHICAL BUSINESS PRACTICES UPHOLDING LABOUR RIGHTS."

2014

Employee Category	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	35-50	>50
Management	51	3	45	9	0	30	24
Staff	477	47	427	97	136	298	90

Gender	Minority Group		Age Group		
	Muslim	Non-Muslim	<30	35-50	>50
Male	427	101	114	300	114
Female	45	5	22	28	0

Governing Body

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

**Aspect: Supplier Assessment for Labor Practices**

**LA** **14** / **G4** Percentage of new suppliers that were screened using labor practices criteria

GPIC is an active member and participant in the chemical industry Responsible Care® initiative.

In the case of external manufacturing where GPIC equipment is manufactured at a third party site, there are regular audits to ensure adherence to quality and practices specified in the fundamental EH&S expectations for external manufacturers. All new suppliers selected are in line with acceptable labor practices. For many materials, particularly those designated as hazardous, GPIC provides written Safe Handling Guides and in some cases, training sessions, to ensure awareness of safety procedures.

- Number of vendors registered with GPIC in 2014-2015: 63
- Out of 63 vendors, the number of local vendors is 21, i.e. 33 percent
- Number of service vendors screened through Safety, Health and Environment(SHE) assessment criteria : 15 (24 percent)
- No rejection of any recommended vendor due to SHE aspects.
- Total number of vendors in GPIC Approved supplier list (ASL): 1771, Local suppliers in the list: 678.
- Percentage of local vendors in the total list: 38

**LA** **15** / **G4** Significant actual and potential negative impacts for labor practices in the supply chain and actions taken

There are no significant actual and potential negative impacts for labor practices in the supply chain that have been reported for the year 2014 and 2015.

**Aspect: Labor Practices Grievance Mechanism**

**LA** **16** / **G4** Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms

There were no grievances filed about labour practices during the year 2014-2015.

# Human Rights



Safety, Health and Wellness of our employees is our top priority

DMA

HUMAN RIGHTS SUMMARY

64

GPIC believes that respect for the dignity, rights and aspirations of all people is a cornerstone of business excellence

The Company aims to encourage protection of human rights through organization wide policies. Respecting the rights of all is an integral part of our Corporate governance policy, the Bahrain's Labour law and the UN Global Compact principles. GPIC's President was selected to be a member of the "National Institution for Human Rights (NIHR) Board of Commissioners" in 2015 and participates in policy making and consultations related to human rights at national level.

GPIC has helped the National Institution for Human Rights (NIHR), in developing their systems, creating database for managing complaints and revamping their website. We have also trained a large number of their staff members at GPIC-led trainings as part of our commitment to capacity development of NGOs.

## Human Rights of Employees

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

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

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

GPIC's policy is to honour and respect the right of all employees to practice their religious beliefs with dignity. Employees will obey all local laws and regulations. The company will maintain appropriate levels of awareness to protect both the company's and employees' interests by anticipating the legal requirements that may arise from new laws and regulations, new business endeavours or

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

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

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

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

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

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

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

## Human Rights of Suppliers and Contractors

Suppliers and Contractors will receive the same care in terms of prevention of injuries or illness as company employees. Contractors also enjoy a work environment that is as pleasant, healthy and free from intimidation, hostility or any other offensive behaviour. Our Suppliers and Contractors will be able to place their trust and confidence in GPIC's ability to conduct its affairs in a transparent and ethical manner, pursuant to a standard of fundamental honesty and fair dealing.

Those who contract to work with or supply GPIC will benefit from any conflict of interest or even the chance of one being declared at the earliest possible stage. Contractors and Suppliers will also benefit from guidance in such matters from the GPIC HR Department.

Anyone who deals with GPIC may be assured that their business will be transacted without fear of bribery or corruption as well as freedom from coercion or undue influence.

**“GPIC WILL UPHOLD THE HUMAN RIGHTS OF CHILDREN BY THE DELIBERATE AND METHODICAL SUPPORT OF CHILDREN IN EDUCATION, INNOVATION, ENVIRONMENTAL AWARENESS, HEALTH, SAFETY, ROAD SAFETY, RESPONSIBLE CARE AND SOCIAL RESPONSIBILITY.”**

#### G4-DMA

##### Human Rights of Women

GPIC aims to remain as a role model in empowering women with in Bahrain’s industrial sector. We pursue our strategic priority to employ more women in various positions as allowed by the laws of Bahrain. We have also established an Equal Opportunities Committee to oversee practices of fairness between men and women and to ensure adherence to the human rights of women. GPIC continues in its commitment of support to the UN Women’s Empowerment Principles (WEP), signed in 2014 by Dr. Abdulrahman Jawahery GPIC’s President.

##### Human Rights of Children

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

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

##### Human Rights of Communities

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

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

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

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



GPIC President with the future of the country - Our Children

# Human Right Performance Indicators



GPIC gardeners being given safety toolbox talk

## Aspect: Investment

**HR 1**  
G4 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

All our contracts and significant agreements require compliance with Bahrain Labour law and the human rights requirements Bahrain recognizes. Our contract supervisors are responsible for monitoring the performance of contractors, including their treatment of workers. This is particularly important in relation to our temporary work force, most of which is outsourced to contractors.

**HR 2**  
G4 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

In 2014 the Company has carried out specific training for its security personnel on UN Human Rights and etiquette. In addition to this recently a number of GPIC employees have undergone training on etiquette by National Institution of Human Rights (NIHR) and also on Bahrain labor law.

In addition to this all employees are made aware of the the Company's Code of Conduct highlighting the significance of company's core values. The copy of the same is provided to each employee and each employee signs the code of conduct.

## Aspect: Non-Discrimination

**HR 3**  
G4 Total number of incidents of discrimination and actions taken

In 2014 and 2015 there were no cases of discrimination. The Company strictly follows a non- discrimination policy.

## Aspect: Freedom of Association and Collective Bargaining

**HR 4**  
G4 Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights

No operations are identified that put collective bargaining at risk. GPIC's position on freedom of association is included in our Code of Business Conduct. Under this policy, employees are free to form collective bargaining agreements in all areas of operation. As noted in G4-11, 85.98 percent of GPIC's workforce was covered by formal collective bargaining agreements in 2014 and 84.85 percent in 2015.

## Aspect: Child Labor

**HR 5**  
G4 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor

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

## Aspect: Forced or Compulsory Labor

**HR 6**  
G4 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor

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

## Aspect: Suppliers Human Rights Assessment

**HR 12**  
G4 Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms

No incidents of grievances related to human rights were filed in 2014 and 2015.





School children at GPIC Summer Camp

DMA

SOCIETY

64

At GPIC Corporate Social Responsibility (CSR) is all about how we manage our business processes to produce an overall positive impact on society. We feel a substantial responsibility towards the societies and communities in which we work.

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

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

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

### Our social investments

GPIC has also contributed over US\$ 4.113 billion into the national economy of Bahrain since inception. This contribution has been made in several areas such as employment, training, procurement, dividends to the Government and, most importantly, through including local businesses into our supply chain.

### Community Involvement:

Community involvement is embedded in the fabric of our business. Most importantly, our active participation in various institutions has been growing consistently by the year. We are represented on the boards and committees of several organizations both inside and outside Bahrain. Our President is the Chairman of the International Fertilizer Industry Association (IFA) and also the Chairman of the Arab Fertilizer Industry Association (AFA).

We are also represented in the University of Bahrain, Bahrain Training Institute, Bahrain Polytechnic, Bahrain's National Committee for Safety, The Royal Society for the Prevention of Accidents (RoSPA, UK), National Safety Council (USA), Gulf

Petrochemical and Chemicals Association(GPCA), International Fertilizer Industry Association(IFA), Arab Fertilizer Association (AFA), Global Reporting Initiative (GRI) to name but few. This allows us to positively influence decision making in issues such as health, safety environment, education, sport, and the like. We have always leveraged this presence to bring in up-to-date legislations, enhanced quality and tighten up rules and procedures.

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

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

The educational projects sponsored by GPIC carry significant prestige in the country as they support the Crown Prince's International Sponsorship Program for higher studies. GPIC both sponsored and provided material support to the Crown Prince International Sponsorship Program (CPISP) for high school graduates. We have a strategic partnership with this over-arching initiative by His Royal Highness, the Crown Prince Shaikh Salman bin Hamad Al Khalifa, to groom future leaders. Moreover, we also support and participate in the Bahrain Institute for Banking and Finance (BIBF) Executive Development Program in association with Darden School of Business (USA).

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

We have partnered with inJAz Bahrain (a non-profit organization led by Her Highness, Shaihka Hessa bint Khalifa Al Khalifa, and affiliated to Junior Achievements of the USA) that provides a curriculum and teaching program for high school students to prepare them for the work environment and a smooth transition into the business world. We support it financially (US\$ 200000 annually), Chair its Board of Directors and provide 30 volunteers annually to teach its subjects. This is over and above the expert regular advice given to students participating in the programs.



**“SINCE INCEPTION GPIC HAS LEARNED THAT WE CAN ONLY ACHIEVE A COMPETITIVE ADVANTAGE BY WEAVING SOCIAL AND ENVIRONMENTAL CONSIDERATIONS INTO OUR BUSINESS STRATEGY.”**

#### **G4-DMA**

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

#### **Community Care:**

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

The Family Safety Day is a traditional part of the Health, Safety and Environment Week and our management is keen to ensure that Safety, Health and Environmental standards are followed by employees and their families at home too.

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

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

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

#### **Environmental Awareness**

The GPIC Environmental Awareness Campaign continues for the 15th year in a row, expressing the company's commitment to environmental stewardship and to social responsibility towards the local community. The programme started in 2001 in collaboration with Ministry of Education. To date more than 27,500 students have benefited from this programme. The awareness lectures are conducted through a number of trained GPIC engineers, who visit schools according to a yearly schedule and provide environmental lectures in both English and Arabic.

In 2015, we have also included Responsible Care in the awareness presentations.

#### **Environmental Research**

In 2004, GPIC launched its Environment Research Programme – Environment Award for secondary school students in collaboration with the Ministry of Education, where we fund 20 research projects annually and reward the top three projects. This interactive initiative allows students to suggest their own research topics as well. In 2015, GPIC's Environmental Research Programme won the Arabia CSR Award in "Partnerships and Collaboration category"

#### **Our social committees:**

We have an active Social Activities Committee that oversees all social activities organized by the company.

The committee's charter includes:

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

Other committees that are actively involved with the community are:

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

#### **Our CSR Achievements 2014-2015:**

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

We were the winners of the Arabia CSR award in 2015 in the 'Large Businesses' category and the first runner up in 2015 for the 'partnership and collaboration' category. Winning the Arabia CSR award, is in itself a recognition of our unwavering commitment and ongoing contribution to social responsibility. The success motivates us further to meet future challenges. It inspires and reinforces our commitment to manage our business processes to produce an overall impact on society.

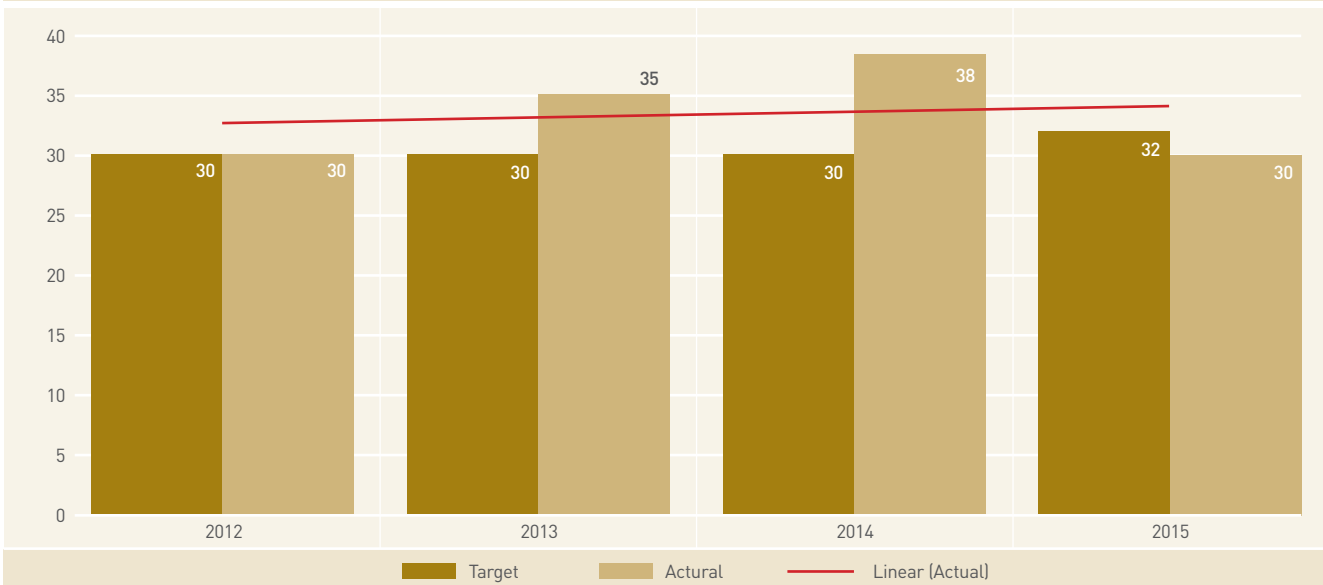
#### **Our Corporate Social Responsibility Performance 2014-2015**

GPIC achieved most of its objectives with regards to CSR during 2014-2015. This includes environmental awareness lectures to school children, Social and educational visits, contributions and sponsorship to charities, NGOs and other worthy causes.



