

NATPET Sustainability Report (Communication on Progress - COP) Year 2017



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1.0 NATPET'S VISION AND MISSION:



NATIONAL PETROCHEMICAL INDUSTRIAL COMPANY

NATPET

Vision and Mission

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


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

STRATEGIC GOALS:

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

2.0 NATPET COMMITMENT:

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



NATPET

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

January 28, 2014

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


Dear Secretary-General,

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

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

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

Sincerely yours,



Jamal J. Malalkah
President & COO

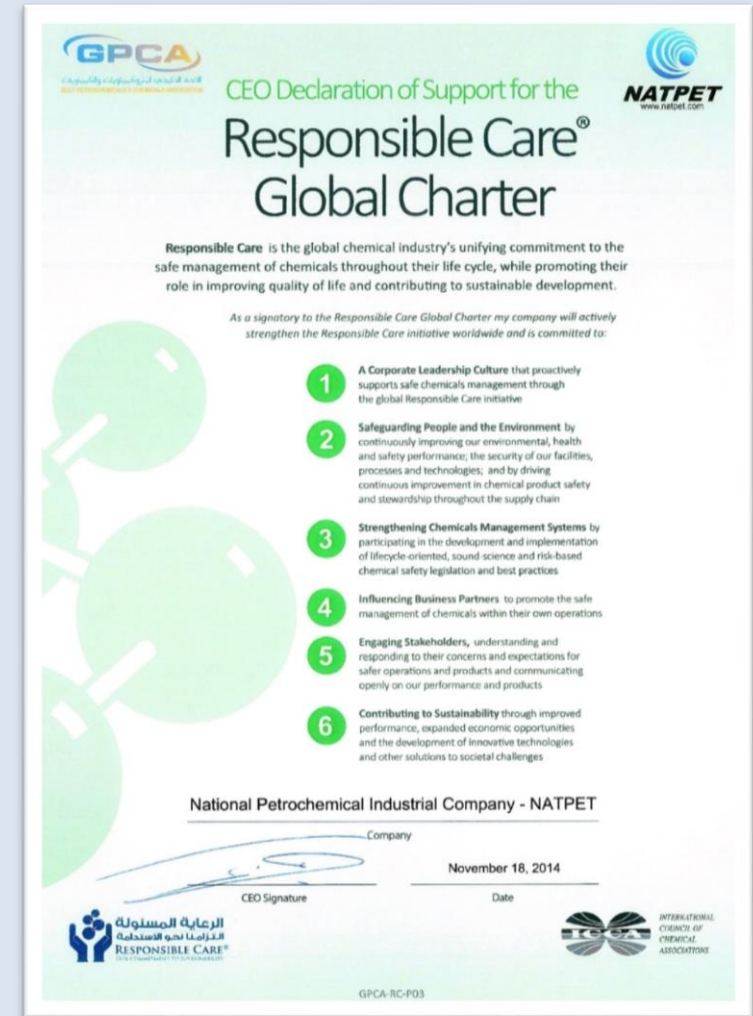
Tel: +966 2 604 8800 Fax: +966 2 652 9380 P.O. Box 4459 Jeddah 21491 Saudi Arabia

2.2 The Ten Principles of the United Nations Global Compact:

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

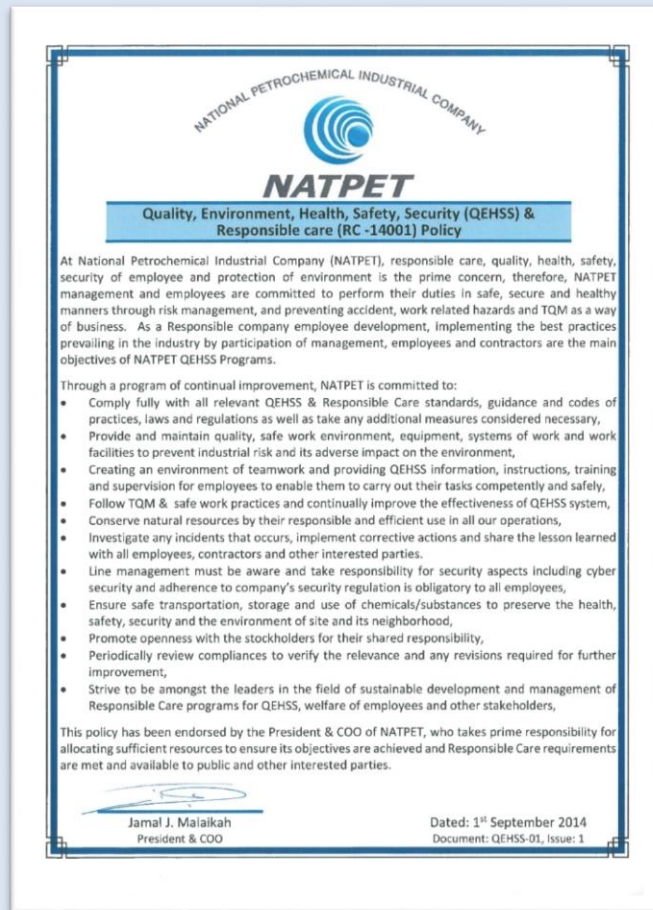
	Principal: Human rights
1	Businesses should support and respect the protection of internationally proclaimed human rights; and
2	make sure that they are not complicit in human rights abuses
	Principle: Labour
3	Businesses should uphold the freedom of association and the effective recognition of the right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

