



GULF PETROCHEMICAL INDUSTRIES COMPANY
Kingdom of Bahrain

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

May 2017

Including the Food and
Agriculture Principles
(FAB 6), the Women's
Empowerment
Principles (WEPs), and
the Sustainable
Development Goals (17
SDGs)

*'Accelerating youth
empowerment for
sustainable
development'*

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



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GPIC Letter of Commitment

P/E 035/135 /17
19 February 2017
H.E. António Guterres
Secretary General
United Nations
New York, NY 10017
United States of America

Your Excellency,

Subject: Letter of Commitment – United Nations Global Compact

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

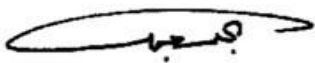
This year marks the fifth anniversary of GPIC's commitment to the United Nations Global Compact (UNGC). While much has changed in the world and in our Company over the past several years, our commitment to the UNGC's ten principles remain firm. We are also proud of our commitment, since 2014, to the UNGC's *Six Food and Agriculture Business Principles (THE FAB 6 Principles)* and *Women's Empowerment Principles*. In our 2017 *Communication on Progress Report* to the UNGC, we have covered our progress on the FAB 6 principles, WEPs and our alignment to the SDGs 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 tenet 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 the broader societal aspirations at hand. Hence, we are diligently mainstreaming the SDGs with our own Corporate Sustainability objectives and purpose. Through our ambitious short term and long-term initiatives, we are not only spreading awareness and action on the SDGs amongst our employees, but passing this realization and understanding within the wider community and region.

COP 21 was another significant and historic milestone in 2015. Intended National Determined Contributions (INDCs) were submitted by countries and, GPIC actively engaged in the preparation of these INDCs for the Kingdom of Bahrain. We take climate change very seriously and subsequently we issued the first GHG Inventory Report on IPCC guidelines followed by our second report which was issued in April 2017. Our leadership actively participated in COP22 in Marrakech and we look forward to doing our part in the successful implementation of the COP21 commitments for a greener future.

Yours sincerely,



Dr. Abdulrahman Jawahery
President

Gulf Petrochemical Industries Company

Overview

Shareholders	<ul style="list-style-type: none">• 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
Date Incorporated	<ul style="list-style-type: none">• December 1979
Number of Employees	<ul style="list-style-type: none">• 514 employees as on 31 Dec. 2016
Principal Place of Business	<ul style="list-style-type: none">• Sitra, Kingdom of Bahrain
Core Products	<ul style="list-style-type: none">• 1200 MT/D Ammonia, 1200 MT/D Methanol, 1700 MT/D Granular Urea.
Key Markets	<ul style="list-style-type: none">• USA, China, Brazil, Singapore, Thailand, Taiwan, Korea, Australia, India, South Africa, France, UAE
Scale of the Organisation	<ul style="list-style-type: none">• Medium
Total Capitalisation	<ul style="list-style-type: none">• US\$ 159 million (100% equity)
Sales 2015	<ul style="list-style-type: none">• US\$ 267 million
Sales 2016	<ul style="list-style-type: none">• US\$ 235 million
Total Assets 2015	<ul style="list-style-type: none">• US\$ 518 million
Total Assets 2016	<ul style="list-style-type: none">• US\$ 549 million
Net Profit 2015	<ul style="list-style-type: none">• US\$ 48 million
Net Profit 2016	<ul style="list-style-type: none">• US\$ 1 million
Total Products	<ul style="list-style-type: none">• 2015 - 1,465,641 metric tonnes• 2016 - 1,617,422 metric tonnes
Certifications	<ul style="list-style-type: none">• ISO 9001:2008; ISO 14001:2004; OHSAS 18001:2007; PAS 99:2012; RC 14001:2013; ISO 27001:2013; ISO 31000:2009; ISO 22301:2012; ISO 17025:2005; ISO 17020:2012; ISO 50001:2011
Memberships in Key International Organisations	<ul style="list-style-type: none">• 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)
Key Awards 2016 - 2017	<ul style="list-style-type: none">• The Arabia CSR Award in large category and the best partnership project. Human Resource Gold Standard of Excellence Award. Mohammed Bin Rashid Al Maktoum Business Excellence Award and the Business Innovation Award. RoSPA and British Safety Council safety awards.

About this report

GPIC has been a signatory of the United Nations Global Compact (UNGC) since 2012 and is also committed to UNGC Food and Agriculture Business Principles (FAB 6) and the UNGC Women's Empowerment Principles (WEPs) since 2014.

GPIC is committed to supporting the ten principles of the UN Global Compact relating to human rights, labour standards, the environment and the fight against corruption as well as reporting and communicating annually to its stakeholders on progress made to implement these principles.

GPIC is reporting according to the UN Global Compact "Advanced Level" and describes how it meets the 21 criteria of this Level in the following areas:

- Implementation of the 10 Principles into Strategies & Operations
- Robust Human Rights Management Policies & Procedures
- Robust Labour Management Policies & Procedures
- Robust Environmental Management Policies & Procedures
- Robust Anti-Corruption Management Policies & Procedures
- Taking Action in Support of Broader UN Goals and Issues
- Corporate Sustainability Governance and Leadership

It reflects our self-assessment on how we have met the UN Global Compact Advanced Level criteria. We consider that a criterion is met when we communicated its implementation or planned implementation of one or more of the commonly accepted best practices suggested under each criterion.

As a signatory of the Women's Empowerment Principles (WEPs), GPIC furthermore reports according to the WEPs Reporting on Progress Guidance. As a way forward we have also shown our alignment and contribution to the UN's SDGs. We have used GRI sustainability framework to report on information related to the ten principles Information in GPIC's 2017 COP is namely compiled from our [2016 Annual Report](#), [GRI SR 2016](#), [SDG Industry matrix and other data and information from various business functions](#).

GPIC's COP is available on GPIC's Corporate website (www.gpic.com).



About the Theme

The theme for this year's report is '**Accelerating youth empowerment for sustainable development**'.

Our leadership believes that youth will be central in taking forward the universal, integrated and transformative sustainable development agenda forward and they are mindful of the fact that the overall success of the SDGs depends on youth engagement because young people are, Critical thinkers, change makers, Innovators, Communicators, Leaders.

To show commitment to youth empowerment and engagement, GPIC has formed a new Youth Committee in 2016, with a mandate to identify the needs and requirements of young GPIC employees and keep the management apprised of areas for development and make constructive decisions for the benefit of GPIC's young employees. GPIC's president has emphasized that " Our ability to shape the minds of young future leaders and give them the insight and opportunity to sustainably change the world in which we live, is a calling of the highest order" He further states that" Education has always been key to changing an uncertain future into a prosperous one. This truth also applies to the way we educate and pass on the knowledge when it comes to ensuring a sustainable environment for our future. Through inspiring our young future leaders, GPIC employees have awoken their ability to change what can be changed and inspired them to a future of amazing possibility."

The previous UN Secretary General H.E Ban Ki-moon has famously said:

"Our planet now hosts more than 7 billion people, and that number is expected to rise to some 9 billion by 2050. The decisions young people make today and in the near future will be central in determining the long-term viability of sustainable development."

H.E Ban Ki-moon further stated during his [Youth Day message](#) "No one knows better than the youth the issues at stake or the best way to respond. That is why I am calling on young people to speak out – and I am urging leaders to listen."

GPIC's – Sustainability Journey

38 Years of Excellence in Corporate Sustainability





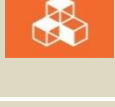



- 1979 - GPIC established as a joint venture between NOGA Holding - Kingdom of Bahrain, SABIC - Kingdom of Saudi Arabia, PIC - State of Kuwait.
- 1985 - Ammonia and Methanol plants commissioned with a capacity of 1000 MT/D each.
- 1989 - Ammonia and Methanol plants debottlenecked to a capacity of 1200 MT/D each.
- 1995 - GPIC certified for Quality Management System ISO 9000.
- 1996 - GPIC established its first Fish Farm close to the seawater outfall.
- 1998 - GPIC commissioned its 1700MT/D Granular Urea plant which also reduces about 0.5 million tonnes of CO₂ emissions per annum.
- 1999 - GPIC certified for Environmental Management System ISO 14001.
- 2001 - GPIC commissions its Bird Sanctuary at the entrance of its complex.
- 2004 - GPIC certified for Occupational Health and Safety Assessment Specification (OHSAS) BS 18001 standard.
- 2004 - In partnership with Ministry of Education GPIC launches its Environmental Research programme for school students.
- 2006 - GPIC certified for Information Security Management System (ISMS) ISO 27001.
- 2006 - GPIC wins the Sir George Earle Trophy from RoSPA, UK for SHE excellence.
- 2006 - GPIC launched its "International Dilmun Environmental" Award in partnership with RoSPA-UK.
- 2008 - GPIC wins the R.W Campbell Award from NSC, USA for SHE excellence.
- 2008 - GPIC wins HRH Princess Sabeeka Award for Empowerment of Bahraini Women.
- 2009 - GPIC commissions its first 450 MT/D Carbon Dioxide Recovery plant that reduces 0.12 million CO₂ emissions annually.
- 2010 - GPIC becomes Responsible Care® RC-14001 certified.
- 2011 - GPIC installs its first solar heating unit.
- 2012 - GPIC issues its first GRI 3.1 Sustainability Report and attains an Application Level 'B'.
- 2012 - GPIC becomes a permanent member of UN Global Compact.
- 2013 - GPIC becomes ISO 31000 Risk Management and ISO 22301 Business Continuity certified.
- 2013 - GPIC commissions its new HP Steam boiler and Sodium Hypochlorite units.
- 2014 - GPIC launches renewable energy programme to install solar panel in buildings.
- 2014 - GPIC receives IFA Protect and Sustain Product Stewardship programme "Excellence Award".
- 2014 - GPIC issues its second GRI 3.1 Sustainability Report with an Application Level of 'A'.
- 2014 - GPIC certified to ISO 17025 - General Requirements for the Competence of Testing and Calibration Laboratories.
- 2014 - GPIC partners with Global Reporting Initiative to become GRI organizational stakeholder.
- 2014 - GPIC's President declares support for UNGC Food and Agriculture Business Principles (FAB 6).
- 2014 - GPIC's President declares support for UNGC Women's Empowerment Principles (WEPs).
- 2014 - GPIC wins HRH Princess Sabeeka Award for Empowerment of Bahraini Women.
- 2015 - GPIC President becomes IFA Chairman.
- 2015 - GPIC President becomes AFA Chairman.
- 2015 - GPIC achieves ISO 50001 Energy Management System Certification.





- 2015 - GPIC wins the prestigious Shaikh Mohammed bin Rashid Al Maktoum Business Excellence Award for Most Outstanding Performance in the manufacturing category.
- 2015 - GPIC wins the Human Resource Excellence®, “Gold Standard of Excellence” Certification.
- 2015 - GPIC President receives the RoSPA Archangel Award in 2015 for his outstanding contribution to Health, Safety and Environment.
- 2015 - GPIC wins the Best Responsible Care Company Award in GCC from the Gulf Petrochemicals and Chemicals Association (GPCA).
- 2015 - GPIC wins the Arabia CSR Award -in Large Category.
- 2015 - GPIC wins the Arabia CSR Award in Partnership & Collaboration Category.
- 2015 - GPIC President re-elected as AFA Chairman for another term.
- 2015 - GPIC Chairman and GPIC President were awarded Bahrain Competency Medal of the First Class by HRM The King.
- 2016 - GPIC wins the Arabia CSR Award in Large Category.
- 2016 - GPIC wins the Arabia CSR Award in Partnership & Collaboration Category.
- 2016 - GPIC issues its first National Greenhouse Gas Inventories report based on IPCC Guidelines for the year 2014 - 2015.
- 2016 - GPIC issued its third GRI Sustainability and UNGC COP report in June 2016.
- 2016 - GPIC GMM attended the Marrakesh Climate Conference COP22.
- 2016 - GPIC wins the Women in Leadership Award presented to the Human Resources Superintendent - from the Bilateral US-Arab Chamber of Commerce.
- 2016 - GPIC wins Mohammed Bin Rashid Al Maktoum Business Excellence Award - 9th Cycle.
- 2016 - GPIC wins Mohammed Bin Rashid Al Maktoum Business Innovation Award - 1st Cycle.
- 2016 - GPIC aligns its long-term goals, corporate yearly goals and departmental goals with the UN'S 17 SDGs.
- 2016 - GPIC combined annual production of 1,617,422 metric tonnes the highest since inception.
- 2017 - GPIC issues its second National Greenhouse Gas Inventories report based on IPCC Guidelines for the year 2016.
- 2017 - GPIC President honoured with the Italian Presidential Decree of Knight – Order of the Star of Italy, from the President of the Italian Republic.
- 2017 - GPIC issues its yearly UNGC COP report in May 2017.