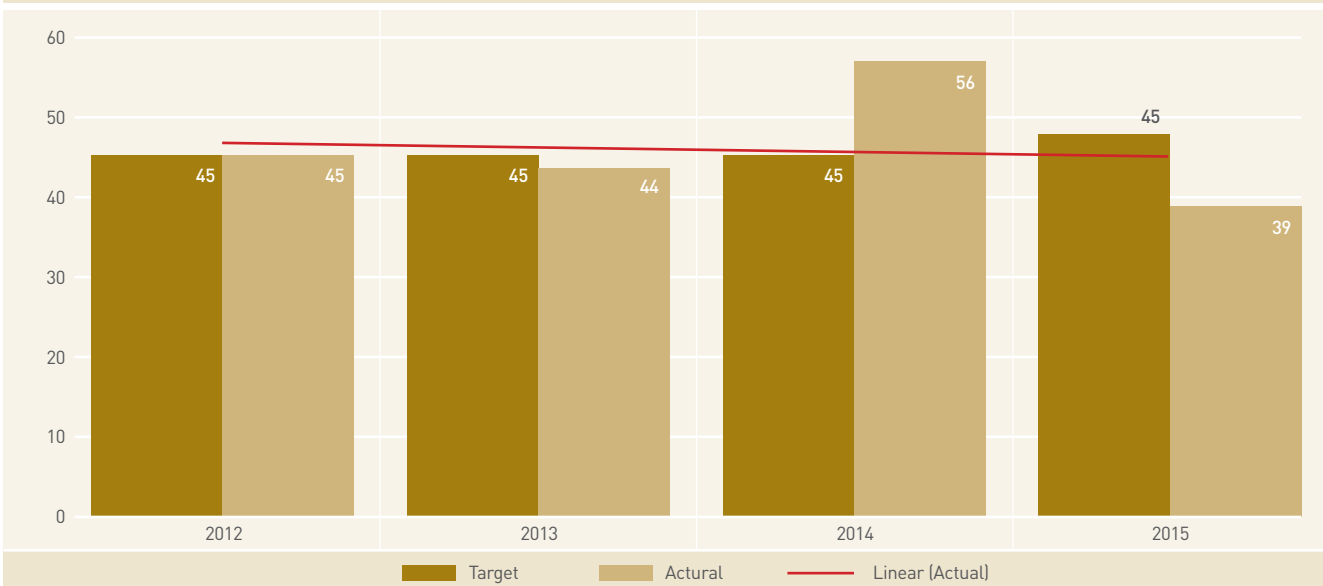
Mr. Fadhel Al Ansari, General Manager Manufacturing with the winners of the GPIC sponsored Environmental Research Programme

Environmental Awareness Lectures to schools



Note: The number of environmental awareness lectures was slightly less than target in 2015 due to the maintenance turnaround in March 2015

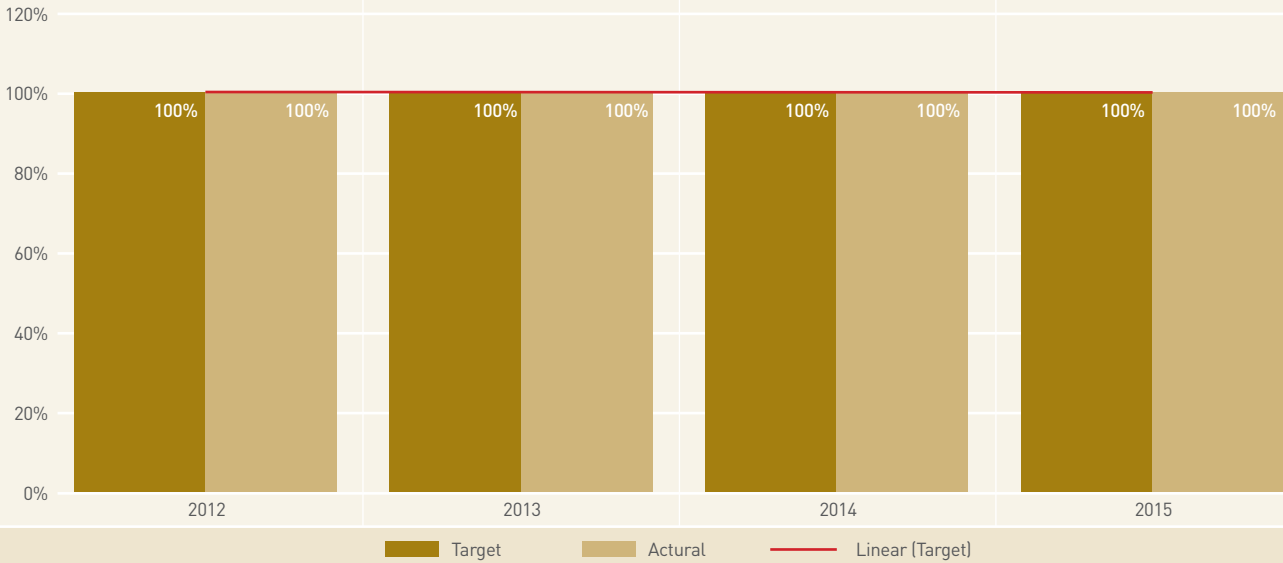
Social and Educational Visits to GPIC



Note: The number of visits was slightly less than target in 2015 due to the maintenance turnaround in March 2015



Contributions and sponsorship to charities, NGOs and other worthy causes



School children at GPIC Training Centre

# Society Performance Indicators



## Aspect: Local Communities

SO

1  
G4

Percentage of operations with implemented local community engagement, impact assessments, and development programmes

GPIC is strived to be a good neighbor and a trusted collaborator, making sure we leave a positive impact on every community where we operate. The well-being of the communities in which we operate is paramount for us.

100% of our operations have implemented local community engagement, impact, assessments, and development programmes. The local community is engaged by the Company in identifying the needs of the community, impact of Company operations on the Community and development of programs towards creating value in the life of the community. The activities for long term sustainable social interventions have been carried out in these main areas as listed below.

### Community investment;

1. Strategic philanthropy (Donations and sponsorships)
2. Capacity building
3. Educational Support
4. Women Empowerment

### Environmental Protection and awareness;

1. Safe & Eco-friendly operations
2. Visits to GPIC by members of the community
3. Reach out programs by GPIC employees delivering environmental awareness lectures to school children
4. Industrial training at GPIC for students during summer break.

### Employment opportunities to the local community;

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

**Note:** During 2015 GPIC invited at the Company's expense some of the university students from Bahrain to attend Responsible Care Conference organized by GPCA in Dubai.

SO

2  
G4

Operations with significant potential or actual negative impacts on local communities

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

GPIC is a Responsible care company and is certified for RC-14001 since 2010. The Company applies all the guiding principles and codes of the Responsible Care both within and beyond the fences.

This process identifies the potential for negative impacts on communities, the characteristics of most risk within the individual location, the points of vulnerability and leads to an improvement plan where needed to reduce the potential for negative impacts.

GPIC has specifically implemented the Responsible Care Security Code including repetitive security vulnerability assessments at its sites globally, and has included security scenarios in all emergency plans.

**“OUR PURSUIT OF ETHICAL BEHAVIOR STEMS FROM A CORPORATE GOVERNANCE STRATEGY BUILT UPON MECHANISMS THAT ENSURE RESPONSIBLE BEHAVIOR ACROSS ALL TIERS OF INTERACTION THROUGHOUT THE ORGANIZATION’S OPERATIONS.”**

#### Aspect: Anti-Corruption

##### G4-DMA

GPIC’s focus on sustainability is embedded in everything we do – our strategy, operations and daily actions; which also includes our critical stance as a responsible business against fraud and corruption within the marketplace and our communities. We strongly believe that ‘how we make our profits’ is a critical enabler towards our credibility amongst our stakeholders, and is a core element of our operational environment.

Investing towards anti-fraud and anti-corruption mechanisms and principles makes good business sense, and within GPIC, we start right at the top. The Board of Directors and Executive Management have a strong commitment toward operating and managing an ethical organisation with a strong sense of responsibility towards all stakeholders.

We believe that the “tone at the top” is absolutely critical for us to foster an ethical environment within the workplace; and it is the same tone from the top that establishes our leadership commitment throughout the organizations to positively influence our management and our people towards transparency, integrity, honesty and ethical behavior. In order to sustain our commitments across the organization, we enforce the following actions as a part of our daily operations:

- Communicating what is expected from our people and promoting ethical values: We clearly communicate the values and ethics of the organization, and how this should be performed consistently and continuously. We also make this formally available by means of a written ‘Code of Ethics’.
- Leading by example: We believe in living our values, and we believe that this starts from right at the top of the organization. Our leadership and management are expected to go over and beyond to apply these values in their own day-to-day actions, whilst being a positive role model for our people.
- Providing a safe environment for reporting violations: We have established a safe environment for our people to be able to report on any unethical action or behaviors they have witnessed without the fear of reprisal. Our people also have a route to file a report anonymously, should they chose not to disclose their identity.
- Rewarding acts of integrity: We ensure that we recognize and reward ethical behavior within the organization including considering our people who have exhibited high levels of integrity and ethical behavior over and beyond their call of duty for organizational awards.

GPIC’s pursuit of profit is underlined by a pervasive commitment to be ethical in all that we do. As a result, GPIC’s work ethos embodies some of the highest standards of corporate governance. In fact, GPIC have voluntarily aligned its corporate governance to the Bahraini law requirement, to ensure best practices.

Our pursuit of ethical behavior stems from a corporate governance strategy built upon mechanisms that ensure responsible behavior across all tiers of interaction throughout the organization’s operations; including who we conduct business with, the employees of the organization, the people of the communities that host us, as well as the government representatives who regulate our business practices.

Our Corporate governance policy begins with a very simple and basic premise. All of GPIC’s workings, ranging across all stakeholders, must and do, comply with the laws and regulations of Bahrain. However, as with everything that is GPIC, we aim to go beyond just mere legal compliance, and hold ourselves to an even higher standard.

GPIC’s stringent policies ensure that we monitor the action of those connected to the organization in any capacity, thus preventing them having undue advantage of their access to information. Access to GPIC legal, compliance and internal audit function is made available to the business partner and trading organizations associated with GPIC to ensure liaison with the external parties to report any potential malpractice, fraud and corruption.

At GPIC, corporate governance is also about preventing a disadvantage to those who interact with the organization. The company makes it a point to pay suppliers on time, as well as fulfilling all other financial obligations without any delays. Additionally a strict pre-qualification process takes place before accepting any new trading organization.

Furthermore, our governance framework allows for a stringent, frequent and thorough audit of every department where financial transactions are scrutinized and system compliance audits are conducted. Each department is regularly audited and issued audit reports. Additionally an independent external auditor would also further audit the control system to ensure its effectiveness and elevate any potential wrongdoing or cases involving anti-corruption. We have always obtained an opinion from an independent external auditor and the Shareholders audit.

In 2012, we were successfully able to improve our governance by issuing a revised Corporate Governance Policy.