2.3 Support for the Responsible Care® Global Charter:

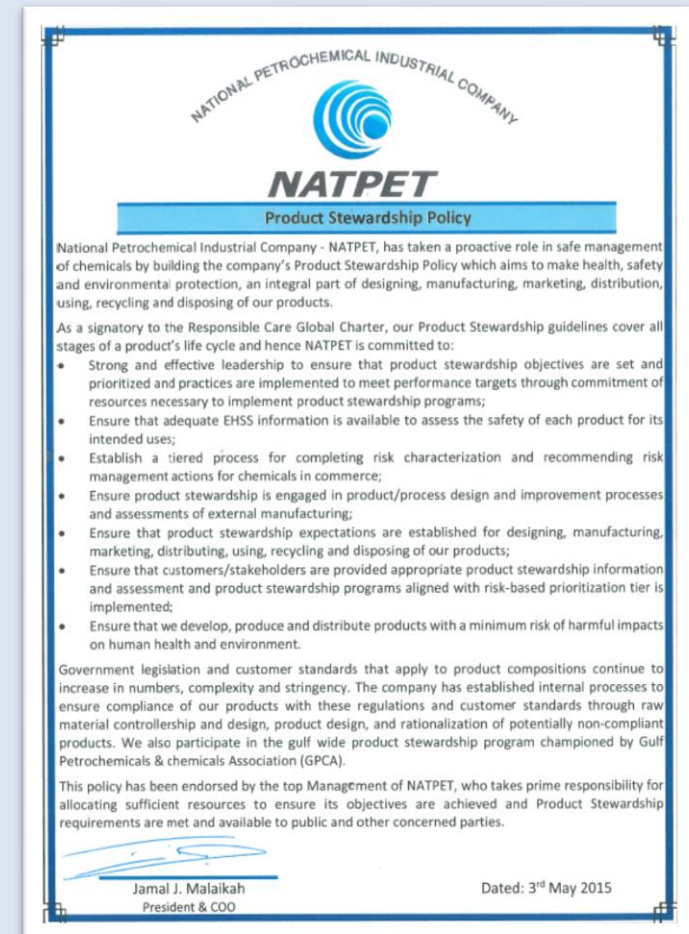


2.4 NATPET Policies:

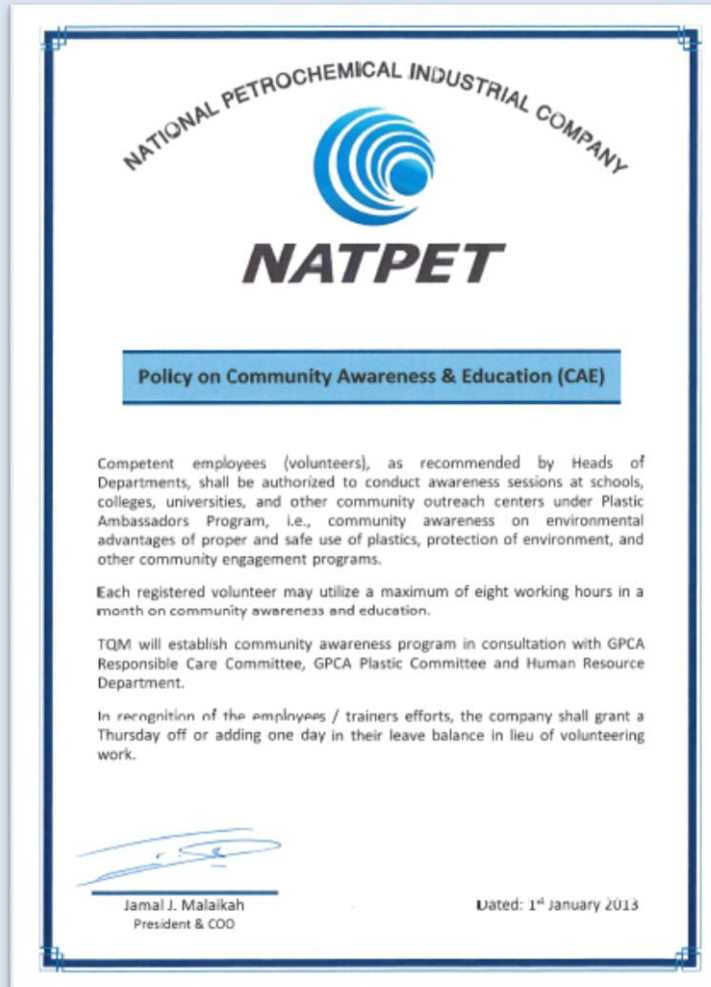
2.4.1 QEHSS/Responsible Care Policy



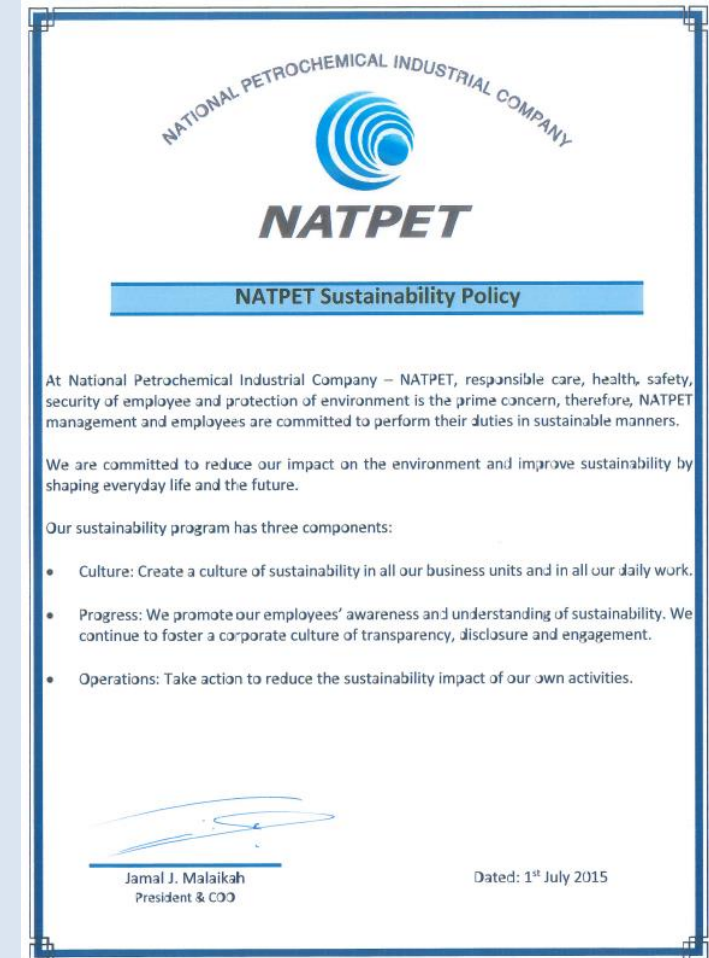
2.4.2 Product Stewardship Policy



2.4.3 Community Awareness & Education Policy



2.4.4 NATPET Sustainability Policy





2.4.5 Social Compliance Policies

2.4.5.1 No Discrimination Policy:

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

Clarifications:

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

2.4.5.2 Punishments and Appeal Policy:

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

Clarifications:

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

2.4.5.3 Harassment and Abuse Policy:

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

Clarifications:

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

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

2.4.5.4 Grievance Policy:

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

Clarifications:

Grievances may be concerned with a wide range of issues, including the allocation of work, working environment or conditions, the opportunities that employee have been given for career development or the way in which he/she have been managed.

2.4.5.5 Policy on Dealing with Harassment Complaints:

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

Clarifications:

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

2.4.5.6 Disciplinary Policy:

NATPET employees shall not ordinarily be dismissed for a first disciplinary offence. The NATPET reserve the right to implement the policy at any stage as set out

taking into account the alleged misconduct of an employee.

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

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

Clarifications:

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

2.4.5.7 Whistleblowing Policy:

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

Clarifications:

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

2.4.5.8 Anti-Bribery Policy:

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

Clarifications:

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

2.4.5.9 Employee of the Month Policy:

The objective of the "employee of the month" scheme is to give recognition to employees who have performed particularly well each month. The scheme is an essential part of the reward strategy of the organization. It aims to motivate employees to achieve high standards,

encourage innovation, promote high levels of customer service and celebrate success.