GPIC's Long-Term Sustainability Goals - A vision for the long-term

Over the past, we have set and implemented goals that were critical to improve our environmental, health, safety, economic and social performance and governance. However, in 2014 we aimed to look beyond the horizons and incorporate significant long-term goals that will help us meet our ambitions around sustainability and provide our organization and our stakeholders with the recognition for their efforts.

Our long-term goals aim to make a greater impact via scaling up our contribution and efforts towards the UNGC principles, and in helping us align our organization's impact as a positive contributor towards the strategic 'Bahrain's Economic Vision 2030'. We have also shown alignment to the UN's Sustainable Development Goals.

Area		Sustainability Goals	Target	Programmes	SDG
PEOPLE	Safety, Health, Security	Protection of Human Health, Safety	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	Security readiness	Ensure Robust security and 100% readiness at all times 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	Strategic Philanthropy: Sustained financial contributions to NGOs, Educational institutions, charity organizations etc.	Financial contributions and capacity building an important segment of our CSR activities.	
			Outreach: Achieve yearly target of schools environmental awareness lectures	GPIC Employees to Impart environmental and responsible care awareness lectures to schools.	
		Innovation: Sustained support to GPIC/Ministry of Education Environmental Research Programme for schools	GPIC in collaboration with the Ministry of Education, Kingdom of Bahrain supports and manages the yearly Environmental Research Programme for the public and private schools in Bahrain.		
		Commitment to UN Global Compact(UNGC) Principles & Food and Agriculture Business Principles (FAB)	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	Achieve yearly target of qualifying local talent to take responsible positions within the Company	Invest in employees by providing continuous development and training opportunities.	

Area	Sustainability Goals	Target	Programmes	SDG	
PLANET	Environmental Sustainability	Expand the use of renewable energy at GPIC	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	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	
		Reduce Green House Gas (GHG) emission levels	Reduce GHG emissions below 2014 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	Energy consumption <= 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	100% compliance to Bahrain Environmental Legislation	100 % Compliance to Environmental legislation.	   
		Reduce water consumption	Increase recycle / Reuse of waste water streams	Explore & implement projects with water conservation potential	

	Area	Sustainability Goals	Target	Programmes	SDG
PROFIT	Economic Sustainability	Maintaining the financial Health of the Company	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	Actual on-stream factor >= budget on stream factor	Enhance reliability and efficiency of plants and ensure Optimum Plants availability.	 

Sustainability Leadership and Governance:

Sustainability Focus Areas:

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

Our Responsible Care and Social Responsibility ethic is seamlessly integrated throughout the cultural fabric of our Company, and is an important contributor to our leadership position. In developing our sustainability strategy, we ensure a close-knit integration between the stakeholders’ interest, the environmental aspects and the core business.

Our Sustainability focus areas for 2016 and beyond;

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

Secondly, we believe that the real key to profitability is being reliable and transparent in the way we do business. 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.

Thirdly, we believe that in order to add value to the shareholders and to remain competitive and sustainable in this ever-evolving and challenging global market, we have to grow. In line with this outlook, we had developed a strategic plan ranging until the year 2020. The subject plan has been revised and updated as the GPIC Corporate Strategy Plan 2030. A high level council, GPIC 2030 Strategy Implementation Council (SIC) has been formed whose main objective is to ensure the implementation of the GPIC Corporate Strategy Plan 2030. GPIC has also embarked on a new Urea Formaldehyde(UF 85) plant at its facilities with the contract awarded to JGC, Gulf International Company limited in February 2017. In addition to this GPIC has also started export of methanol to downstream consumers in Bahrain in 2016.

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

Another set of stakeholders we have identified are the communities that host our business and our people. We are aware of the fact that our business and/or negligence may be equally damaging to these communities, and we treat this as a part of our core responsibility to cater to their needs and be aware of their interests. At the same time, the safety of all our employees, contractors and host communities is also paramount.

At GPIC, corporate social responsibility is all about how we manage our core business processes to produce an overall positive impact on society. Our social investment strategy is crafted with a commitment to the idea that our stakeholders is comprised of a much wider group than only our people, shareholders or financial investors. We have an unwavering commitment to invest in helping address the social needs firstly of our neighbouring communities, but also of Bahrain as a whole.

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

As the world's climate begins to change, no company can afford to ignore the impact it has on the environment any longer. We have committed ourselves to some of the most stringent standards when it comes to environmental management because we believe that the way any organisation manages environmental issues is a crucial measure of their standards of corporate social responsibility, competitiveness and vision. As part of our continual improvement, and in addition to taking responsibility of our own environmental footprint, we have been accredited to ISO 14001:2004 Environmental Management Systems, Responsible Care Management System RC 14001:2013 and the Energy Management System ISO 50001:2011.

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 key social responsibility factors within our organization and the country, as they have a significant enabling element towards our existence as an organization. We believe being successful is about sharing opportunities, and having the responsibility to make the world a better place by creating 'win-win-win' situations for us, our stakeholders and the planet.

Risk Management

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.

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's Internal Audit Function plays a major role in ensuring ethical business functions.

All the ERM risks are regularly reviewed and updated as deemed necessary. (For details refer to GRI SR 2016)

Risk of Economic uncertainty impacted every industry and sector during 2015/2016. 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 2015/2016, 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 2016, in spite of challenging climatic conditions and the highest ever sea water temperature of 39.15 degC, at its sea water intake, GPIC was able to maintain all its plants at the highest level of safety, productivity and reliability and achieved the highest ever production of 1,617,422 metric tons.

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.

Supply Chain

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 1791 and out of those, 684 are local suppliers (38%). During 2016- 2017 twenty nine (29) new suppliers were registered which includes 10 local suppliers (34%).

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.

Stakeholders

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

(For details on our engagement process please refer to our GRI SR 2016)

Materiality

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.

Our material aspects are as below;

1. Air Pollution
2. GHG Emissions and Climate Change
3. Water Pollution

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

(For details on Materiality mapping and assessment please refer to our GRI SR 2016)

External Assurance

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 below. For instance, our financial performance is audited by Price Water house 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 production and export quantities and quality are verified by third party surveyors such as M/S SGS. Our year end production and inventories are verified by third party.






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

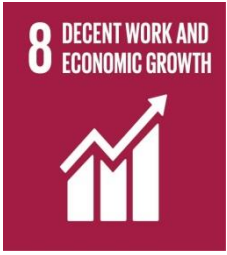


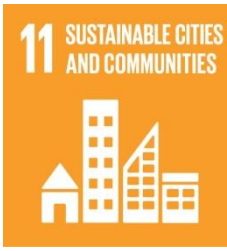
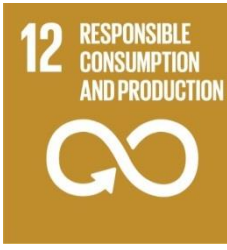
All our external assurance providers are assisted by our internal control processes that report to our Board of Directors through the Audit and Risk Committee. However, we intend getting our next GRI Report, targeted for 2018, to be externally assured comprehensively.






Linking the SDGs and GRI and GPIC's contribution

The following table links the Sustainable Development Goals (SDGs) to the indicators in the GRI G4 Sustainability Reporting Guidelines. These linkages are based on a more detailed analysis available on the SDG Compass website (www.sdgcompass.org). It also shows GPIC contribution to each goal

SDG	GRI Indicators	GPIC's contribution
	<p>G4-EC5 G4-EC8</p>	<p><u>NO POVERTY:</u> Contributing to economic growth, job creation and trade; Producing fertilizer that increases income of farmers worldwide.</p>
	<p>G4-EC1 G4-EC8 G4-EC7</p>	<p><u>ZERO HUNGER:</u> Work with IFA and AFA on trainings on fertilizer use to increase food production; issued use of Urea fertilizer booklet to Bahraini Farmers ;In continuation to Promoting the UN “International Year of Pulses” 2016 campaign and integrating pulses into the GPIC canteen menu, GPIC celebrated the Global Pulses Day on January 18 2017 encouraging employees to make pulses part of their food habits; GPIC & IFA President promotes Pulses Day in schools in Bahrain and sponsors UNESCO schools exhibition in 2016; GPIC has produced more than 11.5 million tonnes of granular urea since 1998 and a total of more than 37 million tons of ammonia, methanol and granular urea since 1985.</p> <p>Our latest initiative for 2017 is as below; GPIC has partnered with UN Environment for the first of its kind United Nations Health Awareness Campaign. UN Environment would seek to establish a nutritional concept amongst students, educate them on how to benefit from and to stop the wastage of healthy food. Through this campaign, entitled "Let's put an end to the waste of healthy food and promote the health of our children in public schools”, UN Environment would like to establish a partnership with MOE Bahrain and cooperate with various government agencies and private institutions in order to achieve the goal. GPIC's generous initiative will provide financial support through media coverage and contribute in helping the largest number of students wishing to improve their nutrition.” UN Environment Regional Director West Asia</p>

	<p><u>G4-EC8</u> <u>G4-EN15, G4-EN16,</u> <u>G4-EN17, G4-EN20,</u> <u>G4-EN21, G4-LA6,</u> <u>G4-LA7, G4-EN24,</u> <u>G4-EN22</u></p>	<p><u>GOOD HEALTH AND WELL BEING:</u> Health and Safety for employees, their families and contractors; Full health insurance and health campaigns; Health training and lectures.</p>
	<p><u>G4-LA9</u></p>	<p><u>QUALITY EDUCATION:</u> Training opportunities for employees and industrial trainees; Supporting InJaz and Ministry of Education programs; Providing scholarships and honoring high achieving students; Giving international lectures and presentations to other industries and institutions.</p>
	<p><u>G4-EC5, G4-LA1, G4-LA9, G4-LA11, G4-LA12, G4-LA13, G4-EC1, G4-EC7, G4-HR3, G4-LA3, G4-LA14, G4-LA15</u></p>	<p><u>GENDER EQUALITY:</u> Women are represented in training, events, committees, audits, etc... Equal opportunities council includes equal remuneration and promotion of women in the workplace; GPIC committed to UN Global Compact Women’s Empowerment Principles in 2014. Latest initiatives for 2017 include showing support to Government’s initiative of declaring 2017 as the year for Bahraini Women working in the Engineering field. To contribute to this initiative GPIC has included a number of women engineers in all the phases of its new project” the installation of a UF 85 plant” GPIC has elevated the Equal opportunities committee to the Equal opportunities council.</p>
	<p><u>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</u></p>	<p><u>CLEAN WATER AND SANITATION:</u> GPIC’s Long Term Sustainability Goals include water conservation; Energy efficiency (water+energy nexus); Campaigns to reduce water use.</p>
	<p><u>G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN31, G4-EC1, G4-EC7,</u></p>	<p><u>AFFORDABLE CLEAN ENERGY:</u> 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.</p>

 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p><u>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</u></p>	<p>DECENT WORK AND ECONOMIC GROWTH: Providing jobs, contribution to Bahrain’s economy and supporting local contractors; Sponsoring events in the community to boost economic growth.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><u>G4-EN31, G4-EC1, G4-EC7,</u></p>	<p>INDUSTRY, INNOVATION & INFRASTRUCTURE: Innovation Committee campaigns and activities; Support innovation in the community (e.g. university research, InJaz innovation camp). Latest initiative is the departmental innovative projects. In acknowledgement of its great strides towards innovation, GPIC has won the first Mohammed Rashid bin Maktoum Business Innovation Award in 2016</p>
 <p>10 REDUCED INEQUALITIES</p>	<p><u>G4-EC8, G4-LA13</u></p>	<p>REDUCE INEQUALITIES: 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.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><u>G4-EC7, G4-EN30</u></p>	<p>SUSTAINABLE CITIES AND COMMUNITIES: GPIC’s Long Term Sustainability Goals are in line with Bahrain’s Vision 2030; Contributing to Bahrain’s community and events (exhibitions, farmers’ market, etc.).</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><u>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</u></p>	<p>RESPONSIBLE CONSUMPTION & PRODUCTION: 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.</p>

	<p><u>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,</u></p>	<p>CLIMATE ACTION: Bahrain committed to reducing its CO2 emissions at the UN COP 21 conference in Paris (2015).; GPIC shared its CO2 emission reduction initiatives at the National level and the same were included in Bahrain’s INDC submitted to UNFCCC prior to COP21 agreement. Post COP 21, GPIC is working with NOGA on measuring and managing its CO2 emissions; GPIC has issued two reports on GHG inventory based on IPCC guidelines in 2016 and 2017. Carbon Dioxide Recovery (CDR) and Urea plants are main contributors to CO2 emission reduction at GPIC.</p>
	<p><u>G4-EN31, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN26, G4-EN22, G4-EN24,</u></p>	<p>LIFE BELOW WATER: Seawater outfall monitoring to protect sea life; Maintaining the Fish Farm ; Following strict marine standards for shipping products internationally;</p>
	<p><u>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-EN13, G4-EN14, G4-EN26,</u></p>	<p>LIFE ON LAND: 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.).</p>
	<p><u>G4-HR5, G4-SO3, G4-SO4, G4-SO5, G4-SO6, G4-EN29, G4-SO7, G4-SO8, G4-PR2, G4-PR4, G4-PR7, G4-PR8, G4-PR9, G4-39, G4-41, G4-HR3, G4-HR7, G4-LA14, G4-LA15</u></p>	<p>PEACE JUSTICE AND STRONG INSTITUTIONS: Aligned with human rights and labour laws; Our 2016 sustainability report is based on the latest G4 guidelines; Working with National Institute of Human Rights(NIHR) and Judicial Council to train and develop their staff.</p>
	<p><u>G4-EN31, G4-EC8</u></p>	<p>PARTNERSHIPS FOR THE GOALS: Ongoing partnerships (e.g. UN Environment, Ministry of Education, InJaz, universities); founding of GPCA; working with the National Institute of Human Rights NIHR), Judicial High Council, IFA, AFA and encouraging other companies to do the same.</p>