**G4-DMA**

In 2013 - 2014, the company has prepared a comprehensive Segregation of Duties (SOD) guidelines and matrix identifying positions that should be separated, positions that require compensating controls when combined, transaction codes that should not be combined with a single user and the risks arising from the conflicts. To ensure the compliance with SOD framework, a detailed and comprehensive compliance audits had been conducted in 2014 and 2015 which resulted in significant improvements. The SOD framework is considered to be another essential milestone toward enhancing the anti-corruption and anti-fraud programs and systems, which include the following areas:

- The GPIC Corporate Governance Policy
- The Board of Directors' Charter
- The Board's Performance Assessment Framework
- The Board Sub-Committee Charters
- The Board Sub-Committee Performance Assessment
- The Directors Code of Conduct
- Board of Directors Conflicts of Interest and Disclosure Policies
- Director independence and conflict of interest to be declaration
- The Secretary to Board terms of reference
- Board of Directors Appointment Letter

To further enhance the anti-corruption framework, we are currently targeting to issue a revised Corporate Governance Policy in mid-2016. In addition, the company prepared a detailed Code of Ethics Handbook which was presented to the Audit, Finance and Risks Committee in December 2015 and will be presented to GPIC's Board of Directors in 2016 for a final approval. This Handbook emphasizes working sincerely, honestly, acting responsibly and reaffirms GPIC's commitment to the UN Global Compact. The Handbook describes GPIC's ethical principles in relation to Human Rights, Labour Rights, the Environment and Anti-Corruption.

Following are some of our 2014 highlights reflecting our commitment to UN Global Compact's principles related to anti-corruption.

- New Guidelines on segregation of duties have been issued and an audit has been conducted.
- The corporate governance framework was reviewed by BoD in 2014 in addition another review is targeted to be finalised in mid-2016.
- Every employee is given a code of business ethics booklet.
- Robust accountability and auditing system prevents any wrong doing.

- The three bids system for tendering is yet another step towards anti-corruption.

Over and above this, we are also a member of the Pearl Initiative, which is the leading independent not-for-profit, by-business for-business, institution working across the Gulf Region of the Middle East to influence and improve corporate accountability and transparency. One of the key aims of the Pearl Initiative is to positively influence and drive collaborative action on issues such as corporate governance, anti-corruption, codes of conduct, integrity and reporting across the region.

SO	3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
	64	

Our internal audit has carried out a process risk assessment that covers major functions in Finance, Human Resource and Marketing from fraud perspective.

Our financial audits both internal and external across the organization ensure that no financial corruption is taking place. Our Enterprise Risk Management also covers the risk of a major fraud. Our Audit, Finance and Risk Committee along with an external audit, reviews our financial statements and legal / regulatory compliance on quarterly/ Yearly basis.

SO	4	Communication and training on anti-corruption policies and procedures
	64	

As part of its commitment to the UNGC principles on anti-corruption recently, about 50 of our employees attended specific training and conferences related to corruption, bribery, fraud etc.

- Procurement Fraud- Prevention, Detection
- 8th Annual Internal Auditors 2015 Forum
- Anti-Money Laundering Awareness Program
- Int. Audit: Risk Based or a Step Forward
- Corporate Governance & Value Creation
- Forensic Auditing Training Course
- Pearl Initiative & UN Global Compact
- Auditing Procurement and Methodology Workshop



**SO 5** Confirmed incidents of corruption and actions taken  
**G4**

A review of the complaints and completed investigations in 2014/2015 revealed that:

- No GPIC employees were terminated for corruption-related behavior.
- No GPIC employees were formally disciplined for corruption-related behavior.

GPIC continues with its internal control practices, training and due diligence to identify potential risk areas and to implement risk-mitigation practices within the Company. Examples of such risk-mitigation practices include, but are not limited to: anti-bribery training, internal financial controls etc.

**Aspect: Compliance**

**SO 8** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations  
**G4**

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

**Aspect: Supplier Assessment for Impacts on Society**

**SO 11** Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms  
**G4**

GPIC's policy is to be lawful, highly-principled and socially responsible in all of its business practices. GPIC expects employees to learn and comply with all company policies and laws applicable to their job responsibilities and to adhere to the Code of Conduct and Ethics.

There were no formal grievances filed during 2014-2015.



# Product Stewardship



Effective supervision is one of the keys of operational excellence at GPIC

DMA

PRODUCT STEWARDSHIP

64

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

We are aware that the benefits of our industry are accompanied by enduring commitments to Responsible Care in the management of petrochemicals and fertilizers worldwide. Keeping this objective in view, GPIC has become part of the global voluntary initiative to drive excellence in safety, health and environmental management by becoming accredited to the RC 14001 Management System in 2010.

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

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

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

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

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

- Use innovative solutions during the engineering and design stage of the new projects or modifications to the existing plants to ensure the reduction of our own environmental impact and carbon footprint.
- Run responsible operations in terms of producing, handling and exporting the highest quality products to ensure the customers and end users are fully satisfied with our products.
- Communicate in the form of booklets and guidelines on product risks and handling procedures including material safety data sheets (MSDS), distributed to all personnel involved in products transport, such as ships and trucks.
- Arrange meetings with local buyers and make them aware of the GPIC way in conducting business in terms of safety, health, environment and product handling.
- Hold regular meetings with marketers, namely SABIC, PIC and customers, to further streamline the entire supply chain link operation with the end users. One of the most important points on the agenda of each of these meetings is to gauge the level of customer satisfaction and attain feedback on finding ways to further improve our processes and operations.
- Use a responsible methodology of collection, recycling and disposal of contaminated product in line with local environmental standards and legislations.
- Observe mandated external independent surveyor inspections of Product Handling Facility and ship cargo tanks to ensure full compliance with the buyer's requirements and international standards.
- Maintain GPIC compliance with Level – 1 (Gold Status) by the Department of Agriculture, Fisheries and Forestry (DAFF) Australian Quarantine Inspection Services (AQIS), Accreditation means that GPIC has the best low-risk facility for the production, storage and export of granular urea, which in turn provides an added value to all GPIC Urea customers around the world. This accreditation specifies stringent guidelines that ensure the GPIC product is fully controlled from the source until it reaches the end user and is adequately protected from any objectionable contaminants and pollutants.
- Ensure that GPIC's Marine Terminal is in compliance with the International Ships & Port Security (ISPS) according to IMO regulations and the local port authority. Ships calling at the GPIC Marine Terminal to load Urea must declare their security level according to the ISPS code, before entering berth.



“WE AT GPIC ENVISAGE, INITIATE AND EFFECTIVELY SEE THROUGH INTERVENTIONS IN THE AREAS OF SUSTAINABLE AND RESPONSIBLE BUSINESS PRACTICES, THUS SETTING A PRECEDENT FOR OTHERS TO EMULATE.”

#### G4-DMA

- Hold shore and ship meetings to achieve smooth, efficient and safe operations so that all safety, environmental and security requirements are fully understood and implemented by the ship personnel.
- Ensure that GPIC Urea and Methanol products are registered under the European REACH programme (Registration, Evaluation, Authorisation and Restriction of Chemical Substances) (UREA REG# 01-2119463277-33-0095 & METHANOL REG# 01-2119433307-44-0005). This is the case for GPIC procedures with regard to product and service information and labeling, with particular reference to (i) substances that might produce an environmental or social impact, (ii) the disposal of the product and environmental /social impacts, and (iii) the safe use of the product or service.
- Invite customers to visit the company's complex to exchange views and ideas with regard to working procedures and further enhance business relationships.
- Fully extend technical support as deemed required/necessary.



# Product Stewardship Performance Indicators



## Aspect: Customer Health and Safety

PR

1

64

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

All products (100 percent) are assessed in an appropriate manner – depending upon Safety, Health and Environment (SHE) profile, application, and exposure potential, for improvement opportunities as part of the GPIC SHE management approach at each of the stages of the product life cycle shown below in the table.

GPIC businesses use the Business Risk Review process to assess and minimize possible adverse impacts on people, property and

the environment as a result of GPIC’s business activity, including minimizing SHE impacts associated with new and existing operations, products, applications and services throughout the products’ life cycle.

Businesses are required to conduct risk reviews when material new information is received, including material changes in product uses, regulations, raw materials, etc., or when triggered, in certain cases, by the passage of time.

Improvement opportunities have been identified to clarify and strengthen these triggers.

### Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Component	Life cycle stage	Response
Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures	Development of Product Concept	The Company’s products are in two categories 1) Urea and ammonia are additive for enhancing agricultural produce and due care had been given to health and safety. 2) Methanol can be used as fuel additive to households, pharmaceuticals, etc and hence due care has been given to health and safety. Our industry’s basic raw material is fossil fuel (natural gas) and we are not exploring alternate raw material for our process however we are investing in solar energy for our non-process buildings.
	Research and Development	Products are already developed and the Company does not conduct any in- house research and development.
	Certification	No certification is required. However, the Company has obtained all the key certifications and one of the few Companies who are certified to ISO9001:2008; ISO14001:2004; OHSAS18001:2007; PAS99:2012; RC14001:2008; ISO27001:2005; ISO31000:2009; ISO22301; ISO50001 etc.
	Manufacturing & Production	Yes
	Marketing & Promotion	The marketing of our three products is done by our share holding companies Sabc & PIC. The health and safety risks are communicated through product safety information and MSDS.
	Storage, Distribution & Supply	The health and safety risks are communicated through product safety information, labeling and MSDS.
	Use & Service	The health and safety risks are communicated through product safety information and MSDS
	Disposal	Not applicable.
	Reuse/Recycling	For ammonia product it is exported as ammonia and also recycled to produce urea.

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



# UN Global Compact





## Our Commitment



Dr. Jawahery, GPIC President at the United Nations

### GPIC Letter of Commitment

P/E075/175/16

22 March 2016

H.E. Ban Ki-moon  
Secretary General  
United Nations  
New York, NY 10017  
United States of America  
Email: [correspondenceteam@un.org](mailto:correspondenceteam@un.org)

Your Excellency,

Subject: Letter of Commitment – United Nations Global Compact

Warm greetings and well wishes from Gulf Petrochemical Industries Company (GPIC), Kingdom of Bahrain.

This year marks the fourth anniversary of GPIC's commitment to the United Nations Global Compact (UNGC). While much has changed in the world and in our Company since then, our commitment to the UNGC's ten principles remain firm. We are also proud of our commitment, since 2014, to the UNGC's Six Food and Agriculture Business Principles (THE FAB 6 Principles) and Women's Empowerment Principles. In our 2015 Communication on Progress Report to the UNGC, we have covered our progress on the FAB 6 principles, in addition to the UNGC ten principles.

The principles governing the UNGC have long been extolled by Gulf Petrochemical Industries Company (GPIC), Kingdom of Bahrain. The Company is an avid supporter and promoter of the UNGC's ethical canon and our commitment to this global alliance is worn as a badge of honour. It therefore gives me great pride to confirm our membership of the UNGC.

In September 2015, 193 member States of the United Nations adopted 17 new Sustainable Development Goals (SDGs) to make our world more prosperous, inclusive, sustainable and resilient. These SDGs represent an unprecedented opportunity for companies such as ours, to align their own sustainability goals with broader societal goals.

Hence, we actively participated in the engagement process of forming the Post 2015 SDGs. We will take our share and improve our systems to engage and collaborate with the international community to meet these 17 goals by 2030.

COP21 was another significant and historic milestone in 2015. Intended Nationally Determined Contributions (INDCs) were submitted by countries and GPIC was actively engaged in the preparation of INDC for Bahrain. We look forward in doing our part in the process of implementation of the COP21 commitments for a greener future.

Yours sincerely,

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

**Dr. Abdulrahman Jawahery**  
President

**“THIS YEAR MARKS THE FOURTH ANNIVERSARY OF GPIC’S COMMITMENT TO THE UNITED NATIONS GLOBAL COMPACT (UNGC). WHILE MUCH HAS CHANGED IN THE WORLD AND IN OUR COMPANY SINCE THEN, OUR COMMITMENT TO THE UNGC’S TEN PRINCIPLES REMAIN FIRM.”**

Dr. Abdulrahman Jawahery - GPIC President

At GPIC we recognize that contributing to sustainable economic development is a shared responsibility. We have been publicly committed to the UNGC principles since 2012 because we believe we have a responsibility to conduct business ethically while respecting our people and the planet that sustains us. As of the last two years, we have committed to additional UNGC principles, namely the Food and Agriculture Business (FAB) 6 Principles and the Women’s Empowerment Principles, on which we have reported separately at the end of this section.

#### Human Rights

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

**Principle 2:** make sure that they are not complicit in human rights abuses.

#### Equal Treatment

At GPIC, the health and safety of our employees and contractors is our top priority. In addition to complying with all laws such as suspending work in peak hours of summer months, we ensure that our workers feel respected and protected. For example, during the turnaround maintenance activities in 2015, our contractors were provided with high quality reusable safety gloves for their keeping, a dedicated air conditioned dining and rest area as well as booths with unlimited refreshments across the complex. We also have a clause in our standard purchase order issued to all local contractors advising them that we have the right to inspect the contractor’s housing accommodations to verify that they provide acceptable living standards.