Clarifications:

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

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

2.4.5.10 Office Environment Policy:

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

Clarifications:

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

2.4.5.11 Equal Opportunities Policy:

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

Clarifications:

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

2.4.5.12 Equal Pay Policy:

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

- the same or similar work;

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

Clarifications:

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

2.4.5.13 Equal Opportunities relating to Disability Policy:

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

Clarifications:

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

2.4.5.14 Environmental Policy:

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

Clarifications:

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

2.4.5.15 Maternity Policy:

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

Clarifications:

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

3.0 NATPET'S HISTORY AND A BRIEF BACKGROUND:

3.1 NATPET in Brief

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

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

NATPET's PP products, with the brand name Teldene®, are sold in more than 70 countries covering all the major regions around the world. The sales are carried out through NATPET's competent Marketing and Sales division and off-takers with defined territories. NATPET is considered to be an aggressive market competitor aiming to achieve the highest profitability with the highest quality product in the market.

NATPET in a short period of its existence has received outstanding acclamation from its customers for its sustainable product quality and after sales support. Accordingly, NATPET



puts extra emphasis to keep its goodwill in the downstream market afloat through constant improvement of its operations.

3.2 Corporate Strategy

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

3.3 An Organization with Solid Policies

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

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

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

NATPET-Schulman Engineering Plastic Compounds is a joint venture. This has build an efficient, cost-effective and state-of-the-art manufacturing facility to produce and globally sell polypropylene compounds for durable goods & automotive industry since 2016.



NATPET

4.0 RECOGNITIONS:

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

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

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



NATPET

5.0 INSPIRE STAKEHOLDER CONFIDENCE:

ABS Quality Evaluations
Certificate of Conformance

This is to certify that the Quality Management System of
National Petrochemical Industrial Company (NATPET)
7th & 8th Floors, Future Business Center
Ammanah Street, Opp. Chamber of Commerce, Baghdadiya District
Jeddah, Western Province 21491
Saudi Arabia

(WITH ADDITIONAL FACILITIES LISTED ON ATTACHED ANNEX)
has been assessed by ABS Quality Evaluations, Inc. and found to be in conformance with the requirements set forth by
ISO 9001:2015
The Quality Management System applicable to:

MANUFACTURING, MARKETING, SALES AND EXPORT OF VARIOUS GRADES OF POLYPROPYLENE

This certificate may be found on the ABS QES Website (www.abs-qes.com). For certificates issued in the People's Republic of China information may also be verified on the CNCA website (www.cnca.gov.cn).

Certificate No: 86694
Effective Date: 22 November 2017
Expiration Date: 21 November 2020
Issue Date: 22 November 2017

Alex Wassberg, President

ANAB IAF

Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system conducted by the above signatory and a subsequent review conducted by ABS Quality Evaluations, Inc. or a qualified designee. The management system is subject to re-assessment in accordance with the requirements of the standard.
ISO 9001:2015 (Clause 8.1) - 2015 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.abs-qes.com website.

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ACCREDITATION CERTIFICATE
LAB-084-TEST

Dubai Accreditation Department
has accredited
National Petrochemical Industrial Co. (NATPET)
Technical Laboratory
Yanbu Al Sinaiyah- Kingdom of Saudi Arabia

In accordance with the requirements of ISO/IEC 17025: 2005 to undertake the tests in the field of:

Petroleum & Petrochemical Testing

For the tasks listed in the attached Scope of Accreditation

This Accreditation is valid without the attached scope of accreditation and shall remain in force within the validity period printed below, subject to continuing compliance with the requirements of the accreditation program.

Validity of Certificate, from 11-10-2014 to 10-10-2017

Label Accreditation Date: 11-10-2014

Director, Dubai Accreditation Department

Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system conducted by the above signatory and a subsequent review conducted by the Accreditation Department. The management system is subject to re-assessment in accordance with the requirements of the standard.
ISO/IEC 17025: 2005 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.dac.gov.ae website.

Certificate of Registration
The organization located at address shown below
National Petrochemical Industrial Co. (NATPET)

Head Office: 7th & 8th Floors, Future Business Center, Ammanah Street adjacent to Hall Street, Opp. Chamber of Commerce, Baghdadiya District, Jeddah 21491, Kingdom of Saudi Arabia
Offices: King Abdullah Road, Al-Madina Towers, Yanbu Al Sinaiyah, Kingdom of Saudi Arabia

has been assessed and registered by the System Certification International and found compliant in accordance with the requirements of the standard detailed below:

ISO 22000:2005
Food Safety Management System

Scope of certification covers:
Manufacturing, Marketing, Sales and Export of various grades of Homopolymers, Random and Heterophasic Copolymer Polypropylenes.