GPIC/ UNGC Advanced COP Self- Assessment
May 2017

Implementing the Ten Principles into Strategies & Operations				
GC Scope or Principle	Criteria for GC Advanced Level	GPIC Approach	Where To Find Out More	Reference to GRI Indicators
<p>Scope: Implementing the Ten Principles into Strategies & Operations</p>	<p>Criterion 1: The COP describes mainstreaming into corporate functions and business units</p>	<p>Our commitment to responsible business is embedded into our business agenda through our vision and mission and core values, articulated in our corporate governance and sustainability strategy. We are integrating sustainability into our strategy and innovation to help drive business growth. We are working with our customers and suppliers, engaging employees and forging new partnerships. Our management structures to help us fulfill our commitment are integrated into our organisational framework.</p> <p>GPIC adopted the United Nations pillars of SD: People, Planet and Profit, through which our success factors are measured, based on our performance with regard to CSR, care for the environment and profitability. UNGC 10 P's are part of our goals and governance and we have started aligning our business priorities with the 17 UN SDGs.</p>	<p>-GPIC Corporate governance policy 2016 www.gpic.com</p> <p>- Code of ethics OD-EHB-00-01 (Issue 1 Rev 0 26 May 2016) www.gpic.com</p> <p>- Sustainability frame work (GPIC SR 2016) -GPIC ISO and other certifications www.gpic.com</p> <p>- GPIC policies on HSE and Responsible Care www.gpic.com</p> <p>- GPIC annual report 2016 www.gpic.com</p> <p>GPIC's revised Vision, Mission and Corporate values www.gpic.com</p>	

	<p>Criterion 2: The COP describes value chain implementation.</p>	<p>Our Plan spans our entire portfolio of products, mainly ammonia, methanol and granular urea to all countries in which we sell our products and it applies across the whole value chain – from the sourcing of raw materials to our production, storage and exports.</p> <p>Our Responsible business ethics embodies our commitment to conduct business with integrity, openness, and respect for universal human rights and core labour principles throughout our operations. It advocates a “beyond compliance approach to our supply chain”.</p> <p>Our pre-qualification criteria for suppliers include certifications such as ISO 14001 and Responsible Care and our IFA P&S product stewardship addresses the above.</p>	<p>-Sustainability report 2016 available at www.gpic.com</p> <p>- Our policies on HSSE and Responsible Care. available at www.gpic.com</p> <p>- GPIC Code of Ethics OD-EHB-00-01 (Issue 1 Rev 0 26 May 2016). Available at www.gpic.com</p> <p>- GPIC Annual Report 2016(provided along with UNGC COP)</p>	
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Human Rights Management Policies & Procedures

GC Scope or Principle	Criteria for GC Advanced Level	GPIC Approach	Where To Find Out More	Reference to GRI Indicators
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<p>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.</p>	<p>We are committed to driving fairness by further building human rights across our operations, and advancing human rights in our supply chain, continuously improving and promoting best practice.</p> <p>Our approach is to uphold and promote human rights in three ways</p>	<p>GPIC Code of Ethics OD-EHB-00-01 (Issue 1 Rev 0 26 May 2016)</p>	<p>G4-HR1,G4-HR2,G4-HR3, G4-HR5, G4-HR6,G4-HR12</p>

<p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses</p>		<p>1. in our operations by upholding our values and standards</p> <p>2. in our relationships with our suppliers, customers and other business partners and,</p> <p>3. by working through external initiatives, such as the UNGC</p> <p>We continue to build our employees’ and workers’ awareness and knowledge of human rights, encouraging them to speak up, without retribution, about any concerns they may have. We are a signatory to the United Nations Global Compact and Our President publicly commits to the UNGC 10 principles and is also a member of Bahrain Human Rights Commission. We are committed to respecting all internationally recognised human rights as relevant to our operations</p> <p>Our legal section keeps updates on regulations and our new code of ethics document is aligned to UNGC's four areas and is published and publicly available on our website.</p>		
	<p>Criterion 4: The COP describes effective management systems to integrate the human rights principles</p>	<p>Human right principles are embedded in our corporate governance policy which is regularly updated. Our employees also undergo regular trainings related to human rights, labour rights and women rights. Our governance and policies sets mandatory requirements on human and labour rights for our suppliers and includes a continuous improvement ladder. Mandatory requirements are entry level for doing business, then advancing to good/best practice over time – from doing no harm to doing good.</p>	<p>GPIC Corporate governance policy www.gpic.com</p>	

		The Board of GPIC is responsible for ensuring adherence to these commitments and our senior management has responsibility for overseeing their implementation and ensuring that any breaches of our Code of Business Principles are investigated.		
	Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration	<p>We have established grievance mechanism internally(both individual and collective) including an SOP on Industrial relations. External stakeholders can raise their concerns, grievances through various channels provided for feed back.</p> <p>We recognise that we must take steps to identify and address any actual or potential adverse impacts with which we may be involved whether directly or indirectly through our own activities or our business relationships. We manage these risks by integrating the responses to our due diligence into our policies and internal systems, acting on the findings, tracking our actions, and communicating with our stakeholders about how we address impacts.</p>		

Labour Management Policies & Procedures

GC Scope or Principle	Criteria for GC Advanced Level	GPIC Approach	Where To Find Out More	Reference to GRI Indicators
Principle 3: Businesses should uphold the freedom of association and the effective	Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour	We have committed to creating a framework for fair compensation, and help employees take action to improve their health (physical and mental), nutrition and well-being. We will reduce workplace injuries	Sustainability report 2016 available at www.gpic.com	G4-LA9,G4-LA11,G4-HR4,G4-SO1,G4-SO2,G4-HR5,G4-HR3

<p>recognition of the right to collective bargaining.</p> <p>Principle 4: The elimination of all forms of forced and compulsory labour.</p> <p>Principle 5: The effective abolition of child labour.</p> <p>Principle 6: The elimination of discrimination in respect of employment and occupation</p>	<p>and accidents in our facilities. GPIC also takes care of employees' families and community well-being through guidance, structured programs and medical insurance.</p> <p>In addition to labour policies that strongly respect employee rights we incorporate global best practices in HR development including wellbeing campaigns, benefits to labour, capacity building of employees/contractors that has won us number of HR Awards.</p>			
	<p>Criterion 7: The COP describes effective management systems to integrate the labour principles</p>	<p>We live by the principles of diversity and inclusion and work to embed these firmly into our day-to-day business decisions via our talent management and people processes</p> <p>All company goals are under the ownership of specific employees; the company's labour union is actively engaged in meetings/ activities; the grievance mechanism procedure is accessible to all.</p>		
	<p>Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration</p>	<p>Employees can report concerns to their Line Manager /HR section or the Legal and Compliance Supervisor.</p> <p>Prior to approving suppliers, references and if necessary site visits are conducted to ensure their adherence to good labour practices and standards; labour standards are included in business contracts.</p>	<p>GPIC Code of Ethics OD-EHB-00-01 (Issue 1 Rev 0 26 May 2016)</p>	

Environmental Management Policies & Procedures

GC Scope or Principle	Criteria for GC Advanced Level	GPIC Approach	Where To Find Out More	Reference to GRI Indicators
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p> <p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship</p>	<p>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.</p> <p>Environmental stewardship as well as the specific principles such as the precautionary principle are strongly emphasized in our environmental and responsible care policies, environmental and sustainability strategy, long term and the annual goals and contracts with businesses.</p> <p>Sustainability and in particular environmental sustainability is strongly embedded in our Mission statement which is “ to grow and add value to our customers and shareholders by meeting their expectations whilst; producing high quality products; focusing on customers; optimising business in a cost effective, safe, environmentally friendly and socially responsible way; embracing knowledge creativity and best practice.</p>	<p>Environment section of GPIC SR 2016</p> <p>-Environmental section of UNGC COP 2017</p>	<p>G4-EN6,G4-EN5,G4-EN11,G4-EN15,G4-EN16,G4EN18, GR-EN23, G4-EN24,GR-EN29</p>

	<p>Criterion 10: The COP describes effective management systems to integrate the environmental principles</p>	<p>Our environmental management system (EMS) underpins our environment strategy. GPIC employees must comply with all the policies, procedures and rules and regulations for occupational safety and health and environmental care (SHE). Based on ISO 14001, our environmental management systems are designed to achieve continuous improvement.</p>	<p>Environment section of GPIC SR 2016 -Environmental section of UNGC COP 2017</p>	
	<p>Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</p>	<p>We have developed a set of metrics to assess our environmental impacts across the value chain covering: greenhouse gas (GHG) emissions, water, waste and energy efficiency. We also deliver tools, techniques and awareness, and share best practice directly with the people responsible for reducing the environmental impact of our manufacturing operations. Environmental auditing programmes have been implemented within each section to help sites achieve continuous improvement in environmental performance and the findings are inputs to our management review process to continually improve our performance.</p>	<p>Environment section of GPIC SR 2016 -Environmental section of UNGC COP 2017</p>	

Anti-Corruption Management Policies & Procedures

GC Scope or Principle	Criteria for GC Advanced Level	GPIC Approach	Where To Find Out More	Reference to GRI Indicators
<p>Principle 10: Businesses should work against corruption in all</p>	<p>Criterion 12: The COP describes robust commitments, strategies or policies</p>	<p>GPIC has a zero tolerance approach to bribery in any form: it is committed to being a no-bribe business & eradicating any</p>	<p>Anti-corruption section of GRIC SR 2016 and</p>	<p>G4-S03,G4-S04,G4-S05</p>

its forms, including extortion and bribery.	in the area of anti-corruption	practices or behaviors in this regard. This zero tolerance policy extends to GPIC's employees, contractors, third parties, through which or with whom we do business, irrespective of financial values involved. We operate with a broad definition of corruption which includes fraud and financial misrepresentation, conflicts of interest, bribery, anti-trust activity, misuse of information and misrepresentation of the company or its assets. Our Corporate Governance policy and our code of conduct includes anti-corruption; our segregation of duties framework eliminates conflicts of interest.	also UNGC COP 2017	
	Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle	Our systems are regularly audited internally and externally; we train our employees in areas such as procurement fraud, anti-money laundering, procurement auditing, etc. Our Audit, Finance, Risk committee and the Internal Audit function plays a major role in ensuring ethical business practices.	GPIC Internal Audit function charter(available on request)	
	Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	Our Segregation of duties framework is externally audited; our corporate governance policy and our new code of ethics, aligned to UNGC ten principles is publicly available on GPIC 's website. Our Audit, Finance, Risk committee and the Internal Audit function plays a major role in ensuring ethical business practices.		
Taking Action in Support of Broader UN Goals and Issues				
GC Scope or Principle	Criteria for GC Advanced Level	GPIC Approach	Where To Find Out More	Reference to GRI Indicators

Scope: Taking Action in Support of Broader UN Goals and Issues	Criterion 15: The COP describes core business contributions to UN goals and issues	<p>We are a signatory to the Global Compact and are committed to upholding its Principles across our business. In 2014 we endorsed the Women’s Empowerment Principles, collaboration between the UN Global Compact and UN Women and are also committed to the FAB 6 principles. Our GRI Sustainability report 2016 which is also our previous COP highlights how our long term sustainability goals are aligned to the SDGs and what is GPIC's current contribution to the 17 Global Goals. We endorse the SDGs on our website and on the tail of email. In 2017 we have also aligned our annual corporate and departmental goals to the SDGs.</p>	<p>GPIC and its alignment and contribution to the SDGs(UNGC COP 2017 UNGC SDG Industry matrix- GPIC examples</p>	
	<p>Criterion 16: The COP describes strategic social investments and philanthropy</p> <p>Criterion 17: The COP describes advocacy and public policy engagement</p> <p>Criterion 18: The COP describes partnerships and collective action</p>	<p>Our long term sustainability goals include strategic philanthropy such as the Bahrain Farmers market, International garden show, Injaz Bahrain and we are open to new CSR opportunities as they arise. GPIC President who is also IFA President is involved with UN Committee on World food security, UN SD Summit and UNEP GEO 6 HLG, we are also engaged in Bahrain's COP 21 related activities including carbon management. We encourage others to follow suit. Globally we are involved in fertilizer industry associations' leadership and working groups and locally our latest partnership with UNEP is for Green Wave for Biodiversity tree planting campaign</p>		
Corporate Sustainability Governance and Leadership				
GC Scope or Principle	Criteria for GC Advanced Level	GPIC Approach	Where To Find Out More	Reference to GRI Indicators

Scope: Corporate Sustainability Governance and Leadership	Criterion 19: The COP describes CEO commitment and leadership	GPIC President endorses and is committed to the UNGC Principles and UN SDGs and promotes sustainability at international platforms and in correspondences with stakeholders such as endorsing the international year of pulses campaign.	Letter of commitment from GPIC's president
	Criterion 20: The COP describes Board adoption and oversight	The Board is aware of our Long Term Sustainability goals and the Annual sustainability goals and these are one of the inputs while approving the capital expenditure projects. Our Sustainability report is also approved by Chairman, MD and the President.	GPIC long term and annual corporate goals
	Criterion 21: The COP describes stakeholder engagement	In 2015/2016 we embarked on our most extensive stakeholder engagement to date(based on the GRI G4 Guidelines) and invited them to highlight material issues from a list that included all UNGC areas of importance.	GPIC GRI SR 2016 www.gpic.com

The Ten Principles

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

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

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.