#### Supporting Human Rights

GPIC’s leadership commitment to Human Rights was acknowledged at the country level when GPIC’s President was made a member of Bahrain’s National Institution for Human Rights in 2014. Within the company, we are spreading awareness on Human Rights by involving our employees in relevant trainings. In 2014, our security staff participated in human rights trainings and in 2015, several of our employees attended a Bahraini Labor Law training course.

Please refer to sections: [UNGC Women’s Empowerment Principles\\*](#), [GRI Human Rights section](#)

#### Labor Standards

**Principle 3:** 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 labor;

**Principle 5:** the effective abolition of child labor; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

#### Labor Union

We support and encourage our employees’ participation in the Labor Union, of which 84.85 per cent of employees are members as of Dec 2015. We engage the labor union in decision making that affects employees such as budgetary changes, and co-host many activities with them such as award ceremonies and social sporting events for employees.

#### Labor Laws

We ensure that none of our activities involve forced or child labor and that all of our employees and contractors are compensated fairly in accordance with the law. Each of our employees has a current job description and a contract of employment stating terms and conditions of service. All employees get compensated fairly for overtime work in addition to extensive benefits, and we ensure that the company manages a fair retirement policy. Moreover, we uphold a zero discrimination policy regarding recruitment, promotion and compensation of employees and our activities are rigorously audited to ensure full compliance to our policies.

Please refer to sections: [Human rights performance \(GRI\)](#), [Labor practices and decent work \(GRI\)\\*](#)

#### Environmental Protection

**Principle 7:** 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.

#### Sustainability Strategy

In order to commit to continuous improvement of our environmental performance, we developed our long term sustainability goals in 2014 to include resource conservation, emission reduction and community engagement. The UNGC principles are referenced in our internally circulated environmental strategy, which emphasizes conducting environmental reviews at the design stage of all new and modified equipment and projects. We are also actively engaged with the local government as it develops its own environmental agenda. We are involved in the implementation team of Bahrain’s Intended Nationally Determined Contributions following the COP 21 Climate Change agreement and we were actively involved in workshops regarding Bahrain’s National Biodiversity Strategy in 2015.

#### Environmental Operations

We believe that we are responsible for running our plants efficiently and reliably in order to conserve energy and resources. We monitor and control emissions, effluents and waste and seek new ways to reduce them. For example, in 2014-2015 we commissioned evaporation ponds to reduce our liquid waste,







UNGC Food

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Agriculture

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Business

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(FAB) 6 Principles

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## Food and Agriculture (FAB 6) Principles



GPIC supports the UNEP Green Wave programme

“The industry alone cannot reach out to the millions of smallholders worldwide. We are keen to increase our collaboration with farmer groups, other players in the agri-food value chain, agronomic research institutions and governments.”

**Dr. Abdulrahman Jawahery**  
President, GPIC

In the last several years, GPIC has made great strides in the global effort to promote sustainable agriculture and address global food security issues. In 2015, GPIC's President Dr. Jawahery was appointed President of the International Fertilizer Industry Association (IFA) and Chairman of the Arab Fertilizer Association (AFA). Through such platforms, the President has strengthened

the industry's cooperation with international bodies while inviting industry leaders to support the UNGC and other initiatives. As for taking action at a company level, we have established an Agri-Nutrients Committee in 2015 to increase awareness among employees and the public on how sustainable agriculture shapes our collective future.

### Principle 1: Aim for Food Security, Health and Nutrition

Businesses should support food and agriculture systems that optimize production and minimize wastage, to provide nutrition and promote health for every person on the planet.

#### At GPIC

As a large company, our commitment to health and nutrition begins with our people. GPIC's canteen caters to 250 people daily, offering employees, contractors and visitors a variety of foods at a subsidized rate. The canteen sources local produce when possible and includes extensive healthy and vegetarian sections daily.

The canteen also serves as a platform for food related campaigns. This began with a food waste campaign for Earth Day in 2015, and expanded in 2016 with FAO's International Year of Pulses campaign, for which a pulse-based menu replaces the conventional menu once per month to promote meat alternatives. To promote this initiative, the President has sent formal letters to leaders of local companies and organizations inviting them to consider doing the same.

#### In the Community

In support of local farmers, we have been sponsors of the Bahrain Farmer's Market since the market's inception in 2013. This well received weekly market spans 5 months each year, includes a diverse range of vendors and hosts awareness events that encourage community members to buy local, healthy options whenever possible.

#### Global Efforts

We recognize that food security is a global challenge that requires collaboration across sectors. In 2015, our President attended FAO's 42nd UN Commission on World Food Security meetings as a member of the Private Sector Mechanism. He spoke at the High Level Dinner in which he reaffirmed the commitment of businesses to embark on partnerships to address the food security challenge more effectively. Our President also participated at the UN summit for the adoption of the Sustainable Development Goals (SDGs). Whereas Goal 2 on ending hunger references sustainable agriculture systems, many farmers fall short of achieving the attainable yields of their farmlands, which impacts their livelihoods. In such areas, this is due to limited access to agricultural inputs and thus can be addressed directly. IFA has also taken on the UN Secretary General's Zero Hunger Challenge as one of the first industries to formally adopt and encourage member companies to use the goals as a scorecard to benchmark their progress towards eradicating hunger and malnutrition.

**"IN THE LAST SEVERAL YEARS, GPIC HAS MADE GREAT STRIDES IN THE GLOBAL EFFORT TO PROMOTE SUSTAINABLE AGRICULTURE AND ADDRESS GLOBAL FOOD SECURITY ISSUES."**

## **Principle 2: Be Environmentally Responsible**

Businesses should support sustainable intensification of food systems to meet global needs by managing agriculture, livestock, fisheries and forestry responsibly. They should protect and enhance the environment and use natural resources efficiently and optimally.

### **At GPIC**

We continuously strive to increase the efficiency of our operations in order to conserve resources. In 2014, we completed IFA's Biennial Environmental Performance Benchmarking Survey which confirmed our competitive performance and provided feedback on how to improve further. In 2015, we got certified for an Energy Management System (ISO 50001) to strengthen our commitment to using natural resources in a responsible manner, and we continue to look for ways to improve our environmental performance across our processes.

In addition to maintaining our various gardens within our complex, our fish farm has been replenishing fish stocks of a local species of sea bream since 1996. To date, over a million fish have been released into the sea. Mangrove plants surrounding our bird sanctuary also indirectly sustain nearby fish populations via the ecosystem services that they provide. As of the last few years, we have also strived to minimize agricultural waste in the bird sanctuary by composting tree trimmings, which are then used to fertilize the soil the following year.

### **In the Community**

In 2015, we partnered with UNEP and the Ministry of Education to launch the Greenwave for Biodiversity Campaign. Through this program we sponsor and facilitate the planting of local trees at ten public schools per year in order to promote biodiversity awareness and encourage environmental stewardship. At each school a variety of local tree saplings, such as pomegranate and olive, are purchased from a local vendor and planted by the students.

Our contribution to biodiversity extends to include engagement as a stakeholder with Bahrain's Supreme Council for the Environment. As Bahrain embarked on updating its National Biodiversity Strategy and Action Plan (under UNEP's Convention for Biological Diversity), GPIC was involved in the multi-workshop process to offer extensive feedback on the strategy. When Bahrain embarked on establishing a biodiversity database (known as a Clearing-House Mechanism) last year, we participated in a technical workshop where we created the online database along with a range of other stakeholders.

We have also been actively engaged as a stakeholder in dialogue and workshops with the National Oil and Gas Authority (NOGA) regarding Bahrain's Intended Nationally Determined Contributions to the climate change negotiations at COP 21. Additionally, we are now involved in Bahrain's implementation team following the new agreement while we continue to explore ways to reduce our own carbon and energy footprints.

### **Global Efforts**

Understanding our global environmental challenges requires engaging representatives from different sectors. Our President is currently involved as a stakeholder for UNEP's Global Environmental Outlook (GEO) 6. As a member of the High Level Intergovernmental and Stakeholder Advisory Group, participants offer their expertise on the methodologies used for conducting environmental assessments globally. This will result in a report that captures environmental issues worldwide and that will inform policy and decision making regarding environmental and sustainability issues for years to come.

## **Principle 3: Ensure Economic Viability and Share Value**

Businesses should create, deliver and share value across the entire food and agriculture chain from farmers to consumers.

We recognize that fertilizers add value to farmers by enabling them to utilize their land more productively. We create value for our customers by producing high quality fertilizer which has achieved recognitions in 2015, such as Level 1 gold status (Australian Department of Agriculture) and low risk status (MPI Biosecurity New Zealand), but we also believe in responsible practices across the product life cycle. In 2014 we achieved certification for IFA Protect and Sustain Product Stewardship, which assesses our business practices from supply chain to customer.

The end users of our urea product are farmers worldwide. Our product has the potential to lift them out of poverty and empower them to become commercially reliable suppliers with better incomes. Although we do not communicate directly with farmers internationally, we support their needs through our contributions to fertilizer associations at the leadership and committee levels. Our President has also showcased projects of IFA members at the Arab Fertilizer Association events in order to promote collaboration between the two entities to achieve greater impacts. These projects include increasing smallholder farmer access to fertilizer, linking volunteer fertilizer experts to farmers and suppliers, and investing in research on soil specific fertilizers.



### Principle 4: Respect Human Rights, Create Decent Work and Help Communities to Thrive

Businesses should respect the rights of farmers, workers and consumers. They should improve livelihoods, promote and provide equal opportunities, so communities are attractive to live, work and invest in.

#### At GPIC

Our commitment to empowering our employees have been recognized by various awards in HR and women empowerment. We help employees to achieve their potential through our coaching program and provide resources to promote their wellbeing such as stress management lectures and health facilities. Most importantly, we consider employees' families as part of the collective GPIC family, offering them summer camps, scholarships and training opportunities.

#### In the Community

We address the needs of local farmers through collaborations with the National Initiative for Agriculture Development (NIAD), a local non-profit focused on promoting sustainable agriculture through training, financing and capacity building. Our President is a member of the Supreme Consultative Council of NIAD, which in its current term overlooks activities such organizing the Bahrain Farmers'

Market, increasing agricultural spaces in cooperation with local organizations, and awarding agricultural research and projects that improve productivity.

Corporate responsibility is an integral part of our culture. We support, attend and participate in community events that foster agriculture awareness, including annual events such as the Bahrain Farmers' Market, the Bahrain International Garden Show as well as an annual traditional marketplace that supports farmers in the Southern Governorate. In 2016, in support for the Bahrain International Garden Show "Tree Care" theme, GPIC provided specially formulated fertilizers designed for local palm trees to be used on trees across Bahrain to support their growth. We also sponsored the Bahrain Annual CSR Conference in 2015, which served as a platform to encourage corporate responsibility across sectors.

### Principle 5: Encourage Good Governance and Accountability

Businesses should behave legally and responsibly by respecting land and natural resource rights, avoiding corruption, being transparent about activities and recognizing their impacts.

In addition to being rigorously audited for our management systems, we have been publicly reporting on our activities through sustainability reports since 2010. In 2014, we became an organizational stakeholder with the Global Reporting Initiative (GRI) in order to further promote sustainability and transparency globally. We also report our environmental data twice a year to Bahrain's Supreme Council for the Environment.

We recognize that reporting is an evolving process. We are partners of The Pearl Initiative, a leading regional non-profit that promotes transparency and corporate governance. We most recently participated in a forum on Integrated Thinking & Reporting in November 2015, at which our President stressed the importance of participating in initiatives such as Responsible Care which link us to the local communities across our global value chain.

**“BY CONTINUING TO WORK IN PARTNERSHIP WITH OTHER STAKEHOLDERS ESPECIALLY THE RESEARCH COMMUNITY AND CIVIL SOCIETY TOWARDS IMPROVING YOUR PRODUCTS AND PROCESSES, YOU WILL HELP PAVE THE ROAD TO DIGNITY FOR ALL BY 2030.”**

His Excellency Ban Ki-Moon commending IFA, 2015

## **Principle 6: Promote Access and Transfer of Knowledge, Skills and Technology**

Businesses should promote access to information, knowledge and skills for more sustainable food and agricultural systems. They should invest in developing capacities of smallholders and small- and medium-sized enterprises (SMEs), as well as more effective practices and new technologies.