Certificate No: 154-200-7-FC
Registration Date: 24/06/2015
Issue Date: 24/06/2015
Expiry Date: 23/02/2018

Reliance Public, an official of Certification System International

Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system conducted by the above signatory and a subsequent review conducted by the System Certification International. The management system is subject to re-assessment in accordance with the requirements of the standard.
ISO 22000:2005 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.sci-certification.com website.

ABS Quality Evaluations
Certificate Of Conformance

This is to certify that the Environment Management System of
National Petrochemical Industrial Company (NATPET)
7th & 8th Floors, Future Business Center
Ammanah Street, Opp. Chamber of Commerce, Baghdadiya District
Jeddah, Western Province 21491
Saudi Arabia

(WITH ADDITIONAL FACILITIES LISTED ON ATTACHED ANNEX)
has been assessed by ABS Quality Evaluations, Inc. and found to be in conformance with the requirements set forth by
RC140016:2015
The Environment Management System is applicable to:

MANUFACTURING, MARKETING, SALES AND EXPORT OF VARIOUS GRADES OF POLYPROPYLENE

This certificate may be found on the ABS QES Website (www.abs-qes.com). For certificates issued in the People's Republic of China information may also be verified on the CNCA website (www.cnca.gov.cn).

Certificate No: 4968
Certification Date: 31 December 2014
Effective Date: 22 November 2017
Expiration Date: 31 December 2020
Issue Date: 22 November 2017

Alex Wassberg, President

ANAB IAF

Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system conducted by the above signatory and a subsequent review conducted by ABS Quality Evaluations, Inc. or a qualified designee. The management system is subject to re-assessment in accordance with the requirements of the standard.
RC140016:2015 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.abs-qes.com website.

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ABS Quality Evaluations
Certificate Of Conformance

This is to certify that the Environment Management System of
National Petrochemical Industrial Company (NATPET)
7th & 8th Floors, Future Business Center
Ammanah Street, Opp. Chamber of Commerce, Baghdadiya District
Jeddah, Western Province 21491
Saudi Arabia

(WITH ADDITIONAL FACILITIES LISTED ON ATTACHED ANNEX)
has been assessed by ABS Quality Evaluations, Inc. and found to be in conformance with the requirements set forth by
ISO 14001:2015
The Environment Management System is applicable to:

MANUFACTURING, MARKETING, SALES AND EXPORT OF VARIOUS GRADES OF HOMOPOLYMER, RANDOM AND HETEROPHASIC COPOLYMER POLYPROPYLENE

This certificate may be found on the ABS QES Website (www.abs-qes.com). For certificates issued in the People's Republic of China information may also be verified on the CNCA website (www.cnca.gov.cn).

Certificate No: 51623
Certification Date: 21 December 2014
Effective Date: 20 December 2016
Expiration Date: 30 December 2019
Issue Date: 08 December 2016

Alex Wassberg, President

ANAB IAF

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ISO 14001:2015 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.abs-qes.com website.

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ABS Quality Evaluations
ISO 9001:2015
Certificate of Conformance
ANNEX

Certificate No: 86694

National Petrochemical Industrial Company (NATPET)
At Below Facilities:

Facility: National Petrochemical Industrial Company - Plant 0205
Royal Commission
Yanbu Al Sinaiyah
Yanbu, Western Province 6656
Saudi Arabia

Scope: MANUFACTURING, MARKETING, SALES AND EXPORT OF VARIOUS GRADES OF POLYPROPYLENE

Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system conducted by the above signatory and a subsequent review conducted by ABS Quality Evaluations, Inc. or a qualified designee. The management system is subject to re-assessment in accordance with the requirements of the standard.
ISO 9001:2015 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.abs-qes.com website.

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DEIRIA ACCREDITATION DEPARTMENT **إدارة اعتماد المنطقة الشرقية**

SCOPE OF ACCREDITATION
Petroleum & Petrochemical Testing
National Petrochemical Industrial Co. (NATPET)
Technical Laboratory
Yanbu Al Sinaiyah- Kingdom of Saudi Arabia

Scope Issue No: 02
Accreditation Certificate No: 14-084-TEST
Scope Validity Period: 11-10-2014 to 10-10-2017
Issued by (Head of Section):

Type of Task	Reference Standards	Technical Method	Standard Method
Physical	Reference: - Petroleum Reference: - Petroleum Reference: - Petroleum Reference: - Petroleum	Reference: - Petroleum Reference: - Petroleum Reference: - Petroleum Reference: - Petroleum	Reference: - Petroleum Reference: - Petroleum Reference: - Petroleum Reference: - Petroleum

Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system conducted by the above signatory and a subsequent review conducted by the Accreditation Department. The management system is subject to re-assessment in accordance with the requirements of the standard.
ISO/IEC 17025: 2005 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.dac.gov.ae website.