Labour

- **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 labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Environment

- **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.

Anti-Corruption

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

Connecting Crucially - The UN Global Compact Ten Principles and the Sustainable Development Goals

The UN Global Compact Ten Principles and the Sustainable Development Goals

This graphic illustrates some of the primary linkages between the UN Global Compact Ten Principles and the contribution that these can make towards the achievement of the SDGs. By respecting and supporting universal principles, UN Global Compact business participants can play an important role in helping to realize the SDGs.



Source: UNGC

UNITED NATIONS GLOBAL COMPACT PRINCIPLES

Human Rights

Primary linkages between UNGC Principle 1 and Principal 2 on Human Rights and the SDGs and the contribution that these can make towards achievement of the SDGs. We believe that by respecting and supporting universal principles, UN Global Compact business participants like GPIC can play an important role in helping to realize the SDGs.

		GPIC's Contribution	
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	SDG1: End poverty in all its forms everywhere	Contributing to economic growth, job creation and trade; Producing fertilizer that increases income of farmers worldwide
Principle 2	Businesses should make sure that they are not complicit in human rights abuses	SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Work with IFA and AFA on trainings on fertilizer use to increase food production; issued use of Urea fertilizer booklet to Bahraini Farmers; Promoting the UN “International Year of Pulses” 2016 campaign and integrating pulses into the GPIC canteen menu; GPIC has produced more than 11.5 million tonnes of granular urea since 1998 and a total of more than 37 million tons of ammonia, methanol and granular urea since 1985. GPIC has partnered with UN Environment for the first of its kind United Nations Health Awareness Campaign. UN Environment would seek to establish a nutritional concept amongst students, educate them on how to benefit from and to stop the wastage of healthy food.(Details on page 12)
		SDG3: Ensure healthy lives and promote well-being for all at all ages	Health and Safety for employees, their families and contractors; Full health insurance and health campaigns; Health training and lectures.

		<p>SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Training opportunities for employees and industrial trainees; Supporting InJaz and Ministry of Education programs; Providing scholarships and honoring high achieving students; Giving international lectures and presentations to other industries and institutions.</p>
		<p>SDG5: Achieve gender equality and empower all women and girls</p>	<p>Women are represented in training, events, committees, audits, etc... Equal opportunities council includes equal remuneration and promotion of women in the workplace; GPIC committed to UN Global Compact Women Empowerment Principles in 2014. Latest initiatives for 2017 include showing support to Government’s initiative of declaring 2017 as the year for Bahraini Women working in the Engineering field. To contribute to this initiative GPIC has included a number of women engineers in all the phases of its new project” the installation of a UF 85 plant” GPIC has elevated the Equal opportunities committee to the Equal opportunities council.</p>
		<p>SDG6: Ensure availability and sustainable management of water and sanitation for all”</p>	<p>GPIC’s Long Term Sustainability Goals include water conservation; Energy efficiency (water+energy nexus); Campaigns to reduce water use.</p>
		<p>SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>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.</p>

		<p>SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Providing jobs, contribution to Bahrain’s economy and supporting local contractors; Sponsoring events in the community to boost economic growth.</p>
		<p>SDG10: Reduce inequality within and among countries</p>	<p>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.</p>
		<p>SDG11: Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>GPIC’s Long Term Sustainability Goals are in line with Bahrain’s Vision 2030; Contributing to Bahrain’s community and events (exhibitions, farmers’ market, etc.).</p>
		<p>SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>Aligned with human rights and labour laws; Our 2016 sustainability report is based on the latest G4 guidelines; Working with National Institute of Human Rights(NIHR) and Judicial Council to train and develop their staff.</p>
		<p>SDG17: Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>Ongoing partnerships (e.g. UN Environment , Ministry of Education, InJaz, universities); founding of GPCA; working with the National Institute of Human Rights NIHR), Judicial High Council, IFA, AFA and encouraging other companies to do the same.</p>

Engrained in our organizational fabric, and formalized by our signing of the United Nations Global Compact, is our un- wavering attention to human rights in all our business activities.

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: Our Commitment

- GPIC joined the UN Global Compact in July 2012, the world's leading corporate citizenship initiative and is committed to implementing its 10 principles and the broader UN development goals.

Human Rights: Women Empowerment

(For details refer to WEPs section in this report)

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 Council 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 (WEPs), signed in 2014 by Dr. Abdulrahman Jawahery GPIC's President.

- GPIC has been recognized as a role model in empowering women in Bahrain's industrial private sector, and we have a strategic priority to employ more women in various positions as allowed by the laws of Bahrain.
- The Gender ratio at GPIC and the number of women trainees having increased over the years is a testimony of the leadership's commitment towards women empowerment.
- GPIC women employees are part of many cross functional working committees and we have several dedicated working committees such as the Ladies working Committee and the Social Activities Committee.
- A special parking space has been provided for pregnant ladies and also for the special needs at GPIC as one of the new initiatives.
- During turnaround 2015, the women employees played a major role in contributing towards the success of implementing a number of key projects. They were actively involved in our core pre-turnaround activities, meeting and discussions with vendors, supervision, attending technical and troubleshooting meetings.

- GPIC has recently embarked on the construction of a new UF 85 plant and a number of Bahraini Women Engineers are engaged in all the phases of the Project.

The below excerpt from GPIC President's E-mail to JGC CEO and President is a testimony of engagement of GPIC women employees in the new project.

"I would like to thank you for mentioning our female Engineers, whom you will try to involve as much as possible in the project. The welfare of our team at GPIC, in terms of hands-on experience, exposure and equal opportunity to our female employees, is one of our top priorities for a sustainable future of the company and our beloved Kingdom of Bahrain. It is most reassuring that you recognise this and we all look forward to working with your team at JGC." Dr. Jawahery

- At the GPIC's recreational club, the summer camp for employees' children allow married women employees to continue with their professional careers, while their children are cared for by a group of professional care givers.
- At GPIC there are 42 working committees and we have a mandate that ensures women participation within every committee.
- We have provided maternity medical insurance to our women employees since 2012.
- In 2016 GPIC Youth committee was formed, whose chairperson is a female employee.
- 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.
- GPIC is committed to the Bahrain's Government drive of declaring" 2017 as the year of Bahraini Women working in the Engineering field.

GPIC President's statement of support for the UNGC Women's Empowerment Principles December 2014

CEO Statement of Support and Form for Signing

We, business leaders from across the globe, express support for advancing equality between women and men to:

- Bring the broadest pool of talent to our endeavours;
- Further our companies' competitiveness;
- Meet our corporate responsibility and sustainability commitments;
- Model behaviour within our companies that reflects the society we would like for our employees, fellow citizens and families;
- Encourage economic and social conditions that provide opportunities for women and men, girls and boys; and
- Foster sustainable development in the countries in which we operate.

Therefore, we welcome the provisions of the Women's Empowerment Principles – Equality Means Business, produced and disseminated by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact. The Principles present seven steps that business and other sectors can take to advance and empower women.

Equal treatment of women and men is not just the right thing to do – it is also good for business. The full participation of women in our enterprises and in the larger community makes sound business sense now and in the future. A broad concept of sustainability and corporate responsibility that embraces women's empowerment as a key goal will benefit us all. The seven steps of the Women's Empowerment Principles will help us realize these opportunities.

We encourage business leaders to join us and use the Principles as guidance for actions that we can all take in the workplace, marketplace and community to empower women and benefit our companies and societies. We will strive to use sex-disaggregated data in our sustainability reporting to communicate our progress to our own stakeholders.

Please join us.

CEO Name: Dr. Abdulrahman Jawahery

Date: 23 December 2014

CEO Signature:

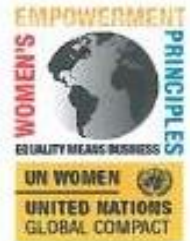
(If you wish to use an electronic signature, please fill out the online form: www.wepinciples.org/Site/Home/ForSigner)



F



United Nations Global Compact



Human Rights: Child rights

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.

- GPIC takes strides on human rights of children by our deliberate and methodical support towards children in education, innovation, environmental awareness, health, safety, and road safety, responsible care and social responsibilities.
- GPIC employees continue to impart environmental awareness lectures to students in both public and private schools. The total number of students benefitting from this programme has risen to around 37,000 since its launch in 2001.
- For the eleventh consecutive academic year, GPIC sponsored the Ministry of Education/GPIC Environmental Research Programme for the GPIC Environment Award for secondary school students. This award has helped build momentum and has become the best Environment Award available to secondary school students.
- Students are provided with industrial training at GPIC. Around 154 students were provided with industrial training at GPIC in 2016
- As part of its policy and in compliance to local and international laws GPIC does not employ any children at its facilities.
- GPIC in cooperation with Bahrain's Ministry of Education provides on the job training to students between the ages of 15 and 17 to enable them gain industrial experience.
- GPIC supports InJaz (Junior Achievement) Bahrain programs for students and provides volunteers to support the programme.
- GPIC provides scholarships to employees' children and has sponsored a total of 101 students till end 2016.
- GPIC employee's children are provided with stationery vouchers on yearly basis before the start of a new academic year
- High performing students (children of GPIC Employees) are awarded on yearly basis in collaboration with the GPIC's Labour union.

Human rights: 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.

- GPIC provides a safe, healthy, secure, transparent and fair work environment for its employees. Our safety performance over the years is a testimony to this commitment.

'Safety assumes special importance in the petrochemicals industry due to the nature of processes that employ flammable gases, high pressures, electrical risks and the presence of high-speed machines. For this purpose, GPIC employs a stringent risk management policy that has resulted in achieving more than 25 million hours without any lost-time accidents. GPIC's record of achievements in safety is outstanding by all standards'

Dr Abdulrahman Jawahery

GPIC President

- The labour union and all the members are included as a part of all the key cross functional committees. The communication link between the labour union and the management is through the official management/ union council and management/ union committee.
- GPIC provides comprehensive health, education, housing facilities and medical insurance to its employees and their families.
- Mentoring remains one of the cornerstones of our people development initiatives. Every manager and superintendent select a protégé and impart knowledge to enhance their capacity and skills. A total of 42 employees benefited from this guidance and counseling process in 2016. This is in addition to the development and awareness programmes held by the Company for all new employees in the areas of health, safety, environment and quality.
- Apart from the training of new graduates, GPIC conducted a number of training and development courses to meet the requirements of both the Company and its employees. In 2016, this process involved the organization of 140 training courses held in the Academy of Leadership and Learning and GPIC Club, attended by a total of 1,609 employees. This is in addition to 100 training courses and conferences held in Bahrain with 355 employees in attendance and a total of 68 training courses outside Bahrain attended by 174 employees. These courses represented a total of 308 courses attended by 2,138 employees and trainees
- As part of its training and development programme, 11 GPIC employees are enrolled in the Bridging programme. The programme's objectives is to groom individuals within GPIC for supervisory positions by enhancing their education and skills. The programme is launched in partnership with the Bahrain Polytechnic. The employees who have graduated are currently going through 'on-the-job training' as supervisors.
- E-learning was started in 2007 at GPIC. In 2016 alone 328 e learning and safety media hours were completed by the employees.
- GPIC has a grievance handling system in place and all cases of grievances are filed via appropriate processes.
- GPIC security staff training on human rights were carried out in 2016.
- As part of continued improvement in the working conditions and enhancement of facilities, GPIC has provided dedicated telephone facilities in the operator cabins within all the plants.
- GPIC has always strived to support and further develop its employees, as well as encouraging them to gain knowledge wherever possible, which in turn has a positive impact on their performance and skills, as they continue to carry out their daily tasks and roles within the Company. With this in mind GPIC has registered all of its employees as members of the Bahrain National Library, Isa Culture Centre for a three year period 2017 to 2019.