### **At GPIC**

The Agri-Nutrients Committee at GPIC, established in 2015, aims foremost to increase employee awareness on the basics of plant nutrition and agricultural issues and best practices. The committee regularly shares informative newsletters with employees. In 2016, the committee developed an information booklet on a local fruit tree to spread awareness on its health benefits. The committee also hosts and manages this information on an internal database of agriculture related resources for reference.

Our employees are encouraged to attend agriculture conferences and trainings. In 2015, we sent delegates to the Global Forum for Innovations in Agriculture in Abu Dhabi and hosted an Agricultural Engineer at the complex to give a general lecture open to all employees on gardening basics.

### **In the Community**

In 2016, we extended this knowledge building opportunity to members of the community by sponsoring an external agriculture training in which 15 seats were reserved for representatives of local community organizations while the remaining seats were filled with employees.

We also foster this learning among high school students through our Environmental Research Program. By coordinating and sponsoring this program since 2004, we have encouraged students to pursue a range of science projects, some of which are agriculture-based, such as irrigation control via smart phones and water efficiency mechanisms.

We recognize that nutrient stewardship is at the core of sustainable agriculture. We have been distributing awareness manuals to our buyers on the optimal use of urea per crop including general information on soil health and farming best practices. These are also distributed to the general public at exhibitions such as the Bahrain International Garden Show. We are also facilitating the translation of various nutrient factsheets into Arabic to enable farmers in the region to access this information.

### **Global Efforts**

We are able to reach out to farmers globally through our involvement with global fertilizer associations. We involve our employees in working groups such as The Arab Fertilizer Association's Training group, which designs training events in the Arab region and coordinates between training bodies to collect and share best practices. In this way, we maximize our training impact and work with others to equip farmers to achieve their potential.



# UNGC Work

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# Empowerment

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# Principles (WEPs)

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## UNGC Women's Empowerment Principles



Celebrating the Women's Day

“Congratulations to you and all our GPIC team for this remarkable achievement (of the HRH Sh. Sabeeka bint Ebrahim Al Khalifa Award for Empowerment of Bahraini Women). This recognition is a natural response to a great effort made by the GPIC team, men and women, to walk the talk in terms of empowering GPIC women and make them take similar roles and responsibilities as their colleagues. The success of such evolution does not come by good intention and plans but also by good execution of a well thought of strategy, a lot of hard work and professional and consistent leadership.”

**His Excellency Mr. Yousef A. Al-Zamel**  
Managing Director, GPIC

In 2014 GPIC committed to the UN Global Compact's Women's Empowerment's Principles to join companies in publicly supporting equal opportunities in the workplace. Our company has one of the largest percentage of females in Bahrain's industrial sector, which enables more women to access the competitive job opportunities that this sector provides. In 2014 we were awarded the prestigious HRH Shaikha Sabeeka bint Ebrahim Al Khalifa Award for Empowerment of Bahraini Women for the second time despite competing with companies from all sectors, and we continue to adopt best practices to further our commitment to women empowerment.

### Principle 1 – Leadership Promotes Gender Equality

In 2014 our President Dr. Jawahery signed the CEO Statement of Support to the Women's Empowerment Principles in order to publicly stand by the principles, including committing to communicate progress towards the principles using gender-specific data as done below. An Equal Opportunities committee within the company has been active since 2013 when it was established as a result of an ongoing partnership with Bahrain's Supreme Council for Women (SCW) Integrating Women's Needs Department. The committee is responsible for creating and monitoring equal opportunity procedures, setting goals and targets in alignment with the SCW, coordinating with the SCW regarding community activities and investigating potential discrimination cases. Our Ladies Working Committee is focused on enhancing the social environment for female employees by organizing events and activities and coordinating with external women organizations. Overall, all of our company policies as outlined below make no discrimination between females and males at all levels.

### Principle 2 – Equal Opportunity, Inclusion & Nondiscrimination

Equal opportunity at GPIC begins with inclusion in all of the company's activities. Although Bahrain's labor law restricts women from working in shift jobs, women are represented in all other departments as well as in middle management positions. Women are also represented in committees as deputy chairmen, coordinators and members. Some committees such as the Environment Committee (38% female) have a higher percentage of females than in the company on average. Female employees involved in internal audits, in plant maintenance activities and as participants in trainings, conferences and events.



GPIC wins the 2014 Women's Empowerment Award

**"AS AN EQUAL OPPORTUNITY EMPLOYER, WE HAVE A ZERO DISCRIMINATION POLICY IN RECRUITMENT, PROMOTION, PAY AND ALL OTHER HR POLICIES. WOMEN HAVE ACCESS TO THE SAME BENEFITS AS MEN, INCLUDING INSURANCE, LOANS, AND SCHOLARSHIP OPPORTUNITIES FOR EMPLOYEES."**

**Table 1 - Female Employees at GPIC**

	Female Employees	Female Employees (percentage of non-shift workers)	Female Employees (percentage of total workers)
2014	50	15%	8.7%
2015	53	17%	9%

**Table 2 - Females in Middle Management and Supervisory Levels**

	Females in Middle Management	Females in Middle Management (percentage)	Females in Supervisory Levels	Females in Supervisory Levels (percentage)
2014	3	7%	9	7%
2015	3	7%	14	11%

As an equal opportunity employer, we have a zero discrimination policy in recruitment, promotion, pay and all other HR policies. Women have access to the same benefits as men, including insurance, loans, and scholarship opportunities for employees' children. They are members of the Labor Union in which all members receive equal benefits. Moreover, women have access to GPIC club's fitness facilities and are catered to with specific sports campaigns. Since GPIC is a supporter of community sports, female employees are also encouraged to join sports clubs in the community and to participate in competitions, some of which GPIC sponsors.

Women are awarded for their service at award ceremonies, such as Labor Day and the Annual Dinner and are represented in Employee of the Month awards. Women and men are honored for completing additional degrees and certifications, winning competitions and other achievements. Some of the award categories include one male and one female award such as for sportsperson of the year, while others such as Safety personality have previously been awarded to both male and female employees.

**Table 3 - Employee of the Month by Gender**

	Females	Males
2014	3 (25% of total)	9
2015	2 (15% of total)	11

### **Principle 3 – Health, Safety and Freedom from Violence**

As per the company policy, all employees are entitled to free medical treatment at the company's Medical Centre or other approved facilities that include male and female doctors. The company's medical insurance policy is designed to cover the majority of common major ailments, and all medical costs not covered under the insurance policy are borne by the company, which also applies to maternity costs.

As per Bahraini law, a female employee is entitled to maternity leave on full pay for 60 days. Upon returning she is eligible for 2

hours maternity care in the first year. As an additional benefit above and beyond the law GPIC provides 1 hour maternity care periods until the baby completes second year to enable working mothers to attend to their children's needs. Our medical center staff are NSC certified in CPR which includes modifications for pregnant women and teach that course to both male and female employees on a regular bases. Health campaigns specifically targeting female employees include Breast Cancer Awareness and exercise courses led by female instructors.



ladies committee members comforts a sick child

Table 4 - CPR Training for Employees by Gender

	Females	Males
2014	13 (26% of total)	37
2015	10 (19% of total)	42

All female employees have the same access to the same basic safety training as men, including general safety awareness and fire extinguisher use. They are required to complete safety e-learning courses, which include an optional course on pregnancy safety at the workplace. All women that go on site are equipped with hard hats, safety goggles and gloves as well as female sized safety shoes

and coveralls. The female engineers are provided with access to individual company cars to move freely around the complex particularly during the turnaround activities (plant maintenance) activities. A female security officer is also available during general working hours to attend to females entering and exiting the plant area.

#### Principle 4 – Education and Training

At GPIC, training and performance reviews are a part of employee development for all employees at all career levels. The general training program for new graduates is the same for both men and

women of the same job title. Women also have access to training courses both in Bahrain and abroad.

Table 5 - Training Hours by Gender

	Female (hours/employee)	Male (hours/employee)
<b>2014</b>		
Middle Management	37	80
All employees	79	48
<b>2015</b>		
Middle Management	18	46
All employees	64	38

Table 6 - Training Hours Abroad (Outside Bahrain) by Gender

	Female (training hours)	Male (training hours)
2014	1186	7750
2015	1401	4662

Women are also participants in our Toastmasters' Program, and over the last two years four female employees completed the Competent Communication program which involves conducting 10 speech projects in different areas. Women also have the same opportunities to men workers to apply for any sponsorship

schemes. They are members in Bahrain based organizations such as the Bahrain Society of Engineers and the Bahrain Society for Training and Development. In 2016, one of GPIC's female engineers has been re-elected as a board member of the Bahrain Society for Engineers.

**“WE RECOGNIZE THAT WOMEN EMPOWERMENT IN THE COMMUNITY HAS THE GREATEST IMPACT THROUGH LONG-TERM CONSTRUCTIVE PARTNERSHIPS. WE SUPPORT BAHRAIN’S SUPREME COUNCIL FOR WOMEN SUCH AS THROUGH SPONSORING THEIR BAHRAINI WOMEN’S DAY CELEBRATIONS AND OTHER ACTIVITIES.”**

**Table 7 - Female Members of GPIC Toastmasters Club**

	Females	Males
2014-2015	24 (28% of total)	62

In 2016 GPIC formally launched a Coaching and Mentoring Initiative. This involved training both male and female employees in the Leader as a Coach certificate from Leadership Trust, UK. This

develops the leadership skills of coaches while also allowing all employees to request coaching from the coach of their choice to work through challenges and enhance career development.

**Table 8 - Coaches by Gender**

	Females	Males
2016	7 (17% of total)	35

**Principle 5 – Enterprise Development, Supply Chain and Marketing Practices**

Although most of our suppliers are the original manufacturers of our equipment, our bidding process is open to all qualifying suppliers and our selection process is based on objective technical criteria. However, we strive to support local female professionals in our non-technical activities. We regularly invite female health practitioners from female owned businesses to conduct lectures,

work with external female training personnel to conduct trainings and sponsor publications by female authors. As for our marketing strategies, our products are marketed through our shareholders worldwide based on their technical specifications and do not include any gender based marketing.

**Principle 6 – Community Leadership and Engagement**

We recognize that women empowerment in the community has the greatest impact through long-term constructive partnerships. We support Bahrain’s Supreme Council for Women such as through sponsoring their Bahraini Women’s Day celebrations and other activities. We also collaborated with the Bahrain Free Labor Unions Federation’s Committee of Women and Children in June 2015 to host a workshop on the benefits and rights of working women based on the 1976 law and the 2012 law, in which 3 female employees participated.

the Women in Engineering camp in Michigan, USA to facilitate their learning and cultural experience.

We ensure that our community initiatives benefit both women and men, ranging from sponsoring sports teams to a host of education programs as outlined below in Bahrain and beyond. In 2015, one of our female engineers chaperoned female Bahraini students to

One of our main educational partners in Bahrain is InJaz, an affiliate of the Junior Achievements program in the US, a program that equips students with skills that ease their transition into the work environment. We financially support the program annually in addition to providing volunteers to conduct the courses. Both female and male employees have the opportunity to volunteer and enhance their leadership skills, and the programs benefit both female and male students across the country. As per local customs, the employees giving lectures for female schools are female and vice versa.

**Principle 7 – Measure and publicly report on progress to achieve gender equality**

As a way forward GPIC has included a special section in its sustainability report 2016 which is also its UNGC COP to report on its progress towards the 7 principles of UNGC WEPEs.

## UNGC Women's Empowerment Principles



Our female employees work in technical field also

Table 9 - GPIC Volunteers with InJaz Program

	Female	Male
2014-2015	37	38

Table 10 - Total Students Targeted by InJaz Program (Through GPIC and Non-GPIC Volunteers)

	Female	Male
2014-2015	11,769	8232

We also coordinate three additional annual programs for students in cooperation with the Ministry of Education. The Environmental Lectures program launched in 2001 spreads awareness on environmental protection, and the Environmental Research

program launched in 2004 supports high school science projects. As of 2015 we co-launched the UNEP Greenwave Campaign for Biodiversity which involves planting local trees in schools around the country.