ABS Quality Evaluations
Certificate Of Conformance

This is to certify that the Health and Safety Management System of
National Petrochemical Industrial Company - Plant (O&M)
Royal Commission
Yanbu Al Sinaiyah
Yanbu, Western Province 46456
Saudi Arabia

has been assessed by ABS Quality Evaluations, Inc. and found to be in conformance with the requirements set forth by
OHSAS 18001:2007
The Health and Safety Management System is applicable to:

MANUFACTURING, MARKETING, SALES AND EXPORT OF VARIOUS GRADES OF POLYPROPYLENE

This certificate may be found on the ABS QES Website (www.abs-qes.com). For certificates issued in the People's Republic of China information may also be verified on the CNCA website (www.cnca.gov.cn).

Certificate No: 86695
Effective Date: 22 November 2017
Expiration Date: 21 November 2020
Issue Date: 22 November 2017

Alex Wassberg, President

ANAB IAF

Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system conducted by the above signatory and a subsequent review conducted by ABS Quality Evaluations, Inc. or a qualified designee. The management system is subject to re-assessment in accordance with the requirements of the standard.
OHSAS 18001:2007 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.abs-qes.com website.

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ABS Quality Evaluations
RC140016:2015
Certificate Of Conformance
ANNEX

Certificate No: 4968

National Petrochemical Industrial Company (NATPET)
At Below Facilities:

Facility: National Petrochemical Industrial Company - Plant 0205
Royal Commission
Yanbu Al Sinaiyah
Yanbu, Western Province 6656
Saudi Arabia

Scope: Manufacturing, Marketing, Sales and Export of various grades of Polypropylenes

Validity of this certificate is based on the successful completion of the periodic surveillance audits of the management system conducted by the above signatory and a subsequent review conducted by ABS Quality Evaluations, Inc. or a qualified designee. The management system is subject to re-assessment in accordance with the requirements of the standard.
RC140016:2015 (Version 15.00) - 15.00 - 15.00
Validity of this certificate may be confirmed on www.abs-qes.com website.

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ABS Quality Evaluations
ISO 14001:2015
Certificate Of Conformance
ANNEX

Certificate No: 51623

National Petrochemical Industrial Company (NATPET)
At Below Facilities:

Facility: National Petrochemical Industrial Company - Plant 0205
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5.1 PRESS RELEASE

National Petrochemical Industrial Company Achieves First with RC 14001:2015 Certification

<http://www.abs-group.com/News-and-Events/Press-Releases/National-Petrochemical-Industrial-Company-Achieves-First-with-RC-140012015-Certification/>

ABS Quality Evaluations, Inc. issues first certificate globally for RC 14001:2015.

(Houston) ABS Quality Evaluations, Inc. (ABS QE), a subsidiary of **ABS Group**, has awarded the **National Petrochemical Industrial Company (NATPET) of Saudi Arabia the first issued RC 14001:2015 certificate globally**. The RC14001® Technical Specification (2015 edition) combines elements of the American Chemistry Council's (ACC) Responsible Care® initiative with those of the ISO Environmental Management Systems Standard, ISO 14001:2015). This Technical Specification was recently revised in 2015 and enables a company to obtain, through an application and audit process, a certification that its management system conforms to both the ISO 14001 and RC14001 requirements.

"This recognition is a significant achievement for NATPET and further strengthens our commitments and promise for a better future through an improved organization," says Jamal J. Malaikah, President and COO of NATPET. "This requires us to continually increase our competitiveness, assure operations with the least possible impacts on the environment and enhance efficiency and effectiveness in our business to promote the safety and wellbeing of our employees, community and business partners."

"We are pleased to issue the first certificate globally for RC 14001:2015, which is a milestone for both ABS QE and our client," says Dominic Townsend, Vice President of ABS QE. "We are committed to helping our clients gain a thorough understanding of the latest management systems standards to drive performance improvements and quality assurance in the oil, gas and chemical value chain and life cycle."



NATPET

6.0 CORPORATE SOCIAL RESPONSIBILITIES:

6.1 Waste Free Environment Day 2017

6.1.1 WFE activities was initiated at school level an run almost a month the closing ceremony on 2nd March 2017.

6.1.1.1 The core of WFE is to promote recycling and to raise awareness on responsible litter disposal. The campaign focuses on changing people’s attitude toward litter disposal and raises the need for communities to respond to environmental issues.