Employee Benefit Scheme

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

Allowance & Benefits	Bahraini	Non- Bahraini
Social Allowance	Yes (Social allowance increased in 2014/15)	Yes (Social allowance increased in 2014/15)
Housing Allowance	Minimum 15% of basic salary to a maximum of 25% of basic salary depending on the grade of the employee	Furnished apartment according to the grade of the employee and number of family members
Indemnity	Yes	Yes
Saving Scheme	Yes	No
Housing loan	Yes	No
Transport Allowance	Yes	Yes
Medical Insurance	Yes	Yes
Educational assistance for employees children under 18	Financial assistance for staff grade 14 and above	Financial assistance for incoming staff recruited grades 10 and above.
Life insurance	Yes	Yes
Canteen food	Yes (Subsidized)	Yes (Subsidized)
Uniform	Yes	Yes
Scholarship programme for staff children	Yes	No
Emergency Loan	Yes	Yes
Shift Allowance	Yes	Yes

GPIC Employees Training Details

No.	Classification	2013	2014	2015	2016
1	TOTAL TRAINING HOURS	36082	29530	23214	24,671
2	TOTAL TRAINING EVENTS	338	251	296	308
3	TOTAL NUMBER OF EMPLOYEES UNDERGONE TRAINING	533 out of 561	541 out of 578	488 out of 568	502 out of 514
4	TOTAL TRAINING HOURS FOR MANAGEMENT STAFF	5375	4240	2827	9511
5	TOTAL NUMBER OF STAFF WHO ATTENDED MANAGEMENT COURSES	243	376	407	1125
6	TOTAL NUMBER OF STAFF WHO ATTENDED NON-MANAGEMENT COURSES	515	512	504	1001
7	TOTAL TRAINING HOURS FOR NON-MANAGEMENT STAFF	30707	25290	20387	15160
8	TOTAL MANAGEMENT STAFF TRAINED	51	52	52	177
9	TOTAL NON-MANAGEMENT STAFF TRAINED	482	489	436	349
10	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE FOR MANAGEMENT STAFF	105.39	81.53	54.36	53.74
11	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE FOR NON-MANAGEMENT STAFF	60.20	48.07	39.58	43.438
12	TOTAL TRAINING HOURS FOR FEMALES	5784	4115	3495	2,865
13	TOTAL TRAINING HOURS FOR MALES	30298	25415	19719	21,806
14	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE FOR FEMALE	120.50 (5784/48 Female in total)	79.13 (4115/52 Female in total)	64.722 (3495/54 Female in total)	57.3 (2,865/50 Female in total)
15	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE FOR MALE	59.06 (30298/513 Male in total)	48.31 (25415/526 Male in total)	38.36 (19719/514 Male in total)	46.995 (21806/464 Male in total)
16	TOTAL PARTICIPANTS IN ALL TRAINING EVENTS	2379	2199	2247	2126

Human rights: 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 provides a safe and healthy work environment for its contractors whereby they are treated as company's employees.
- A common on-site catering facility for management, employees, and contractors alike. In case required, the contractors can also be treated at the 24 hours medical facility within GPIC.
- A dedicated air conditioned dining and rest area for contractors within GPIC.
- GPIC strictly follows the governmental regulation of suspension of work in open sun during peak summer months of July and August (12pm to 4pm). Moreover refreshments are provided to employees and contractors during the peak summer months.
- As part of its commitments to social responsibility, GPIC has introduced a clause in its standard purchase order issued to all local contractors advising them that GPIC has the right to inspect the contractor's labour camps/ housing accommodations to verify that their rights are respected, and the facilities provide acceptable living standards.
- GPIC does not differentiate between its own employees and contractors and looks after their safety, health and well being
- GPIC has started the IMIST (International Minimum Industry Safety Training) which supports the global Oil and Gas Industry to meet safety initiative targets by further enhancing the capacity and safety knowledge of the contractors.
- During the 2015 turnaround, contractors were provided with subsidized priced food all through the turnaround period.
- Contractors have been provided with high quality safety equipment.
- More than 4,000 Reusable Eco friendly bags were provided to contractors.
- Hundreds of contractors were rewarded for their safe work practices during the turnaround.

- During the turnaround period, it was ensured that refreshments was made available on a 24 hours basis for the contractors.
- Contractors are given opportunity to provide feedback, and their personal comments to GPIC.
- All permanent contractors are included in all our social events – internal or external. This includes even the charitable activities, i.e. blood donation camps, clothes donations, etc.
- Contractors are awarded during our SHE week and Labour Day celebrations.
- Where relevant, we even include our contractors into technical meetings if there is an opportunity to share knowledge and best practices.

Contractors safety representatives are called once a month for a formal meeting and lessons learned are shared and knowledge related videos concerning HSE issues and concerns are shared

Human rights: Community

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.

- At GPIC we consider education and development as a basic right for every human being and provides financial support, infrastructure and access to resources.
- Through our partnerships with local Non-Governmental Organizations (NGOs) such as inJAz, we play a significant role in imparting education to Bahrain's youth through various initiatives.
- We actively engage with the community through open and transparent communications; and also via partnerships with various NGOs, local charities, sports clubs, ministries, and parliamentary representatives.
- GPIC provides financial support to a number of charity organisations, NGOs, , society.
- We share all our relevant performance indicators and areas of concern with our community stakeholders.
- We ensure that we are always in compliance with the Bahrain Environmental law and limits.
- We proactively invite delegations/ representations from various community based organization to our premises all year round to ensure we have acceptance and verification from the local communities. During 2016, we had around 32 educational and social visits to the complex.

- At GPIC we ensure that we include local businesses within our core supply chain as much as possible to make sure we are support inclusive development within the national market.
- At GPIC we have a strong commitment towards the nationalization agenda to ensure that we as a business are working towards empowering the indigenous communities in Bahrain.
- We ensure that we share our bi-yearly sustainability report (GRI) and our annual UNGC COP with the community by making it publicly available via our corporate website.
- We have made our integrated Quality, Safety, Security, Health, Environment and Social Responsibility Policy available to the public via our corporate web site.
- Our employees continue to impart environmental awareness lectures to school children in Bahrain as part of their CSR initiatives.
- In 2016, GPIC trained 185 students from various local and overseas universities, institutes and schools in various departments of the Company under the supervision of qualified employees.
- GPIC's Youth Committee, organized the Royal Charity Organization Orphans Day in December 2016, when 20 orphans at GPIC Club, had a day filled with fun team building exercises.
- GPIC's Youth Committee, organized a visit to the NBB home for the elderly in the occasion of Eid Al Fitr, distributing gifts and participating in recreational activities in July 2016.
- In November 2016, GPIC's Social Activities Committee arranged a Clothes Donation Drive at GPIC to support local charities.
- GPIC extended first aid training to employees' families and children
- **Our latest initiative for 2017 is as below**

GPIC has partnered with UN Environment for the first of its kind United Nations Health Awareness Campaign. UN Environment would seek to establish a nutritional concept amongst students, educate them on how to benefit from and to stop the wastage of healthy food. Through this campaign, entitled "Let's put an end to the waste of healthy food and promote the health of our children in public schools", UN Environment would like to establish a partnership with MOE Bahrain and cooperate with various government agencies and private institutions in order to achieve the goal. GPIC's generous initiative will provide financial support through media coverage and contribute in helping the largest number of students wishing to improve their nutrition." [UN Environment Regional Director West Asia.](#)

Labour

Primary linkages between UNGC Principle 3,4,5,6 on Labour and the SDGs and the contribution that these can make towards achievement of the SDGs. We believe that by respecting and supporting universal principles, UN Global Compact business participants like GPIC can play an important role in helping to realize the SDGs.

			GPIC's Contribution
Principle 3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	SDG1: End poverty in all its forms everywhere	Contributing to economic growth, job creation and trade; Producing fertilizer that increases income of farmers worldwide
Principle 4	Businesses should work towards the elimination of all forms of child labor	SDG3: Ensure healthy lives and promote well-being for all at all ages	Health and Safety for employees, their families and contractors; Full health insurance and health campaigns; Health training and lectures.
Principle 5	Businesses should ensure effective abolition of child labor.	SDG5: Achieve gender equality and empower all women and girls	Women are represented in training, events, committees, audits, etc... Equal opportunities council includes equal remuneration and promotion of women in the workplace; GPIC committed to UN Global Compact Women Empowerment Principles in 2014. Latest initiatives for 2017 include showing support to Government's initiative of declaring 2017 as the year for Bahraini Women working in the Engineering field. To contribute to this initiative GPIC has included a number of women engineers in all the phases of its new project" the installation of a UF 85 plant" GPIC has elevated the Equal opportunities committee to the Equal opportunities council.
Principle 6	Businesses should uphold elimination of discrimination in respect of employment and occupation	SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Providing jobs, contribution to Bahrain's economy and supporting local contractors; Sponsoring events in the community to boost economic growth.

		<p>SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>Innovation Committee campaigns and activities; Support innovation in the community (e.g. university research, InJaz innovation camp). In acknowledgement of its great strides towards innovation, GPIC has won the first Mohammed Rashid bin Maktoum Business Innovation Award in 2016</p>
		<p>SDG10: Reduce inequality within and among countries</p>	<p>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.</p>
		<p>SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>Aligned with human rights and labour laws; Our 2016 sustainability report is based on the latest G4 guidelines; Working with National Institute of Human Rights(NIHR) and Judicial Council to train and develop their staff.</p>
		<p>SDG17: Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>Ongoing partnerships (e.g. UN Environment , Ministry of Education, InJaz, universities); founding of GPCA; working with the National Institute of Human Rights NIHR), Judicial High Council, IFA, AFA and encouraging other companies to do the same.</p>

Engrained in our organizational fabric, and formalized by our signing of the United Nations Global Compact, is our unwavering attention to labour rights in all our business activities.

At GPIC we abide by all local legislation and strictly adhere to the United Nation's charter and principles regarding rights to workers.

Also as an organization, we believe in the value of the individual. By guiding our employees towards enriching and rewarding careers, we can achieve our desired objectives on both the financial and social aspects. In order to protect their rights as well as ensure management's responsibility towards the employees' wellbeing, the company has become one of the few in the region that permits freedom of association and actively encourages its employees to participate in collective bargaining by forming unions.

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.

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.

The company has also been certified for OHSAS 18001-2007 Occupational health and safety, PSM (Process Safety Management) and RC 14001:2008 Responsible Care Standards, the combined application of which has resulted in a system that is clearly defined, well balanced and robust in its ability to ensure the health and safety of our employees.

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.

In addition, we also remain committed to prohibiting the implementation of child labour or compulsory labour across our business. Our “Caring Employer” approach has cemented our reputation as a globally competitive organization that seeks to uphold the highest standards in labour practices and rights.

- GPIC stand committed to not resort to any form of forced or compulsory service
- Each employee has a current job description
- Each employee has a contract of employment stating the terms and conditions of service
- As an additional benefit to its employees GPIC introduced Morning shift allowance for shift personnel.
- A number of GPIC employees have been provided with an opportunity to improve their education and are currently studying in educational institutions in Bahrain.
- GPIC revised and reissued its personnel policy which provides further benefits to our employees.

GULF PETROCHEMICAL INDUSTRIES CO. (BSC)								
SHEM PERFORMANCE METRICS								
LTA free "Employees" worked hours / days			17,827,365	5,365	LTA free combined Employees & Contractors worked hours			24.9 millions
LTA free "Contractors" worked hours / days			7,074,362	1,546				
No.	Metrics	Formula & Definition	Units	Year 2013	Year 2014	Year 2015 (TA)	Year 2016	Remarks
OCCUPATIONAL SAFETY								
A. Employees								
1	Worked Hours	Total employees worked hours	Hours	1,190,780	1,159,627	1,163,617	1,117,821	
2	Fatalities	Number of Fatalities	No.	0	0	0	0	Steady trend
3	LTA	Lost Time Accidents	No.	0	0	0	0	Steady trend
4	Total Recordable Incident Rate (TRIR)	Fatal Case	No.	0	0	0	0	Steady trend
		Lost Work Case (LWC)	No.	0	0	0	0	Steady trend
		Restricted Work Case (RWC)	No.	0	0	0	0	Steady trend
		Medical Treatment Only Case (MTOC)	No.	7	1	0	0	Improving trend
		Loss of Consciousness	No.	0	0	0	0	Steady trend
		TRIR = (Fatal cases + LWC + RWC + MTOC + loss of consciousness) x 200,000 / person hours worked	Rate	1.176	0.17	0	0	Improving trend
5	First Aid Case	Any one time treatment which do not ordinarily require medical care.	No.	12	22	16	8	Improving trend
Contractors								
1	Worked Hours	Total contractors worked hours	Hours	1,005,762	1,073,755	2,353,595	991,029	
2	Fatalities	Number of Fatalities	No.	0	0	0	0	Steady trend
3	LTA	Lost Time Accidents	No.	0	0	0	0	Steady trend
4	Total Recordable Incident Rate (TRIR)	Fatal Case	No.	0	0	0	0	Steady trend
		Lost Work Case (LWC)	No.	0	0	0	0	Steady trend
		Restricted Work Case (RWC)	No.	0	0	0	0	Steady trend
		Medical Treatment Only Case (MTOC)	No.	2	3	0	0	Improving trend
		Loss of Consciousness	No.	0	0	0	0	Steady trend
		TRIR = (Fatal cases + LWC + RWC + MTOC + loss of consciousness) x 200,000 / person hours worked	Rate	0.39	0.56	0	0	Improving trend
5	First Aid Case	Any one time treatment which do not ordinarily require medical care.	No.	7	5	15	5	Improving trend
Combined 'employees + contractors' safe hours worked			Hours	2,196,542	2,233,382	3,517,212	2,108,850	
B. Process Safety								
Total Production			Metric Tonnes	1,594,647	1,600,528	1,465,641	1,617,422	
2	Process Safety Events	(# of events that meet the Process safety Incident Criteria T1 & T2)	No.	0	0	0	0	Steady trend
3	Process Safety Total Incident Rate (PSTIR)	(# of Process Safety Incidents x 200,000) / (Employee + Contractor man-hours)	No.	0	0	0	0	Steady trend
4	Process Safety Total Incident Severity Rate (PSTISR)	(Total Severity Score x 200,000) / (Employee + Contractor man-hours)	No.	0	0	0	0	Steady trend

Environment

Primary linkages between UNGC Principles 7,8,9 on Environment and the SDGs and the contribution that these can make towards achievement of the SDGs. We believe that by respecting and supporting universal principles, UN Global Compact business participants like GPIC can play an important role in helping to realize the SDGs.