Table 11 - Environmental Research Program – Participating Schools

Academic Year	Female	Male	Co-ed
2015-2014	9	8	4
2016-2015	9	9	2

Table 12 - Environmental Lectures Program – Targeted Schools

Academic Year	Female	Male	Co-ed
2015-2014	10	19	1
2016-2015	23	17	1

Table 13 - Greenwave Campaign - Targeted Schools

Academic Year	Female	Male
2016-2015	5	5

One of our employee benefits that directly impacts young members of the community is providing scholarships to employees children as well as honoring high achieving students. All students who

achieve the minimum academic requirements are awarded equally. Female students from Bahrain and abroad are also among the students accepted to complete industrial training at GPIC.

Table 14 - Industrial Trainees by Gender

	Female	Male
2014	63 (29% of total)	156
2015	66 (38% of total)	110

Finally, we are annual sponsors of the Crown Prince International Scholarship Program, which supports an equal number of males and female students each year in pursuing their further studies

abroad. We believe that equal access to educational opportunities is a right and forms the basis of equal opportunities in the community at large.



# Leading Ex Awards





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## Our key Achievements

We were humbled to have been honoured and awarded again with several accolades throughout 2015. We take immense pride in being recognized by such esteemed international and regional organisations worldwide for our diligence and contribution to social development and advancement, responsible care, safety, health and environmental global best practice standards.

GPIC received over 20 awards and recognitions in 2014-2015 for its pioneering efforts.

To highlight a few:

### Leading Awards 2014/2015

- **Bahrain Competency Medal of the first class**

As part of Bahrain's National Day celebrations His Majesty the King Shaikh Hamad bin Isa Al Khalifa presented the prestigious Bahrain Competency Medal of the First Class to, the chairman of GPIC's board of directors, Dr Ahmed Al Sharyan and GPIC's President Dr Abdulrahman Jawahery.

- **RoSPA Archangel Award**

Dr. Abdulrahman Jawahery was awarded the RoSPA Archangel Award which is the highest accolade in the RoSPA Guardian Angel Awards to be presented in the field of health and safety. RoSPA presented the award to acknowledge the enormous influence Dr. Jawahery have had, and continue to have, as a global ambassador for health and safety.

- **Mohammed bin Rashid Al Maktoum Business Excellence Awards** for Most Outstanding Performance and the Best

Business Performance in the manufacturing category. GPIC won these two prestigious award after a rigorous site audit / interviews after being shortlisted on the basis of award submission.

- **The Arabia Corporate Social Responsibility Award**

GPIC won this award three times and was a runner up on three occasions since 2008.

2015 - Winner in Large Enterprise Category

2015 - First runner up in partnerships and collaboration category (Environmental Research Programme for secondary schools was the winning project).

This is a pan-Arabian award which is given to the entity or corporation that is most effective and focused in the areas of social responsibility, sustainability, environmental protection, corporate governance, transparency and other global standards. It is awarded by the Arabia CSR network based in United Arab Emirates.

- **GPCA's First Responsible Care Award**

GPIC was awarded GPCA's First Responsible Care Award, in recognition of its diligence to responsible care and corporate social responsibilities in all its business activities.

- **Gulf Cooperation Council (GCC) Environment Award**

GPIC was awarded in the category of the Best Industrial Establishment that complies with environmental regulations and standards.



WE TAKE IMMENSE PRIDE IN BEING RECOGNIZED BY SUCH ESTEEMED INTERNATIONAL AND REGIONAL ORGANISATIONS WORLDWIDE FOR OUR DILIGENCE AND CONTRIBUTION TO SOCIAL DEVELOPMENT AND ADVANCEMENT, RESPONSIBLE CARE, SAFETY, HEALTH AND ENVIRONMENTAL GLOBAL BEST PRACTICE STANDARDS.

Dr. Abdulrahman Jawahery - GPIC President

- HRH Princess Sabeeka bint Ibrahim Al Khalifa Award for Women Empowerment**  
 GPIC won this award twice in 2008 and 2014 in recognition of its commitment, focus and achievements with regards to women empowerment.
- Human Resource Excellence®, “Gold Standard of Excellence”**  
 GPIC is the first in the Middle East to win the subject award. The certification report also highlighted how GPIC achieved the highest score ever to be reported during a first time assessment.
- Outstanding Humanitarian Work Award**  
 GPIC was awarded Outstanding Humanitarian Work by the regional network of Social Responsibility.
- Bahrain e-Government Award**  
 GPIC received the Economic Sector Trophy of Bahrain e-Government Award
- Excellence in Bahrainisation Award**  
 As part of Bahrain Labour Day Celebrations, GPIC was awarded for excellence in Bahrainisation.
- International Fertilizer Industry Association (IFA) President**  
 IFA appointed Dr Abdulrahman Jawahery as IFA’s president. An honour for both GPIC and Bahrain as Dr. Jawahery is the first Arab National to chair this esteemed organization.
- Sustainability report accreditation by GRI**  
 GPIC attained new heights in sustainability reporting by issuing its second GRI verified sustainability report 2014: Building a Greener Future” with an application level of “A”..
- Accreditations and Certifications 2014-2015**  
 GPIC considers management systems as a key benchmarking tool for continual improvement hence since its first ISO certification for ISO 9000 way back in 1995, the company is progressively getting certified to all the key management system standards. To date GPIC is certified to fourteen ISO and other management system standards. Following are 2014-2015 updates;
  - ISO 50001-2011 Energy Management System
  - ISO 17025 - General Requirements for the Competence of Testing and Calibration Laboratories.
  - IFA Protect and Sustain Product Stewardship programme
  - ISO 17020- Requirement for the operation of various types of bodies performing inspection.



GPIC President with the RoSPA Archangel Award



GPIC wins the Arabia CSR Award 2015



GPIC wins GPCA's first Responsible Care Award 2015

# What Others

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# Say

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## What Others Say

We at GPIC give paramount importance to the feedback and comments from all our stakeholders. We believe that this kind of remarkable engagement and networking with our stakeholders enables excellence and sustainability. It also keeps us well informed of what others think about GPIC and helps us in maintaining excellent international and regional relationships. It motivates us to attain further heights and successes.

"It is wonderful to hear how your company has been aligning your strategies and operations with the UN Global Compact's Ten Principles as well as with its signature issue platforms such as the Women Empowerment Principles and the Food and Agriculture Business Principles"

**Lise Kingo**  
Executive Director  
UN Global Compact

"It was a pleasure to host you at the Awards Dinner in Birmingham last month. It was a truly memorable occasion- not least because GPIC, once more, won RoSPA's Chemical Industry Sector Award, and because you, personally, were presented with an Archangel Award to acknowledge the enormous influence you have had, and continue to have, as a global ambassador for health and safety."

**Tom Mullarkey MBE**  
Chief Executive  
RoSPA

"I would like to thank you for your kind letter and I would like to welcome you to our network of agenda-setting sustainability leaders: the Organizational Stakeholder (OS) Program of the Global Reporting Initiative (GRI)..... We greatly appreciate your support of GRI and look forward to working with you and building on this partnership in the years to come."

**Michael Meehan**  
Chief Executive  
Global Reporting Initiative (GRI)

"GPIC's commercial achievements are remarkable, and they are greatly enhanced by your sustained dedication to women's empowerment and employee rights. I applaud your continued service on the board of US National Safety Council and I was very much impressed by GPIC's excellent environmental stewardship. During a time of heightened awareness of the environmental impact of industrial projects, GPIC embodies the axiom that economic growth need not come at the expense of our planet's health"

**William V. Roebuck**  
Ambassador of the  
United States of America

"Every single person on your team is doing an incredible job here. They are so professional, efficient and reliable."

**Deborah A.P. Hersman**  
President and CEO  
National Safety Council

"GPIC'S COMMERCIAL ACHIEVEMENTS ARE REMARKABLE, AND THEY ARE GREATLY ENHANCED BY YOUR SUSTAINED DEDICATION TO WOMEN'S EMPOWERMENT AND EMPLOYEE RIGHTS."

William V. Roebuck - Ambassador of the United States of America

UNITED NATIONS



NATIONS UNIES

POSTAL ADDRESS—ADRESSE POSTALE: UNITED NATIONS, N.Y. 10017  
EMAIL: [GLOBALCOMPACT@UN.ORG](mailto:GLOBALCOMPACT@UN.ORG) TEL: +1 212 907 1356

23 November 2015

REFERENCE

Dear Dr. Jawahery,

Thank you for kind letter, congratulating my appointment and expressing your firm commitment to the UN Global Compact. It is wonderful to hear how your company has been aligning your strategies and operations with the UN Global Compact's Ten Principles as well as with its signature issue platforms such as the Women's Empowerment Principles and the Food and Agriculture Business Principles. I also appreciate your active engagement in country level activities. The Global Compact's growth has been possible because of champions like yourself. I will continue to rely on your leadership as your action will inspire others to join this growing global corporate sustainability movement.

I would also like to take this opportunity to thank you for the International Fertilizer Industry Association's contribution to our work with industry and trade associations. We are pleased that we can feature IFA's notable efforts in an ICC-UN Global Compact publication: "Scaling up Sustainability Collaboration: Contributions of Business Associations and Sector Initiatives to Sustainable Development". I believe your efforts will inspire further action from companies in your sector, and I trust our collaboration will grow with the common goal of building a sustainable future.

Thank you once again for your warm welcome and I look forward to continue working with you.

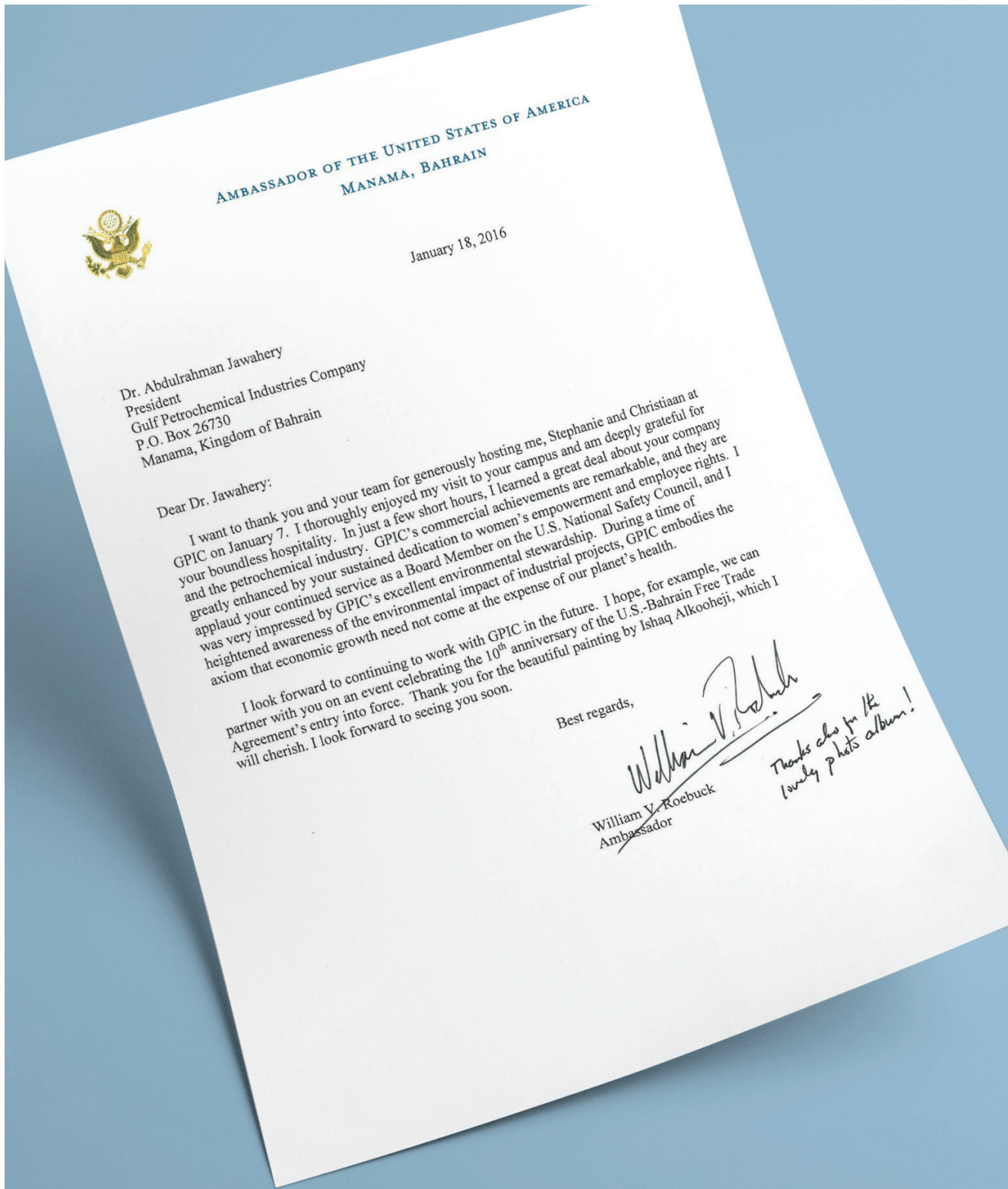
Yours sincerely,

Lise Kingo  
Executive Director  
UN Global Compact

Dr. Abdulrahman Jawahery  
President  
Gulf Petrochemical Industries Company  
Bahrain



H.E Mr. William V. Roebuck, US Ambassador planting a tree at GPIC



AMBASSADOR OF THE UNITED STATES OF AMERICA  
MANAMA, BAHRAIN



January 18, 2016

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

Dear Dr. Jawahery:

I want to thank you and your team for generously hosting me, Stephanie and Christiana at GPIC on January 7. I thoroughly enjoyed my visit to your campus and am deeply grateful for your boundless hospitality. In just a few short hours, I learned a great deal about your company and the petrochemical industry. GPIC's commercial achievements are remarkable, and they are greatly enhanced by your sustained dedication to women's empowerment and employee rights. I applaud your continued service as a Board Member on the U.S. National Safety Council, and I was very impressed by GPIC's excellent environmental stewardship. During a time of heightened awareness of the environmental impact of industrial projects, GPIC embodies the axiom that economic growth need not come at the expense of our planet's health.