6.1.2 KPI’s for 2017

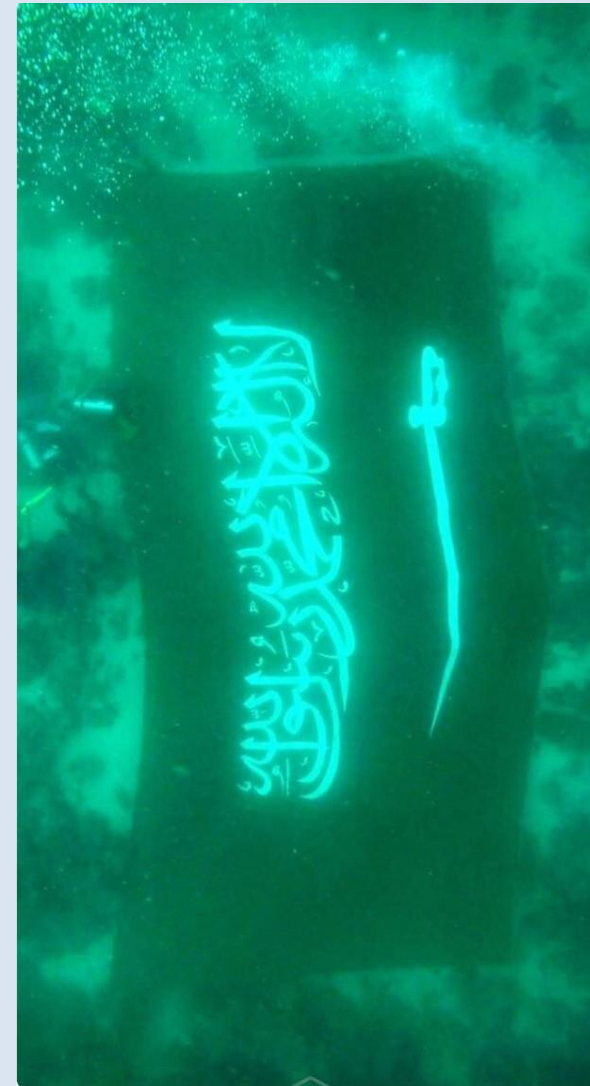
- 6.1.2.1 Regional KPI’s to increase participation by 10%
- 6.1.2.2 To focus on educational component of campaign
- 6.1.2.3 To extend to more locations and cities (in the case of NATPET, Jeddah will be a new city)
- 6.1.2.4 To extend the campaign to 1 new international location through affiliate offices
- 6.1.2.5 Join hands with recycling partners and NGO’s
- 6.1.2.6 Each city/campaign to develop competitions.

WFE focuses on the 3 R’s: Reduce, Reuse and Recycle.



6.2 GUINNESS WORLD RECORD

6.2.1 The largest flag unfurled underwater was achieved by ARC Ataa Alresalah in association with Coach Rebhi Skaik in Jeddah, Saudi Arabia on 29th September, 2017.





NATPET

7.0 NATPET SUSTAINABILITY

- Environmental Sustainability
- Social Sustainability
- Economic Sustainability

7.1 Environmental Sustainability

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

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

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

7.1.4 Primary School Level

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

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

7.1.5 Environmental Major Milestones

- **Zero violation** of local & national Environmental Regulation.
- **100% compliance** to set parameter for wastewater discharge to MARAFIQ IWTP.
- **No Groundwater contamination** as per groundwater sampling report.
- **Continuous Emission Monitoring** of stack Emissions.
- NO_x and SO_x emissions from stacks **far less** than RC limit.
- **No incident of leakage** for radioactive sources.



- **RC 14001:2015** valid certification and accredited with ANAB by ABS-QE, USA.
- **ISO 14001:2015** valid certification and recognition for RCMS by GPCA
- **Zero Fatality** on occupational health & safety incident.
- **No Major** Fire incident or explosion.
- Member of **ROSPA** (Royal Society of Prevention of Accident)
- Member of **Responsible Care**
- **NFPA** (National Fire Protection Association) membership
- **ASSE** (American Society of Safety Engineers) membership

7.2 Social Sustainability

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

7.2.1.1 Our People – Making a Difference

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

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

7.2.1.2 Community Engagement

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

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



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

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

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

7.2.1.3 Donation

At NATPET our responsibility never completed until we assure the donations and charities are utilized effectively, our philosophy to invest in the community either donation or sponsorship. Contribution to School