		GPIC's Contribution	
Principle 7	Businesses should support precautionary approach to environmental challenges.	SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<p>Work with IFA and AFA on trainings on fertilizer use to increase food production; issued use of Urea fertilizer booklet to Bahraini Farmers; Promoting the UN “International Year of Pulses” 2016 campaign and integrating pulses into the GPIC canteen menu; GPIC has produced more than 11.5 million tonnes of granular urea since 1998 and a total of more than 37 million tons of ammonia, methanol and granular urea since 1985.</p> <p>GPIC has partnered with UN Environment for the first of its kind United Nations Health Awareness Campaign. UN Environment would seek to establish a nutritional concept amongst students, educate them on how to benefit from and to stop the wastage of healthy food.(Details on page 12)</p>
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility		
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.		
		SDG6: Ensure availability and sustainable management of water and sanitation for all”	<p>GPIC's Long Term Sustainability Goals include water conservation; Energy efficiency (water+energy nexus); Campaigns to reduce water use.</p>

		<p>SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>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.</p>
		<p>SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>Innovation Committee campaigns and activities; Support innovation in the community (e.g. university research, InJaz innovation camp). In acknowledgement of its great strides towards innovation, GPIC has won the first Mohammed Rashid bin Maktoum Business Innovation Award in 2017</p>
		<p>SDG11: Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>GPIC's Long Term Sustainability Goals are in line with Bahrain's Vision 2030; Contributing to Bahrain's community and events (exhibitions, farmers' market, etc.).</p>
		<p>SDG12: Ensure sustainable consumption and production patterns"</p>	<p>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</p>

		<p>SDG13: Take urgent action to combat climate change and its impacts</p>	<p>Bahrain committed to reducing its CO2 emissions at the UN COP 21 conference in Paris (2015).; GPIC shared its CO2 emission reduction initiatives at the National level and the same were included in Bahrain’s INDC submitted to UNFCCC prior to COP21 agreement. Post COP 21, GPIC is working with NOGA on measuring and managing its CO2 emissions; GPIC has issued two reports on GHG inventory based on IPCC guidelines in 2016 and 2017. Carbon Dioxide Recovery (CDR) and Urea plants are main contributors to CO2 emission</p>
		<p>SDG14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>Seawater outfall monitoring to protect sea life; Maintaining the Fish Farm ; Following strict marine standards for shipping products internationally.</p>
		<p>SDG15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</p>	<p>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.).</p>
		<p>SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>Aligned with human rights and labour laws; Our 2016 sustainability report is based on the latest G4 guidelines; Working with National Institute of Human Rights(NIHR) and Judicial Council to train and develop their staff.</p>
		<p>SDG17: Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>Ongoing partnerships (e.g. UN Environment , Ministry of Education, InJaz, universities); founding of GPCA; working with the National Institute of Human Rights NIHR), Judicial High Council, IFA, AFA and encouraging other companies to do the same.</p>

GPIC: nature and technology co-exist

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 with 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.

(Refer to our environmental strategy available at www.gpic.com)

Environment: Climate Change

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 CO₂ 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.

Environment: Energy Efficiency

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.

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. GPIC as part of its COP 21 obligations has started to report its GHG Inventory. 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.

Environment: Water

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

Environment: Emissions

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 2014 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 based on IPCC guidelines. The Company has issued 2014, 2015 and 2016 years inventory reports.

Total GHG emission in 2016 was 1140.757 Gg CO₂e, which includes 481.002 Gg CO₂e from energy; 552.724 Gg CO₂e from industrial processes. (Ammonia process 284.251 Gg, Methanol Process 268.473 Gg) and 105.7 GgCO₂e from imported power (Scope 2).

Environment: Waste

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 was made challenging to 15% for the year 2016 and further to 20% in 2017.

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 card board recycling in April 2015.

Since 2005 we have shredded and recycled 62,500 Kg as part of our waste for charity programme and to date we have recycled about 100 tonnes of plastic, paper, metal cans and card board.

We have been able to reduce our environmental foot print by our recycling endeavours; we have achieved energy savings of 278800 Kwh, reduced our carbon dioxide emissions by 105 tonnes and saved 526 cubic yards of land fill 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 2016, 261 tonnes of spent catalyst that was unloaded in turnaround 2015 and in 2016 has been sold to M/S Metaal Magnus International, The Netherlands. In addition to reducing our carbon footprint through recycling of spent catalyst we also attain financial benefits.

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. In 2016 we have sent 36 tonnes of Hazardous waste to landfill.

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:

Reducing our hazardous waste(mainly catalysts) by operating the plants in an efficient way with minimum un planned outages and hence increasing the useful life of the catalysts

- Reusing a number of items such as the catalyst drums from new catalyst. These drums are used to store spent catalyst.
- Some of the empty chemical drums are cleaned and reused to store spent resins prior to sending them to landfill.

- 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.

Following are some of our 2016/2017 highlights reflecting our commitment to UN Global Compact's principles related to environmental sustainability

- There were no reportable environmental incidents and regulatory non-compliance cases during 2016.
- Environmental Audits were carried out throughout the year to ensure that all work areas were controlled in such a way that they remained eco-friendly.
- Capacity building and training related to Environment continued in 2016. A number of employees attended courses, workshops, seminars and conferences on topics ranging from Energy management, Climate Change, GRI reporting, Carbon accounting, Environmental legislation, Agriculture etc.
- Replacement of existing conventional lights in process areas, non-process areas, buildings and street lights with energy efficient LEDs. To date 1236 light fittings replaced with an energy saving of 383MWH/year and a GHG reduction by 191 TYP CO₂e.
- As part of Post COP 21 requirements, GPIC in collaboration with NOGA provided training to its Greenhouse gas (GHG) inventory reporting team members on the use of IPCC GHG Inventory software and issued its first GHG Inventory Report in 2016 and the second report in April 2017.
- To date we have recycled 100 tonnes of plastic, paper, metal cans and card board. Which has resulted in our carbon footprint reduction by 164 tonnes CO₂e .
- Publicizing environmental awareness amongst future generations progressed as planned. Our engineers presented a number of environmental lectures in both public and private schools. The total number of students benefiting from this program has crossed 37,000 since 2001. From 2015 Responsible Care awareness is also being imparted in addition to environmental awareness and since 2017 SDGs awareness has also been included through a GPIC Youth committee initiative.
- For the tenth consecutive academic year, GPIC sponsored the Ministry of Education/GPIC Environmental Research Program for the GPIC Environment Award for secondary school students. This Award has developed momentum and become the best Environment Award available for secondary school students. This project also received the first winner award for the Best CSR Project by Arabia CSR, UAE.
- GPIC in cooperation with UN Environment and Ministry of Education continued with the Green Wave initiative that was launched in 2015. Through this program we sponsor and facilitate the planting of local trees at public schools 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 planted by the students.
- Environmental awareness continued through flashes, newsletters, presentations throughout the year.
- The final SEA and HSEIA reports for Ammonia II Urea II Project are in the final review stage.
- Close monitoring of Marine water quality continued due to reclamation work at Plot 2. The increase in sea water intake temperature due to this is being studied by Governmental Environmental Consultants M/S

AECOM with an intent to provide a mitigation solution of discharging sea water effluent via a pipe in the deep sea.

- Compliance reporting to Supreme council for environment on effluents, emissions, chemicals and waste was carried out as per the mandatory reporting schedule.
- The second edition of Environmental Legislation compliance manual has been issued in May 2017 with updated legislation and compliance status and further linking to the environmental dimension of the SDGs.

Environment: Environmental Engagement

- GPIC'S President's engagement in UN Environment's GEO 6 as a member of HLG for regional assessments.
- During 2016 GPIC has been engaged on a number of National level initiatives related to Environment namely;
- In recognition of the interdependence of resources and the environment, GPIC is actively engaged as a stakeholder in dialogue and workshops with SCE and the National Oil and Gas Authority on Bahrain's Contributions to the climate change post COP 21 requirements.
- With the Supreme Council for Environment(SCE) in the process of updating of the National Biodiversity Strategy and Action Plan.
- With the Supreme Council for Environment(SCE) for reviewing/ updating the MO#10 of 1999 on Emission and Effluent standards.
- With the Supreme Council for Environment(SCE) on stakeholders input on the new National Communication Report.

Anti – Corruption

Primary linkages between UNGC Principle 10 on Anti- Corruption and the SDGs and the contribution that these can make towards achievement of the SDGs. We believe that by respecting and supporting universal principles, UN Global Compact business participants like GPIC can play an important role in helping to realize the SDGs.

		GPIC's Contribution	
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	SDG3: Ensure healthy lives and promote well-being for all at all ages	Health and Safety for employees, their families and contractors; Full health insurance and health campaigns; Health training and lectures.
		SDG10: Reduce inequality within and among countries	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.
		SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Aligned with human rights and labour laws; Our 2016 sustainability report is based on the latest G4 guidelines; Working with National Institute of Human Rights(NIHR) and Judicial Council to train and develop their staff.
		SDG17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	Ongoing partnerships (e.g. UN Environment , Ministry of Education, InJaz, universities); founding of GPCA; working with the National Institute of Human Rights NIHR), Judicial High Council, IFA, AFA and encouraging other companies to do the same.

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 voluntary 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.

Shareholders audit

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

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, detailed and comprehensive compliance audits conducted 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 have conducted a comprehensive compliance review with the Corporate Governance Policy. Such reviews are conducted on a yearly basis. In addition, the company prepared a detailed Code of Ethics Handbook which was presented to the Audit, Finance and Risks Committee in December 2015. The Handbook had been reviewed and approved by the Board of Directors in May 2016. 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. The company will launch an awareness Code of Ethics campaign in mid-2017.

Following are some of our 2016 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 the Board of Directors in 2016 in addition another review is targeted to be finalised in mid-2017.
- 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.

UN Global Compact: Food and Agriculture Business Principles



FOOD AND AGRICULTURE BUSINESS PRINCIPLES



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.



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.



ENSURE ECONOMIC VIABILITY AND SHARE VALUE

Businesses should create, deliver and share value across the entire food and agriculture chain from farmers to consumers.



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.



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.



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.

Reporting on the UNGC FAB Principles

As part of our commitment towards sustainability, we at GPIC have embarked on various initiatives in the field of sustainable agriculture. Globally, GPIC is actively involved with the International Fertilizer Industry Association and Arab Fertilizer Association. Locally, GPIC is a partner of the National Initiative for Agriculture Development, a local non-profit focused on promoting sustainable agriculture through training, financing and capacity building. In 2015, we established an internal Agriculture Committee to further promote activities and awareness on the topic, particularly amongst employees, whilst overseeing external projects. In 2016 the committee's name has been changed to Agri-nutrient committee, having the same objectives, however focusing on raising awareness to increase crop yield and nutrient content.

No country has grown in the last two centuries without developing its agriculture sector and improving its food security.

Ngozi Okonjo-Iweala, World Bank Managing Director

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.

Promoting Local Foods

In order to promote access to local, seasonal and fresh produce in Bahrain, GPIC is an annual sponsor of the Bahrain Farmer's Market, a large weekly market that spans across 5 months each year. To further increase access to local and nutritious food options, we launched our charity garden in 1992 in an area of 1,500m². Since then, we have produced and supplied over 14 tons of local fruits and vegetables to low-income Bahraini communities.