I look forward to continuing to work with GPIC in the future. I hope, for example, we can partner with you on an event celebrating the 10<sup>th</sup> anniversary of the U.S.-Bahrain Free Trade Agreement's entry into force. Thank you for the beautiful painting by Ishaq Alkooheji, which I will cherish. I look forward to seeing you soon.

Best regards,

*William V. Roebuck*  
William V. Roebuck  
Ambassador

*Thanks also for the lovely photo album!*



**"WE GREATLY APPRECIATE YOUR SUPPORT OF GRI AND LOOK FORWARD TO WORKING WITH YOU AND BUILDING ON THIS PARTNERSHIP IN THE YEARS TO COME."**

Michael Meehan - Chief Executive Global Reporting Initiative (GRI)

"Heartiest congratulations to you and your team for attaining new heights in Sustainability Reporting and achieving an application level "A" status. Indeed the Report reflects the depth of knowledge, hard work and varied skill sets your esteemed organization possesses".

**Mario Ruzza**  
Chairman and Managing Director  
Technimont

"Your obvious commitment to align GPIC objectives and operations with Global Compact, CSR and sustainability principles puts you and your company in a "leading by example" position, which will require from you and your team to keep up the quality of your standard, inspiring others. Hopefully, you will be able to distill and implement such commitment and actions through the Arab Fertilizers Association, and beyond in the World. Please accept my sincere congratulations for your nomination as its President."

**Arab Hoballah**  
UNEP

"I was truly overwhelmed by your hospitality and generosity, besides being deeply impressed by your world class facilities. Your personal dedication not only to optimizing the actual production process, but also to protecting and improving the environment surrounding the complex is exemplary. You have succeeded in creating a model within GCC and one of the best petrochemical companies in the world, as you rightly point out, and you have every reason to be proud of this outstanding achievement."

**Alfred Simms- Protz**  
Ambassador of the  
Federal Republic of Germany

"We at INJAZ Bahrain would like to express our sincere appreciation and gratitude to You and your esteemed staff members for your active partnership in hosting the Internship Programme for the students participating in the Company programme. We Truly value your contribution, time and support in delivering this Internship and adding Value to the Bahraini youth, who are the pillars of a successful and prosperous Bahraini future force. With your support and guidance these youth get exposed to the Real world of work and are more equipped to succeed in a global economy."

**Shaikha Hessa bint Khalifa Al Khalifa**  
Chief Executive  
INJAZ, Bahrain



German Ambassador H.E. Mr. Alfred Simms-Protz visits GPIC

"Mott MacDonald would like to congratulate GPIC on the launch of your Sustainability Report-2014. We would also like to thank you for offering us the opportunity to share our thoughts and provide our feedback. As reflected in your sustainability report, we agree that information disclosure and dialogue with your stakeholders and supply chain are key to successful management of sustainability risks and realisation of sustainability opportunities.

Mott MacDonald globally share common values with GPIC. As a member of your supply chain we consider we are well placed to support you to achieve your sustainability goals from a position where we understand and concur with your targets. Your Sustainability Report informs and guides us on how we can support you to realize your objectives"

**David Cross**  
Manager- Transmission and Distribution ME  
Mott MacDonald Limited

"I would like to take this opportunity to express my appreciation for your contribution to the Arabia CSR Awards Clinic 2016. Your organization's presentation of its Arabia CSR Awards Journey is not only a demonstration of commitment but also a strong aid for this year's applicants.

You are already champions and we thank you for being part of our journey towards sustainability in the region and we showcase your support to encourage other companies to take part and apply for this year's awards in the hopes of yet another successful cycle."

**Habiba Al Marashi**  
President/CEO, Arabia CSR Network  
GRI Stakeholder Council Member

" It is important to note that the efforts made on our part would certainly be less successful without the help and support of both yourself and GPIC who we know work tirelessly to ensure that employees, not only in your organisation, but also throughout the world are protected at work.

GPIC are a vocal supporter of our endeavours and for this we are extremely grateful as we strive to achieve our mission in making workplaces safer worldwide."


**Teresa Budworth**  
Chief Executive  
nebosh

"Excellent Sustainability Report 2014. Informative, user friendly, balance, no petrochemical jargons, well illustrated and delightful. Looking forward to your report on G4 or even better if you went straight into integrated reporting. Keep up the good work."

**Arabia CSR**  
Awards Judging Panel  
2015 Awards

**"WE AT INJAZ BAHRAIN WOULD LIKE TO EXPRESS OUR SINCERE APPRECIATION AND GRATITUDE TO YOU AND YOUR ESTEEMED STAFF MEMBERS FOR YOUR ACTIVE PARTNERSHIP IN HOSTING THE INTERNSHIP PROGRAMME FOR THE STUDENTS PARTICIPATING IN THE COMPANY PROGRAMME."**

Shaikha Hessa bint Khalifa Al Khalifa - Chief Executive INJAZ, Bahrain

 Embassy  
of the Federal Republic of Germany  
Manama

P.O. Box 10306, Manama, Bahrain

Dr. Abdulrahman Jawahery  
President  
Gulf Petrochemical Industries Co. (GPIC)  
P.O. Box 26730  
Manama  
Kingdom of Bahrain

**Alfred Simms-Protz**  
Ambassador of the Federal Republic of Germany

Manama, 11 February 2016

Your Excellency, dear Dr. Abdulrahman Jawahery,

After my fascinating and most enjoyable visit to GPIC last Tuesday, I would like to express my deep appreciation and heartfelt gratitude to you and your staff for hosting me and briefing me so extensively on your operations.

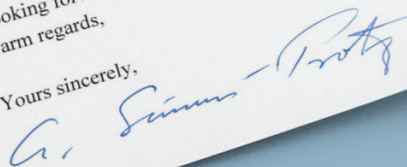
I was truly overwhelmed by your hospitality and generosity, besides being deeply impressed with your world-class facilities. Your personal dedication not only to the optimizing the actual production process, but also to protecting and improving the environment surrounding the complex is exemplary. You have succeeded in creating a model company within the GCC and one of the best operating petrochemical companies in the world, as you rightly point out, and you have every reason to be proud of this outstanding achievement.

Of course, as the German Ambassador to the Kingdom of Bahrain, I was very gratified to learn that a large number of German vendors have contributed to GPIC's success from the word go. I am confident that this partnership will continue and hopefully even be expanded in the future. Adding one more German company to your list of approved vendors will at least bring the total number up to the nice round figure of 100!

Let me thank you once again, dear Dr. Abdulrahman Jawahery, for having given me the opportunity to meet you and visit GPIC's facilities. It was a truly memorable experience that will stay with me long after my tenure as ambassador to Bahrain has ended. The palm tree that was planted in my name will remain as an enduring symbol of the partnerships you have established with German companies and, beyond that, the close and friendly relations between our two countries.

Looking forward to seeing you again soon and continuing our discussions, I remain with warm regards,

Yours sincerely,



# GRI Content

# Index



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## GRI Content Index for 'In accordance' - Core General Standard Disclosures

GENERAL STANDARD DISCLOSURES					
General Standard Disclosure	Page Reference	Omissions	Description	UNGC Principles	
<b>STRATEGY AND ANALYSIS</b>					
G4-1	page 24, 26, 28		Statement from CEO or chairman	Statement of continuing support	
G4-2	page 30		Key impacts, risks and opportunities		
<b>ORGANISATIONAL PROFILE</b>					
G4-3	page 31		Name of the organization.	No specific COP requirement	
G4-4	page 31		Primary brands, products, and services		
G4-5	page 31		Location of the organization's headquarters.		
G4-6	page 31		Number of countries where the organization operates, and names of countries where the organization has significant operations.		
G4-7	page 31		Nature of ownership and legal form		
G4-8	page 31		Markets served		
G4-9	page 31		Scale of the organization		
G4-10	page 32		Workforce information		
G4-11	page 32		Percentage of total employees covered by collective bargaining agreements		Principle 3
G4-12	page 32		Organization's supply chain		No specific COP requirement
G4-13	page 33		Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain		
G4-14	page 33		Report whether and how the precautionary approach or principle is addressed by the organization.		
G4-15	page 34		List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.		
G4-16	page 34		List memberships in associations and national or international advocacy organizations.		
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>					
G4-17	page 34		a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	No specific COP requirement	
G4-18	page 35		a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.		
G4-19	page 36-37		Material Aspects identified in the process for defining report content		
G4-20	page 38		For each material Aspect, report the Aspect Boundary within the organization		

## GRI Content Index for 'In accordance' - Core General Standard Disclosures

GENERAL STANDARD DISCLOSURES				
General Standard Disclosure	Page Reference	Omissions	Description	UNGC Principles
G4-21	page 38		For each material Aspect, report the Aspect Boundary outside of the organization	
G4-22	page 38		Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	
G4-23	page 38		Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	
STAKEHOLDER ENGAGEMENT				
G4-24	page 38		List of stakeholder groups engaged by the organization	No specific COP requirement
G4-25	page 38		Basis for identification and selection of stakeholders with whom to engage	
G4-26	page 39, 40, 41		Organization's approach to stakeholder engagement	
G4-27	page 42, 43		Key topics and concerns that have been raised through stakeholder engagement	
REPORT PROFILE				
G4-28	page 44		Reporting period for information provided	Sphere of influence
G4-29	page 44		Date of most recent previous report	
G4-30	page 44		Reporting cycle (such as annual, biennial)	
G4-31	page 44		Contact point for questions regarding the report or its contents	
G4-32	page 44		GRI Content Index	
G4-33	page 44		Organization's policy and current practice with regard to seeking external assurance for the report	
GOVERNANCE				
G4-34	page 44, 45, 46		Governance structure of the organization, including committees of the highest governance body.	Principles 1-10
G4-35	page 46		Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	
G4-36	page 46		Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	
G4-37	page 46		Processes for consultation between stakeholders and the highest governance body	
G4-38			Composition of the highest governance body and its committees	
G4-39	page 46		Report whether the Chair of the highest governance body is also an executive officer.	
G4-40			Nomination and selection processes for the highest governance body and its committees	
G4-41			Report processes for the highest governance body to ensure conflict of interest is avoided and managed	

## GRI Content Index for 'In accordance' - Core General Standard Disclosures

GENERAL STANDARD DISCLOSURES					
General Standard Disclosure	Page Reference	Omissions	Description	UNGC Principles	
G4-42			Highest governance body's role in setting purpose, values, and strategy	Principles 1-10	
G4-43			Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.		
G4-44			Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics		
G4-45			Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities		
G4-46			Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.		
G4-47			Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities		
G4-48	page 46		Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered		
G4-49			Report the process for communicating critical concerns to the highest governance body		
G4-50			Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them		
G4-51			Remuneration policies for the highest governance body and senior executives by types of remuneration		
G4-52			The process for determining remuneration		
G4-53			Report how stakeholders' views are sought and taken into account regarding remuneration		
G4-54			Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees		
G4-55			Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees		
ETHICS AND INTEGRITY					
G4-56	page 46		Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.		Principles 1-10
G4-57			Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity		
G4-58			Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity		