Year	Funds Allocated
2013	SAR 2.0 Million
2014	SAR 2.2 Million
2015	SAR 2.4 Million
2016	SAR 2.5 Million
2017	SAR 2.5 Million
2018	Budgeted SAR 2.7 Million

7.2.1.4 CSR – Al Nabta’s & NATPET joint work

Project with Al Nabta, local NGO for spreading Environmental awareness in community schools at Jeddah. “Story of Waste” designed to spread awareness among

students on how and why they should recycle and safe the environment. This program targets intermediate and secondary school students (both genders). Total 04 schools were selected in 2013 for awareness and this project will be continued in 2017.

7.2.1.5 Training and Career Development

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

Phase 1 (2010 to 2012):

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

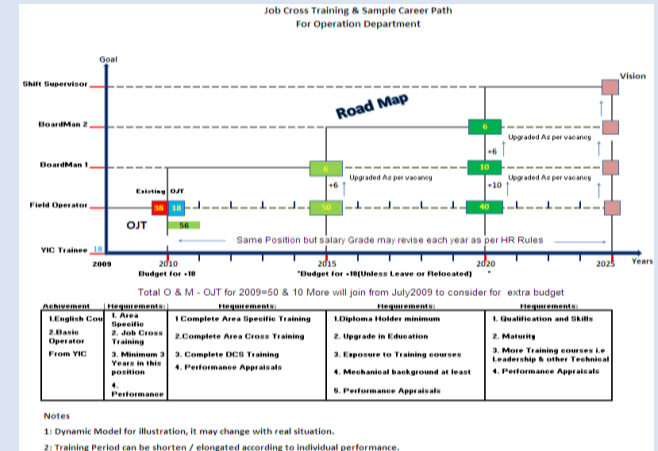
Phase 2 (2013 & 2014):

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

- **11** PDP engineers' (Saudi) are progressing in their development program. Fresh Recruitment is on the go

Phase 3 (2015 to 2017):

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



7.2.1.6 The Official ICC CEO G20 Advisory Group

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

We identify the Socio-Economic, environmental and political national and

international trends which could impact on business performance. These are being monitored through ICGG20 Advisory, B20, OECD, PMC.



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

7.2.1.7 World Day for Occupational Safety and Health

NATPET ISD Department in collaboration with the Royal Commission (Yanbu) celebrated the World Day for Occupational Safety and Health. Awareness on occupational

safety and health is one of the most important objectives of NATPET. The purpose of program is to promote a culture of safety in the workplace.

7.2.1.8 Academia Collaboration with KFUPM

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

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

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

7.3 Economic Sustainability

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

7.3.1 Steam Re-mapping – Energy Recovery

7.3.1.1 PDH-REC Turbine Power Enhancement

7.3.2 Propylene recovery – PP project

7.3.3 Eco-profiles for Polyolefins in the GCC

The study was performed within the years 2015 and 2016 aiming at the compilation of an Eco-profile for PP produced by NATPET. Eco-profiles assess the environmental impacts along the production chain from "cradle-to-gate". This means that all relevant processes for polyolefin production from oil and gas extraction and processing, steam cracking, and polymerisation are included in this analysis. Furthermore, generation of electric and thermal energy as well as the supply of auxiliary materials and transport processes were considered.

As one of the goals of this study was to compare the results to Eco-Profiles published by the European Association of Plastics Manufacturers (Plastics Europe), care was taken to use the same methods and the same assumptions, where applicable. As a result, we can consider the results highly comparable with European Eco-profiles. The present study was conducted according the ISO 14044:2006 standard for life cycle assessment (LCA).

7.3.4 Reduction in Greenhouse Gas Emissions by Balderrie Energies, GMBH

The project was performed by Balderrie Energies GmbH targeted the potential to reduce greenhouse gases at NATPET and for establishing an internationally recognized project that would have multiple benefits besides CO2 reduction.

The study was targeted to be also an exercise for NATPET management and engineers to see their operations from the

angle of energy management and to take direct and indirect economic benefits into consideration.

7.3.5 Biodiversity

7.3.5.1 NATPET policy continues to focus on:

- Continuing to reduce the impact of our operations through our Green Manufacturing 2016 program, focusing on CO₂ emissions, water, waste and restricted and hazardous substances
- Continuing our EcoDesign activities, resulting in Green Products
- *NATPET Lab Participated in ASTM-PTP(2015-2016) Lab Got 20 Excellent (< 1 σ) and 6 Very Good (< 2 σ).*

7.3.6 Corporate Governance

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

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