Sourcing Healthy Options

Within GPIC, our canteen sources a variety of nutritious foods, including an extensive salad bar, fresh fruit and local fish and produce. These are provided to both employees and contractors at a subsidized rate to encourage healthy eating habits. In 2016, GPIC launched FAO's International Year of Pulses campaign, for which a pulse-based menu is added which replaces the conventional menu once per month to promote meat alternatives resulting in healthier people and healthier planet. In continuation to this initiative GPIC celebrated the Global Pulses Day on 18 January 2017. Additionally, Agri-nutrient committee developed an information booklet on local tree to spread awareness on its health benefits.

Our latest initiative for 2017 is as below;

GPIC has partnered with UN Environment for the first of its kind United Nations Health Awareness Campaign. UN Environment would seek to establish a nutritional concept amongst students, educate them on how to benefit from and to stop the wastage of healthy food. Through this campaign, entitled "Let's put an end to the waste of healthy food and promote the health of our children in public schools", UN Environment would like to establish a partnership with MOE Bahrain and cooperate with various government agencies and private institutions in order to achieve the goal. GPIC's generous initiative will provide financial support through media coverage and contribute in helping the largest number of students wishing to improve their nutrition." [UN Environment Regional Director West Asia](#)

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.

Sustainable Fish Stocks

Within the complex, GPIC manages a fish farm that was established in 1996 and expanded in 2012 to release 80,000 fish of a local species of sea bream into the sea. This promotes fish stocks and fish availability in local markets, and to date, over a million fish have been released into the sea. GPIC's mangrove plants surrounding its bird sanctuary also indirectly sustain nearby fish populations via the ecosystem services that they provide.

Preserving Biodiversity

In recent years, indigenous herbs that have played a large role in local culture have been threatened by urbanization. GPIC preserves herbs and medicinal plants in two gardens, the Herbal and Medicinal Plants Garden covering an area of 1,200m² as well as the HH Shaikha Sabika bint Ebrahim Al Khalifa Aromatic Plants Garden. Additionally, in 2015 GPIC launched a project in partnership with the UNEP Green wave for Biodiversity program, through which it is planting local trees in ten schools per year in order to promote green spaces and biodiversity and encourage environmentalism. In 2016, GPIC took the initiative in increasing the number of schools participating in the program by planting local trees in 20 schools.

As Bahrain is updating its National Biodiversity Strategy and Action Plan (under UNEP's Convention for Biological Diversity), GPIC was involved as a stakeholder with Bahrain Supreme Council for Environment and engaged in workshop to provide extensive feedback on the strategy.

Environmental Management

Environmental responsibility is integrated into all operations and certified by the Environment and Responsible Care Management Systems and IFA Protect and Sustain Product Stewardship certifications. In order to further promote efficient natural resource use and stream line energy management, GPIC has adopted the ISO 50001 Energy Management System in 2015/2016. GPIC has also established an Energy Management Committee to investigate opportunities within the company operations to reduce energy consumption and promote energy efficiency. GPIC has started to report its GHG Inventory based on IPCC guidelines since 2016.

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.

High Quality, Low Risk

GPIC follows stringent guidelines for quality control of urea production. Our commitment to providing high quality uncontaminated fertilizer worldwide has been recognized in 2015 via the Australian Department of Agriculture, which has awarded Level 1 gold status to GPIC's bulk fertilizer shipments as well as low risk status from MPI Biosecurity New Zealand.

Community Engagement

GPIC's leadership is involved in promoting sustainable development and agriculture on both a local and global level. As of 2015, GPIC's president is the President of International Fertilizer Industry Association (IFA) in addition to being Chairman and President of the Arab Fertilizer Association (AFA) and the chairman of the Responsible Care Committee of Gulf Petrochemicals and Chemicals Association (GPCA). GPIC's president is also involved by invitation from UNEP with the Geo 6 High Level Intergovernmental Groups and Stakeholder Group. In Bahrain, GPIC's president is a member of the Supreme Consultative Council of the National Initiative for the Development of the Agricultural Sector. We are involved in the working groups within the associations such as the IFA Communications and Public Affairs working group and the AFA Communications and Media working group.

Additionally in 2016 GPIC extended 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

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.

Employee Engagement

In 2015, GPIC won the HR Management Award of the Year at the 2nd Gulf Cooperative Council (GCC) Forum for HR Development in addition to the HRH Shaikha Sabeeka bint Ebrahim Al Khalifa award for Empowerment of Bahraini Women. A significant contributor to the local economy and community, GPIC's workforce primarily includes people from the local indigenous communities and with a growing focus towards women within the workforce. (Pls. refer to our GRI sustainability report 2016 for detailed account on Human Resource- Employees). In 2016, GPIC has invited women entrepreneurs in the field of Agriculture and local farmers to educate the employees about farming techniques, local plants and plants that best suits Bahrain climate and soil.

Farmer Engagement

Although GPIC does not work directly with farmers, their needs are considered globally through GPIC's active participation in IFA, AFA and their working groups, and locally via the partnership with the National Institute for Agriculture Development. GPIC's marketing committee regularly requests feedback from customers and has conducted field visits including a field visit to Brazil in 2014 where GPIC participated in the FMB Fertilizer Latin America Conference and conducted field and port visits to understand and learn more about the critical market needs. GPIC provided urea fertilizer to Ministry of Works, Municipality Affairs and Urban Planning in 2016 and is committed to continue with the program annually to support local farmers and increase green fields in the Kingdom of Bahrain.

Corporate Social Responsibility

CSR is at the heart of GPIC. From our inception we have interweaved social responsibility within our business model. In addition to its many CSR initiatives, in 2015 GPIC sponsored the 2nd Bahrain International CSR Conference and Exhibition as well as CSR leadership and fundamentals workshops in order to promote the conversation around CSR in the region. (Please refer to our GRI sustainability report 2016 for detailed account on CSR)

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.

Sustainability Reporting

In addition to managing its environmental impacts and taking steps to reduce energy use, GPIC publicly documents its activities through sustainability reports and has issued so far three reports since 2012. The last report following the GRI G4 guidelines was issued in June 2016. In 2014, GPIC became an organizational stakeholder with GRI in order to further promote sustainability and transparency globally. GPIC also reports its environmental data twice a year to the Supreme Council for the Environment in Bahrain.

Engagement with Policy Makers

In recognition of the interdependence of resources and the environment, as of 2015 GPIC is actively engaged as a stakeholder in dialogue and upcoming workshops with the National Oil and Gas Authority on Bahrain's Intended Nationally Determined Contributions to the climate change negotiations at COP 21 as well as with the Supreme Council for the Environment in the process of updating of the National Biodiversity Strategy and Action Plan. In addition to that our Leadership is representing GPIC on several policy making platforms both at local, regional and international levels. For example Shura Council, National Initiative for Human rights, IFA, AFA, NSC, RoSPA, GPCA and many more.

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.

Knowledge Sharing with Farmers

As of the last several years, GPIC has been distributing booklets to buyers before each sale is executed on the optimal use of urea per crop including general information on soil health, fertilizers and farming best practices. These are also distributed to the general public, most recently at the 2015 Bahrain International Garden Show, an exhibition in which GPIC is an annual participant and sponsor.

Knowledge Sharing with Employees

Through the Agriculture Committee, information and newsletters are distributed to employees regularly, including information on seasonal agriculture and home agriculture tips to increase awareness and encourage interest in the subject. The committee also manages a database of agriculture related resources for reference and plans to host awareness sessions internally in order to develop the capacities of employees to participate in food growing that contributes to food security. Members of the committee develop their own knowledge on agriculture through participating as delegates at the 2015 Global Forum for Innovations in Agriculture in Abu

Dhabi and sharing information among the committee members on a regular basis. Employees can also share their own knowledge and suggestions via GPIC's suggestion scheme, in which the Agriculture Committee plans to designate a specific section for agricultural suggestions.

Promoting Research

In order to promote more informed agricultural practices, GPIC is planning to sponsor a research study on soil types across the country including what kinds of crops are suitable for growing in each area. GPIC has also been sponsoring an annual Environmental Research Program for schools in Bahrain since 2004, which sponsors 20 research programs and awards the top three. Among this year's participants, some projects in the field of agriculture include irrigation control via smart phones and irrigation through controlled water release.

Social Media

We are keen on leveraging the power of social media to share best practices on key issues around food and agricultural practices. We would like to develop a channel of communication where our in-house experts can share their thoughts and ideas on key best practices based on our research with critical communities across the world.

UN Global Compact: Women's Empowerment Principles

UNGC Women's Empowerment Principles

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 Sh. 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. In 2016 GPIC won the Women in Leadership Award presented to its female Human Resources Superintendent - from the Bilateral US-Arab Chamber of Commerce. Year 2017 has been declared as the year of Bahraini women working in the Engineering field and GPIC has shown commitment to this by engaging several women engineers in its new project related to Urea Formaldehyde. Moreover In 2016 GPIC Youth committee was formed, whose chairperson is a female employee

Principle 1: Leadership Promotes Gender Equality

In 2015 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. The committee was later elevated to Equal Opportunities Council in March 2017 with the goal of establishing and maintaining equal opportunities, rules and regulations as well as encourage their implementation in the company. 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 labour 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 are involved in internal audits, plant maintenance activities and as participants in trainings, conferences and events.

Table 1 - Female Employees at GPIC

	Female Employees	Female Employees (percentage of non-shift workers)	Female Employees (percentage of total workers)
2014	50	15%	9%
2015	53	17%	9%
2016	50	19%	10%

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%
2016	3	7%	10	7%

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 Labour 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 Labour 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
2016	3 (25% of total)	9

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.

Table 4 - CPR Training for Employees by Gender

	Female	Male
2014	13 (26% of total)	37
2015	10 (19% of total)	42
2016	25 (17% of total)	122

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)
2014		
Middle Management	37	80
All employees	79	48
2015		
Middle Management	18	46
All employees	64	38
2016		
Middle Management	37.7	73
All employees	56.8	44.9

Table 6 - Training Hours Abroad (Outside Bahrain) by Gender

	Female (training hours)	Male (training hours)
2014	1186	7750
2015	1401	4662
2016	629	3467

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.

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

	Female	Male
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.

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 the Women in Engineering camp in Michigan, USA to facilitate their learning and cultural experience.

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.

Table 9 - GPIC Volunteers with InJaz Program

	Female	Male
2014-2015	37	38
2015-2016	20	24

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
2014-2015	9	8	4
2015-2016	9	9	2

Table 12 – Environmental Lectures Program – Targeted Schools

Academic Year	Female	Male	Co-ed
2014-2015	10	19	1
2015-2016	23	17	1

Table 13 - Greenwave Campaign - Targeted Schools

Academic Year	Female	Male
2015-2016	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
2016	69 (44.8% of total)	85

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.

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 and also in its UNGC COP 2017 to report on its progress towards the 7 principles of UNGC WEPs.

Leading Awards 2016/2017

The Arabia Corporate Social Responsibility Award

2016 - GPIC won the Arabia CSR Awards in the Large Category and the Partnership & Collaboration Category. 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.

Safety Excellence Awards from RoSPA and British Safety Council

These award are presented by the Royal Society for Prevention of Accidents (RoSPA) and the British Safety Council and are given to the winner following an extensive evaluation of its Safety, Health and Environment Management Systems, including strength of leadership, effective participation by the workforce, effective communication, risk analyses, performance monitoring and evaluation and personal initiatives.

Mohammed bin Rashid Al Maktoum Business Excellence Award and the Business Innovation Award

GPIC won these prestigious award after a rigorous site audit/ interviews after being shortlisted on the basis of award submission.

2016 - GPIC won Mohammed Bin Rashid Al Maktoum Business Excellence Award - 9th Cycle.

2016 - GPIC won Mohammed Bin Rashid Al Maktoum Business Innovation Award - 1st Cycle.

Women in Leadership Award

GPIC won the Women in Leadership Award presented to the Human Resources Superintendent - from the Bilateral US-Arab Chamber of Commerce.

Human Resources Gold Standard of Excellence Award

GPIC won the Human Resources Excellence Award

Award of excellence for Training and Human Resources Development from Bahrain Society for Training & Development

Management Systems

In 2016 GPIC further strengthened its management systems and achieved ISO17020 Inspection Management System and ISO 17025 Calibration Management System Accreditation.

Key Social Contributions 2016

GPIC 's leadership believes that corporate social responsibility goes beyond the traditional Philanthropy. It is about building bridges and partnerships to make the difference.

Donations and Sponsorships

(The following are some of the recent examples, for a detailed outlook visit our website www.gpic.com and browse the section press releases and media).