## GRI Content Index for 'In accordance' - Core Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES					
Material Aspect	DMA and indicator	Page Reference	Omissions	Description	UNGC Principles
<b>ECONOMIC</b>					
Economic Performance	G4-DMA	page 50		Generic Disclosure on Management Approach	Principle 7
	G4-EC1	page 52 - 55		Direct economic value generated and distributed including	-
	G4-EC2	page 55 - 56		Financial and other implications of climate change	Principle 7
	G4-EC3	page 56 - 57		Coverage of the organisation's benefit plan obligations	-
	G4-EC4	page 57		Financial assistance received from government	-
Market Presence	G4-DMA	page 50		Generic Disclosure on Management Approach	Principles 1 & 6
	G4-EC5	page 57		Ratios of standard entry level wage by gender compared to local minimum wage	Principles 1 & 6
	G4-EC6	page 57		Proportion of senior management hired from the local community	Principles 1 & 6
Indirect Economic Impacts	G4-DMA	page 50		Generic Disclosure on Management Approach	-
	G4-EC7	page 58 - 59		Development and impact of infrastructure investments and services supported	-
	G4-EC8	page 59		Significant indirect economic impacts, including the extent of impacts	-
Procurement Practices	G4-DMA			Generic Disclosure on Management Approach	-
	G4-EC9			Proportion of spending on local suppliers at significant locations of operation	-
<b>ENVIRONMENTAL</b>					
Materials	G4-DMA			Generic Disclosure on Management Approach	
	G4-EN1			Materials used by weight or volume	
	G4-EN2			Percentage of materials used that are recycled input materials	
Energy	G4-DMA	page 72, 73 & 74		Generic Disclosure on Management Approach	Principles 8 & 9
	G4-EN3	page 75		Energy consumption within the organization	Principles 7 & 8
	G4-EN4			Energy consumption outside of the organization	-
	G4-EN5	page 75		Energy intensity	Principle 8
	G4-EN6	page 75-76		Reduction of energy consumption	Principles 8 & 9
	G4-EN7			Reductions in energy requirements of products and services	Principles 8 & 9
Water	G4-DMA	page 72, 73 & 76		Generic Disclosure on Management Approach	Principles 7, 8 & 9
	G4-EN8	page 77		Total water withdrawal by source	Principles 7 & 8
	G4-EN9			Water sources significant affected by withdrawal of water	
	G4-EN10			Percentage and total volume of water recycled and reused	

## GRI Content Index for 'In accordance' - Core Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES					
Material Aspect	DMA and indicator	Page Reference	Omissions	Description	UNGC Principles
Biodiversity	G4-DMA	page 72-73		Generic Disclosure on Management Approach	Principles 7, 8 & 9
	G4-EN11	page 77		Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Principle 8
	G4-EN12			Description of significant impacts of activities, products and services on biodiversity in protected areas and area of high biodiversity value outside protected areas	
	G4-EN13			Habitats protected or restored	
	G4-EN14			Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	
Emissions	G4-DMA	page 72, 73 & 77		Generic Disclosure on Management Approach	Principles 7, 8 & 9
	G4-EN15	page 78		Direct Greenhouse gas (GHG) emissions (Scope 1)	Principles 7 & 8
	G4-EN16	page 79		Energy indirect Greenhouse gas (GHG) emissions (Scope 2)	Principles 7 & 8
	G4-EN17			Other indirect Greenhouse gas (GHG) emissions (Scope 3)	
	G4-EN18	page 79		Greenhouse gas (GHG) emissions intensity	Principle 8
	G4-EN19	page 80		Reduction of Greenhouse gas (GHG) emissions	Principle 8
	G4-EN20	page 80-81		Emissions of ozone-depleting substances (ODS)	Principles 7 & 8
	G4-EN21	page 81-82		NOx, SOx, and other significant air emissions	Principles 7 & 8
Effluents and waste	G4-DMA	page 72, 73, 82 & 84		Generic Disclosure on Management Approach	Principle 8
	G4-EN22	page 82		Total water discharge by quality and destination	Principle 8
	G4-EN23	page 85-86		Total weight of waste type and disposal method	Principle 8
	G4-EN24	page 87		Total number and volume of significant spills	Principle 8
	G4-EN25			Weights of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex, I,II,III and VIII, and percentage of transported waste shipped internationally	
	G4-EN26			Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organizations discharges of water and runoff	
Products and Services	G4-DMA	page 72-73		Generic Disclosure on Management Approach	Principle 8
	G4-EN27	page 87		Extent of impact mitigation of environmental impacts of products and services	Principles 7, 8 & 9
	G4-EN28			Percentage of products sold and their packaging materials that are reclaimed by category	
Compliance	G4-DMA	page 72, 73 & 87		Generic Disclosure on Management Approach	
	G4-EN29	page 87		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Principle 8

## GRI Content Index for 'In accordance' - Core Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES					
Material Aspect	DMA and indicator	Page Reference	Omissions	Description	UNGC Principles
Transport	G4-DMA			Generic Disclosure on Management Approach	
	G4-EN30			Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	
Overall	G4-DMA	page 72-73		Generic Disclosure on Management Approach	Principles 7, 8 & 9
	G4-EN31	page 88		Total environmental protection expenditures and investments by type	Principles 7, 8 & 9
Supplier Environmental Assessment	G4-DMA	page 72-73		Generic Disclosure on Management Approach	
	G4-EN32	page 88		Percentage of new suppliers that were screened using environmental criteria	Principles 7, 8 & 9
	G4-EN33			Significant actual and potential negative environmental impacts in the supply chain and actions taken	
Environmental grievance mechanisms	G4-DMA	page 72-73		Generic Disclosure on Management Approach	Principle 8
	G4-EN34	page 88		Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Principle 8
SOCIAL					
Labor practices and decent work					
Employment	G4-DMA	page 92-95		Generic Disclosure on Management Approach	Principles 1, 2, 4, 5 & 6
	G4-LA1	page 98		Total number and rates of new employee hires and employee turnover by age group, gender and region	Principle 6
	G4-LA2	page 98		Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation	-
	G4-LA3			Return to work and retention rates after parental leave, by gender	
Labour/ Management Relations	G4-DMA	page 92-95		Generic Disclosure on Management Approach	Principle 1
	G4-LA4	page 100		Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Principles 1 & 3
Occupational Health and Safety	G4-DMA	page 92-95		Generic Disclosure on Management Approach	Principle 1
	G4-LA5	page 100		Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Principle 1
	G4-LA6	page 101		Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Principle 1
	G4-LA7			Workers with high incidence or high risk of diseases related to their occupation	
	G4-LA8			Health and safety topics covered in formal agreements with trade unions	

## GRI Content Index for 'In accordance' - Core Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES					
Material Aspect	DMA and indicator	Page Reference	Omissions	Description	UNGC Principles
Training and Education	G4-DMA	page 92-95		Generic Disclosure on Management Approach	-
	G4-LA9	page 102		Average hours of training per year per employee by gender, and by employee category	Principle 6
	G4-LA10			Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	
	G4-LA11	page 104		percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Principle 6
Diversity and Equal Opportunity	G4-DMA	page 92-95		Generic Disclosure on Management Approach	Principles 1 & 6
	G4-LA12	page 104		Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Principles 1 & 6
Equal Remuneration for Women and Men	G4-DMA			Generic Disclosure on Management Approach	
	G4-LA13			Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	
Supplier Assessment for Labour Practices	G4-DMA	page 92-95		Generic Disclosure on Management Approach	-
	G4-LA14	page 105		Percentage of new suppliers that were screened using labor practices criteria	-
	G4-LA15	page 105		Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	-
Labour Practices Grievance Mechanisms	G4-DMA	page 92-95		Generic Disclosure on Management Approach	-
	G4-LA16	page 105		Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	-
HUMAN RIGHTS					
Investment	G4-DMA	page 106-107		Generic Disclosure on Management Approach	Principles 1, 2 & 6
	G4-HR1	page 108		Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Principles 1, 2 & 6
	G4-HR2	page 108		Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Principles 1 & 6
Non-Discrimination	G4-DMA	page 106-107		Generic Disclosure on Management Approach	Principles 1 & 6
	G4-HR3	page 108		Total number of incidents of discrimination and corrective actions taken	Principles 1 & 6

## GRI Content Index for 'In accordance' - Core Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES					
Material Aspect	DMA and indicator	Page Reference	Omissions	Description	UNGC Principles
Freedom of Association and Collective Bargaining	G4-DMA	page 106-107		Generic Disclosure on Management Approach	Principles 1 & 6
	G4-HR4	page 108		Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Principles 1, 3 & 6
Child Labour	G4-DMA	page 106-107		Generic Disclosure on Management Approach	Principles 1 & 6
	G4-HR5	page 108		Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Principles 1, 5 & 6
Forced or Compulsory Labour	G4-DMA	page 106-107		Generic Disclosure on Management Approach	Principles 1 & 6
	G4-HR6	page 108		Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Principles 1, 4 & 6
Security Practices	G4-DMA			Generic Disclosure on Management Approach	
	G4-HR7			Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	
Indigenous Practices	G4-DMA			Generic Disclosure on Management Approach	
	G4-HR8			Total number of incidents of violations involving rights of indigenous peoples and actions taken	
Assessment	G4-DMA			Generic Disclosure on Management Approach	
	G4-HR9			Total number and percentage of operations that have been subject to human rights reviews or impact assessments	
Supplier Human Rights Assessment	G4-DMA			Generic Disclosure on Management Approach	
	G4-HR10			Percentage of new suppliers that were screened using human rights criteria	
	G4-HR11			Significant actual and potential negative human rights impacts in the supply chain and actions taken	
Human Rights Grievance Mechanisms	G4-DMA	page 106-107		Generic Disclosure on Management Approach	Principles 1 & 6
	G4-HR12	page 108		Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Principles 1 & 6
SOCIETY					
Local Communities	G4-DMA	page 110-111		Generic Disclosure on Management Approach	Principles 1, 6 & 7
	G4-S01	page 114		Percentage of operations with implemented local community engagement, impact assessments, and development programs	Principles 1, 6 & 7
	G4-S02	page 114		Operations with significant actual and potential negative impacts on local communities	Principles 1, 6 & 7

## GRI Content Index for 'In accordance' - Core Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES					
Material Aspect	DMA and indicator	Page Reference	Omissions	Description	UNGC Principles
Anti-corruption	G4-DMA	page 115-116		Generic Disclosure on Management Approach	Principle 10
	G4-S03	page 116		Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Principle 10
	G4-S04	page 116		Communication and training on anti-corruption policies and procedures	Principle 10
	G4-S05	page 117		Confirmed incidents of corruption and actions taken	Principle 10
Public Policy	G4-DMA			Generic Disclosure on Management Approach	
	G4-S06			Total value of political contributions by country and recipient/beneficiary	
Anti-Competitive behaviour	G4-DMA			Generic Disclosure on Management Approach	
	G4-S07			Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	
Compliance	G4-DMA	page 115-116		Generic Disclosure on Management Approach	-
	G4-S08	page 117		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	-
Supplier Assessment for Impacts on Society	G4-DMA			Generic Disclosure on Management Approach	-
	G4-S09			Percentage of new suppliers that were screened using criteria for impacts on society	
	G4-S010			Significant actual and potential negative impacts on society in the supply chain and actions taken	
Grievance Mechanisms for Impacts on Society	G4-DMA	page 115-116		Generic Disclosure on Management Approach	-
	G4-S011	page 117		Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	-
PRODUCT RESPONSIBILITY					
Customer Health and Safety	G4-DMA	page 118-119		Generic Disclosure on Management Approach	-
	G4-PR1	page 120		Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	-
	G4-PR2			Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	

## GRI Content Index for 'In accordance' - Core Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES					
Material Aspect	DMA and indicator	Page Reference	Omissions	Description	UNGC Principles
Product and Service Labelling	G4-DMA			Generic Disclosure on Management Approach	
	G4-PR3			Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	
	G4-PR4			Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	
	G4-PR5			Results of surveys measuring customer satisfaction	
Marketing Communications	G4-DMA			Generic Disclosure on Management Approach	
	G4-PR6			Sale of banned or disputed products	
	G4-PR7			Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	
Customer Privacy	G4-DMA			Generic Disclosure on Management Approach	
	G4-PR8			Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	
Compliance	G4-DMA			Generic Disclosure on Management Approach	
	G4-PR9			Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	



# Acronyms

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







Night view of GPIC Employees Club.

# GPIC PROUDLY SUPPORTS THE 17 SUSTAINABLE DEVELOPMENT GOALS



## Contact details

Your feedback is important to us.

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

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



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