- Royal Charity Organization
- Salmaniya Medical Complex
- AlRahma Centre for disabled
- Bahrain Cancer Society
- inJAz, Bahrain
- Mohammed bin Khalifa bin Salman Cardiac Centre
- Supreme Council for Women
- Ministry of Education, Bahrain
- CSR Regional Network
- Rashid Equestrian and Horse Racing Club
- Bahrain Table Tennis Association
- Bahrain Free Labor Unions Federation
- Bahrain Mobility International Center
- Crown Prince's Scholarship Programme
- King Hamad Hospital Campus
- Bahrain Women's Union
- Bahrain Badminton and Squash Federation
- Bahrain Tennis Association
- Bahrain Handicapped sports federation
- Bahrain Society for child development
- UN Environment for supporting environmental sustainability

GPICs participation/membership and alliance with several local, regional and international organizations

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

International/Regional Associations and Committees

- UN Global Compact
- Global Reporting Initiative (GRI)
- Gas Processing Association (GPA)
- Gulf Petrochemicals and Chemicals Association (GPCA)
- Arab Fertilizer Association (AFA)
- International Fertilizer Industry Association (IFA)
- National Safety Council – USA
- Royal Society for the prevention of accidents (RoSPA)
- Bilateral US-Arab Chamber of Commerce Advisory Board
- GCC Interconnection Authority
- PMI Arabian Gulf Chapter
- SABIC Technical Conference

Bahrain Associations and Committees

- INJAZ Bahrain
- Education & Training Quality Authority
- Bahrain Center for Strategies International & Energy Studies
- Supreme Council for Youth & Sport
- Economic Development Board
- National Initiative for the Development of Agriculture
- Bahrain National Institute for Human Rights
- H.H. Shaikh Nasser Bin Hamad Al Khalifa Award for Scientific Research in the Sports Field
- Bahrain Chamber of Commerce and Industry
- National Oil and Gas Holding Company (Nogaholding)
- Bahrain Flour Mills Company
- Ministry of Labour & Social Development
- Supreme Committee for Professional Standards
- Bahrain Economic Development Board
- Bahrain Institute of Public Administration (BIBA)
- University of Bahrain
- Ministry of Education
- Arab Open University
- Ahlia University
- Bahrain Companies & Establishment Football League
- Bahrain Polytechnic
- Ministry of Industry, Commerce and Tourism

GRI Content Index

GRI Content Index

UNGC Principles	GRI G4 Indicator	Description	Page	Remarks
<i>Statement of continuing support</i>	G4-1	Statement from CEO	3	Letter of commitment from GPIC's President
	G4-2	Key impacts, risks and opportunities	12	Under Risk Management
	G4-3	Name of the Organization	4	Covered in GPIC overview
	G4-4	Primary brands, products and services	4	Covered in GPIC overview
	G4-5	Location of the Organization's headquarters	4	Covered in GPIC overview
	G4-6	Number of the countries where the organization operates	4	Covered in GPIC overview
	G4-7	Nature of ownership and legal form	4	Covered in GPIC overview
	G4-8	Markets served	4	Covered in GPIC overview
	G4-9	Scale of the organization	4	Covered in GPIC overview
	G4-10	Workforce information	4	Covered in GPIC overview
<i>Principle 1 Principle 3</i>	G4-11	Percentage of employees covered by collective bargaining agreements	81	86.9 % as on April 2017
	G4-12	Organization's supply chain	13	

UNGC Principles	GRI G4 Indicator	Description	Page	Remarks
	G4-13	Significant changes during the reporting period	82	New MD and BOD GPIC started exporting methanol to downstream industry in Bahrain GPIC is constructing a new Urea Formaldehyde plant at its facilities
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	12	
	G4-15	List externally developed economic, environmental and social charters	4	Covered in GPIC overview
	G4-16	List memberships in associations and national or international advocacy organizations	79	GPIC does not have any subsidiaries
	G4-28	Reporting period for information provided	82	The UNGC COP 2017 covers the period 1 January 2016 to 31 December 2016 for financial and production reporting, however other initiatives are covered till May 15 2017
	G4-29	Date of most recent previous report	82	GPIC GRI SR 2016 issued as UNGC COP 3 June 2016
	G4-30	Reporting Cycle	82	GRI Sustainability Report is Biennial, whereas the mandatory UNGC COP is annual.
	G4-31	Contact point	81	Mr Fadhel Al Ansari, General Manager Manufacturing GPIC. falansari@gpic.net
	G4-32	GRI content Index	80 to 87	
	G4-33	External assurance	15	
<i>Principle 6</i>	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part time employees, by major operations	40	For detailed outlook on the benefits plan please refer to G4-EC3 in SR 2016 or UNGC COP 2017 under human rights of employees

UNGC Principles	GRI G4 Indicator	Description	Page	Remarks
Principle 1 Principle 6	G4- EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	83	Climate change affects our business in terms of reliability, production capacities and the cost of our operations. 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 1.3oC 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. 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.
Principle 1 Principle 6	G4- EC6	Proportion of senior management hired from the local community at significant locations of operation	83	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. Note: Senior management at GPIC includes Departmental Managers and above.
Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6	G4- HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	83	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.

UNGC Principles	GRI G4 Indicator	Description	Page	Remarks
Principle 1 Principle 2	G4-HR3	Total number of incidents of discrimination and actions taken.	84	In 2016 there were no cases of discrimination. The Company strictly follows a non- discrimination policy.
Principle 1 Principle 2 Principle 3	G4-HR4	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	84	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.
Principle 1 Principle 2 Principle 5	G4-HR5	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	84	Our HR policy clearly describes the minimum age of recruitment as 18 Years.
Principle 1 Principle 2	G4-HR7	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	84	Human Rights specific training for GPIC security personnel was carried out in 2013/ 2014 and also in 2016/2017
Principle 7	G4-EN 6	Reduction of Energy consumption	84	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. With this fact in mind GPIC has, over the years implemented several projects related to energy.(For details refer to GPIC SR 2016 page 75 onwards) Some of the initiatives related to 2016/2017 are; <ul style="list-style-type: none"> Replacement of existing conventional lights in process areas, non- process areas, buildings and street lights with energy efficient LEDs. To date 1236 light fittings replaced with an energy saving of 383MWH/year and a GHG reduction by 191 TYP

UNGC Principles	GRI G4 Indicator	Description	Page	Remarks
				CO2e. 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.
<i>Principle 7</i>	G4-EN 24	Total number and volume of significant spills	85	We did not have any significant loss of containment in the reporting period .(2016-2017)
<i>Principle 7</i> <i>Principle 8</i> <i>Principle 9</i>	G4-EN 27	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	85	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.
<i>Principle 8</i>	G4-EN 19	Initiatives to reduce greenhouse gas emissions and reductions achieved	85	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 2014 levels on an absolute basis for all GHGs, thereby growing the Company without increasing its carbon footprint. 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 Nm3/day carbon dioxide being captured by the CDR recovery unit.
<i>Principle 8</i>	G4-EN 29	Monetary value of significant fines and total number of non- monetary sanctions for non-compliance with environmental laws and regulations	85	Nil. GPIC ensured full compliance to environmental laws and legislation during 2016.

UNGC Principles	GRI G4 Indicator	Description	Page	Remarks
<i>Principle 8</i>	G4-EN-21	NOX, SOX, and other significant air emissions	86	<p>Air pollutants can have adverse effects on climate, ecosystems, air quality, habitats, agriculture, and human and animal health.</p> <p>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.</p>
<i>Principle 8</i>	G4-EN-22	Total water discharge by quality and destination	86	<p>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.</p> <p>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.</p> <p>Sea Water discharge to marine environment 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.</p> <p>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 2016</p>

UNGC Principles	GRI G4 Indicator	Description	Page	Remarks
<i>Principle 8</i>	G4-EN-23	Total type of waste by weight and disposal method	87,55,56	GPIC generates both hazardous and non- hazardous waste during its operations and has taken a number of steps to reduce waste. Some of the initiatives including selling of spent catalyst to certified recycling agencies, recycling of plastic, paper, aluminum and card board. (Please refer to the section on waste within this report.)
<i>Principle 10</i>	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	87,12	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.
<i>Principle 10</i>	G4- SO5	Confirmed incidents of corruption and actions taken	87	A review of the complaints and completed investigations in 2016 revealed that: <ul style="list-style-type: none"> • 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
<i>Principle 10</i>	G4-SO4	Communication and training on anti-corruption policies and procedures	87	As part of its commitment to the UNGC principles on anti-corruption recently, several of our employees attended specific training and conferences related to corruption, bribery, fraud etc.

What others say about GPIC?

We at GPIC give paramount importance to the feedback and comments from all our stakeholders. We believe that this kind of remarkable engagement and networking with our stakeholders enables excellence and sustainability. It also keeps us well informed of what others think about GPIC and helps us in maintaining excellent international and regional relationships. It motivates us to attain further heights and successes.

Following are some of the examples of these excellent communications and networking with our global stakeholders:

Testimonials

Testimonial #1

From: Shaikha Hessa bint Khalifa Al Khalifa
Chief Executive INJAZ, Bahrain
To: GPIC President
Subject: InJaz and Youth Development

"INJAZ Bahrain would like to express its sincere appreciation and gratitude to you and your esteemed staff members for your active dedication and partnership in hosting the Internship Programme for the students participating in the Company programme. We truly value your unwavering support and devoted contributions in time and support to delivering this Internship and adding so much value to our Bahraini youth, who are the pillars of a successful and prosperous Bahraini future. With your committed support and guidance our youth are exposed to the real world of work and are more equipped to succeed in a global economy."

Testimonial #2

From: William V. Roebuck
Ambassador of the United States of America 2016
To: GPIC President
Subject: Sustainability Excellence

"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 does not come at the expense of our planet's health."

Testimonial #3

From: Tom Mullarkey MBE
Chief Executive RoSPA 2015
To: GPIC President
Subject: SHE Excellence

"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."

Testimonial #4

**From: Charlotte HEBEBRAND
International Fertilizer Industry Association (IFA)
To: GPIC President
Subject: GPIC Sustainability Report 2016**

"I wish to congratulate you and your incredible team on your recent GPIC Sustainability Report 2016. This report truly highlights how GPIC is fully committed and working to implement the SDGs in every aspect of your business. This report deserves circulation within the CPA Committee as it is a tremendous illustration of how companies can position themselves on this agenda. I believe that GPIC, through this report, encourages other IFA members to undertake this kind of target setting aligned with the SDGs."

Testimonial #5

**From: Barrie Bain, Outlook
To: GPIC President
Subject: GPIC Sustainability Report 2016**

"GPIC's Sustainability Report is a fantastic initiative and I strongly believe it merits wider circulation amongst the business community – showing how the fertilizer industry is a leader in the SDG process."

Testimonial #6

**From: Deborah Hersman
President & CEO National Safety Council, USA
To: GPIC President
Subject: GPIC Sustainability Report 2016**

"Thank you for sharing your new GRI Sustainability Report 2016 with John Surma and me. We enjoyed reviewing GPIC's commitments and your theme "Leadership Innovation Collaboration" We couldn't help but notice and appreciate your efforts in sustainability by providing 900 copies of this report in USB format and the reward resulting in saving 16 trees, 0.7 tons of paper, 0.98 tons of CO2 and 400 kwh of energy. Congratulations, GPIC is a leader and showcases its leadership skills by raising the bar and leading by example. Your commitment to protecting our planet will pay dividends to future generations. Thank you!"

Testimonial #7

From: Vladimir Kuklachenko
Industrial student from Russia
To: GPIC President
Subject: A thank you note

Dear Dr. Jawahery

I want to one more time thank you sincerely for giving my colleague Kirill and me such an amazing opportunity to live through that amazing experience that we've had and are still experiencing. I also want to express my deepest gratitude to the executive management team and all of the GPIC employees. Today we had a meeting with the Ambassador of Bahrain in Russia and to be honest we are still amazed by everything that happened. I understand that In Bahrain we were not only trainees, but also representatives of our country. It was a real honour to be a part of your company, it felt and still feels like being a part of a great family, where everybody is always ready to help you and do their best for the common goal. It was also a great pleasure to meet you personally. I know how much you've done to GPIC and to your country, I was amazed by that amount of international organizations you take part in and your desire to make our planet a better place for everybody. Even though it was quite a short visit for us but I can say for sure that during this month I've learnt so much, and as I've told you during our visit to your office it is indeed a life changing experience.

Another thing I want to mention is the atmosphere in the company and the people. They say a good teacher is the one who has both knowledge and the ability to share that knowledge and every single person, every single worker in the company taught me so many things. My major is petroleum engineering and chemical engineering was a little challenging for me but the best thing about my training process is that the people from GPIC explained me everything in such a perfect and clear way. Since day one I felt like I was a part of the company, I've seen people coming and leaving work with a smile on their faces, with joy and passion in everything that they do. Of course speaking about the company I cannot help mentioning "The Best of the Best" book, that basically describes why GPIC is so unique and why it has reached such high standards. We are meeting the head of our University this week and as we've promised during our presentation we are going to spread this book and these ideas among our students and our professors.

I know about your plans in increasing the production and building new plants. Please keep on doing what you are doing, I'm absolutely sure that we are going to keep in contact and we will be doing our best in order to develop relations between our countries because in the end of the day it is about being the citizens of the world and making this world a better place for all of us.

Regards,
Vladimir
Kuklachenko
Student from Russia

GPIC PROUDLY SUPPORTS THE SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS

