



2018 Sustainability Report

Gulf Petrochemical Industries Company Kingdom of Bahrain www.gpic.com

GPIC PROUDLY SUPPORTS THE 17 SUSTAINABLE DEVELOPMENT GOALS





TOGETHER WE DO BETTER

2018 Global Reporting Initiative (GRI) Report

Including: UN Global Compact - Communication on Progress UN Global Compact - Food and Agriculture Business Principles UN Global Compact - Women's Empowerment Principles

Gulf Petrochemical Industries Company Kingdom of Bahrain

ABOUT GULF PETROCHEMICAL INDUSTRIES COMPANY (GPIC)

Gulf Petrochemical Industries Company (GPIC) is a leading joint venture setup and owned by the Government of the Kingdom of Bahrain, Saudi Basic Industries Corporation (SABIC), Kingdom of Saudi Arabia and Petrochemical Industries Company (PIC), Kuwait. GPIC was set up for the purposes of manufacturing fertilizers and petrochemicals namely Ammonia, Methanol and Urea.

Being a major manufacturer within the Kingdom of Bahrain, GPIC is also a proactive stakeholder within the Kingdom and the region, with our activities being represented by natural gas purchases, empowering Bahraini nationals through training & employment, utilisation of local contractors and suppliers, energy consumption and other financial, commercial, environmental and social activities that arise as a part of our core operations within the Kingdom.

For GPIC, sustainability has evolved to a strategic imperative that focuses on economic, environmental and social risks and opportunities. By sharing our sustainability performance through our fourth GRI Sustainability Report and encouraging others to do the same, we are infact addressing SDG 12 target 12.6.



For the purpose of clarity throughout this report,

- 'GPIC', 'we' 'us', and 'our' refer to the Gulf Petrochemical Industries Company;
- 2. 'SABIC' refers to the Saudi Basic Industries Corporation;
- 'PIC' refers to the Petrochemical Industries Company, Kuwait;
- 4. 'Nogaholding' refers to the Oil and Gas Holding Company, Kingdom of Bahrain;
- 5. 'Board' refers to our Board of Directors represented by a group formed by Nogaholding, SABIC and PIC.

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



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

We welcome feedback on its contents.

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



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



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

1

CONTENTS

INTRODUCTION	4	
SUSTAINABILITY REPORTING	6	STREET WALL
SUSTAINABILITY OVERVIEW 2016-2017	8	
STRATEGY AND PROFILE OF GPIC	34	
THE ECONOMIC IMPACT OF SUSTAINABILITY	66	
PROTECTING OUR PLANET	90	
A GREAT PLACE TO WORK	114	
UN GLOBAL COMPACT	150	
UNGC FOOD AND AGRICULTURE BUSINESS [FAB] 6 PRINCIPLES	162	
UNGC WOMEN'S EMPOWERMENT PRINCIPLES	170	
LEADING EXCELLENCE AWARDS	180	
WHAT OTHERS SAY	186	
GRI CONTENT INDEX	196	
ACRONYMS	210	





Introduction

Welcome to our fourth GRI Sustainability Report 2018 **"Together We Do Better.**" The theme of the report highlights one of the key recipes of our success and that is Team work, Partnerships and Collaboration. We believe that we do better together and that success is derived through working as one team. By focusing on collaboration and partnerships, we are in fact contributing to SDG #17.

This report is prepared in accordance with the GRI Standards-Comprehensive and shares our performance on social progress, environmental protection and economic growth for 2016-2017.

This report also serves as GPIC's UN Global Compact Communication on Progress (COP) and our strategies and initiatives regarding signature issue platforms such as the Food and Agriculture Business Principles and Women's Empowerment Principles.

Within this document we have also highlighted, in detail, our commitment, support and contribution to the United Nations 17 Sustainable Development Goals (SDGs).

By issuing sustainability reports and encouraging our peers and business partners to take on board sustainability reporting, we are in fact contributing to SDG #12 target 12.6 "Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle."

Other Company reports that may be of interest to readers is available on www.gpic.com include:

- GPIC Annual Reports
- GPIC Company Magazine Khaleejieh
- GPIC GRI Sustainability Reports
- GPIC UN Global Compact Communication on Progress (COP) Reports

Sustainability Reporting

SUSTAINABILITY REPORTING -A COMPREHENSIVE UNDERSTANDING What is the Global Reporting Initiative (GRI)?

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

What is an In Accordance Sustainability Report?

An "In Accordance "sustainability report is a report that fulfills the GRI Standards "in accordance" criteria; and states that it is "in accordance" with either the Core or Comprehensive options. GPIC 2018 SR is "in accordance" Comprehensive.

What is Materiality assessment?

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

How does GPIC approach sustainability reporting?

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

What are GPIC 's long term Sustainability Goals?

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

The Sustainability Goals cover the following areas:

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

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

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

UN Global Compact's 10 principles. The UN Global Compact is the world's largest voluntary corporate citizenship initiative. For more information on the UN Global Compact and its principles, visit unglobalcompact.org.

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

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

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

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

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

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

Sustainability Overview 2016 - 2017



GPIC'S ACHIEVEMENTS, CHALLENGES AND GOALS

10

Our Performance Highlights



1,617,422 metric tonnes of combined annual production, the highest ever, achieved in 2016



US\$4.59 BILLION injected to Bahrain economy since inception



27.14 MILLION man hours without LTA as of 31 December 2017



+27,500 school students have attended environmental awareness lectures by GPIC employees since 2001



US\$7.93 MILLION saved through in-house spare part manufacturing since 2001



US\$2.2 BILLION paid to shareholders as dividend



+1 MILLION FISH released to Bahrain's territorial waters from GPIC's managed fish farm since 1996



10% female employees at GPIC, the highest since inception





We aim to be the growth partner for all our stakeholders by utilizing local suppliers within our supply chain where possible. Employing Bahraini Nationals and contributing to the local community.

GPIC'S ACHIEVEMENTS, CHALLENGES AND GOALS



GULF PETROCHEMICAL INDUSTRIES COMPANY OVERVIEW

Shareholders	• 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	December 1979
Number of Employees	• 477 employees as of 31 Dec. 2017
Principal Place of Business	Sitra, Kingdom of Bahrain
Core Products	• 1200MT/D Ammonia, 1200MT/D Methanol, 1700 MT/D Granular Urea.
Key Markets	• USA, China, Brazil, Singapore, Thailand, Taiwan, South Korea, Australia
Scale of the Organisation	• Medium
Total Capitalisation	• US \$159 million (100% equity)
Sales 2016	US\$ 235 million
Sales 2017	US\$ 299 million
Total Assets 2016	US\$ 549 million
Total Assets 2017	US\$ 571 million
Net Profit 2016	• US\$ 1.13 million
Net Profit 2017	• US\$ 32.07 million
Total Products	• 2016 - 1,617,422 metric tonnes
	• 2017 - 1,604,725 metric tonnes
Certifications	 ISO9001:2008;ISO14001:2004;OHSAS18001:2007;PAS99:2012; RC14001:2008;ISO27001:2005;ISO31000:2009;ISO22301;ISO 17025;ISO17020; ISO 50001:2011
Memberships in Key International Organisations	 UN Global Compact; National Safety Council (NSC, USA), Royal Society for the Prevention of Accidents (RoSPA, UK), International Fertilizer Association (IFA), Arab Fertilizer Association (AFA), Gulf Petrochemicals and Chemicals Association (GPCA), Global Reporting Initiative (GRI)
Key Awards 2016-2017	• 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 special award for winning +25 years of gold awards

Achievements 2016-2017

- A remarkable safety record with over 27 million man hours without a Lost Time Accident
- In 2016 GPIC achieved a combined record yearly production for Ammonia, Urea and Methanol of 1,617,422 metric tonnes, highlighting business continuity and efficiency
- Embarking on a new Urea Formaldehyde (UF 85) plant to make supply chain of our raw materials and chemicals more robust and sustainable
- Start export of methanol to downstream industry in Bahrain
- Revamped our corporate strategy to GPIC corporate strategy 2030, an innovative business strategy knowing that business as usual will not be sustainable
- Gearing up for growth, tapping in potential areas for growth, including de-bottlenecking of our existing facilities for improved energy efficiency and enhanced production capacities
- Continued to build on our success and received recognition for the relentless and driven attitude to sustainability, corporate social responsibility and beyond excellence results

Challenges 2016-2017

- Continuity of market instability, financial crunch and escalating energy costs
- The hottest summer ever with a highest sea water intake temperature of 39.5 deg C impacting plant performance
- Stretching the Turnaround cycle to three years for the first time

Challenges and goals 2018 and beyond

- To have a safe and successful turnaround 2018 after 3 years from last Turnaround
- Maintain the financial health of the Company through operational excellence and cost optimization initiatives
- Deliver financial success and sustainable returns for our shareholders
- Continue to innovate beyond the boundaries of standard practice
- Build our people capability and improve employee productivity
- Deliver on the goals and targets we have set for our future
- Maintaining safety performance & adherence to environmental legislation
- Complete the UF 85 project successfully and safely in 2018
- Improving on cost of production.
- Increase in price of raw materials such as gas and electricity
- Market instability and low Products price
- Geopolitics and security challenges.
- Embrace new technologies for improving energy efficiency and performance enhancement of plants
- Continue to Increase and improve automations for improved reliability
- Come up with an improved optimized organization chart for GPIC staff
- Improve cyber security measures
- Secure growth and expansion projects through implementing GPIC's 2030 Corporate Strategy

"We have embarked on a new Urea Formaldehyde (UF 85) plant at our existing site to make the supply chain of our raw materials and chemicals more robust and sustainable"

Dr. Abdulrahman Jawahery - GPIC President

OUR SUSTAINABILITY STRATEGY

GPIC's sustainability strategy is centered on the United Nations' pillars of sustainable development: People, Planet and Profit. We measure our success on social responsibility, care for the environment and profitability.

In developing our sustainability strategy, we ensure a closeknit integration between the stakeholders' interest, important environmental concerns and our core business.

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

Economic Vitality:

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

Business Continuity:

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

Business Growth:

We believe that in order to add value for our shareholders and to remain competitive and sustainable in this ever evolving and challenging global market, we have to grow. In line with this outlook, we 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.

Human Talent Development:

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

Women's Empowerment:

GPIC has a responsibility to be a role model for empowering women in Bahrain's industrial sector. GPIC will pursue its strategic priority to employ more women in various positions, as allowed by the laws of Bahrain. We have also established an Equal Opportunity Council to oversee practices of fairness between men and women, and to ensure adherence to women's rights.

Engagement with Regional and International Organizations:

With the aim to be proactively involved and to contribute towards knowledge sharing and professional networking, GPIC participates in several organizations at a national, regional and international level. GPIC's leadership is involved in promoting sustainable development and agriculture on both a local and global level and is actively engaged with policy makers.

Social Progress:

Another set of stakeholders we have identified are the communities that host our business and our people. We are aware of the fact that negligence in our business could cause damage to our surrounding communities. As such, it is our responsibility to cater to their needs and be aware of their interests. At the same time, the safety of all our employees, contractors and host communities is 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 include a much broader category than only our people, shareholders or financial investors. We have an unwavering commitment to invest in helping address the social needs firstly of our neighbouring communities, but also of Bahrain as a whole.

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

Environmental Sustainability and Climate Change:

As the world's climate begins to change, no company can afford any longer to ignore the impact it has on the environment. We have committed ourselves to some of the most stringent of 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 Environmental Management System ISO 14001, Responsible Care management system RC 14001 and ISO 50001 Energy Management System.

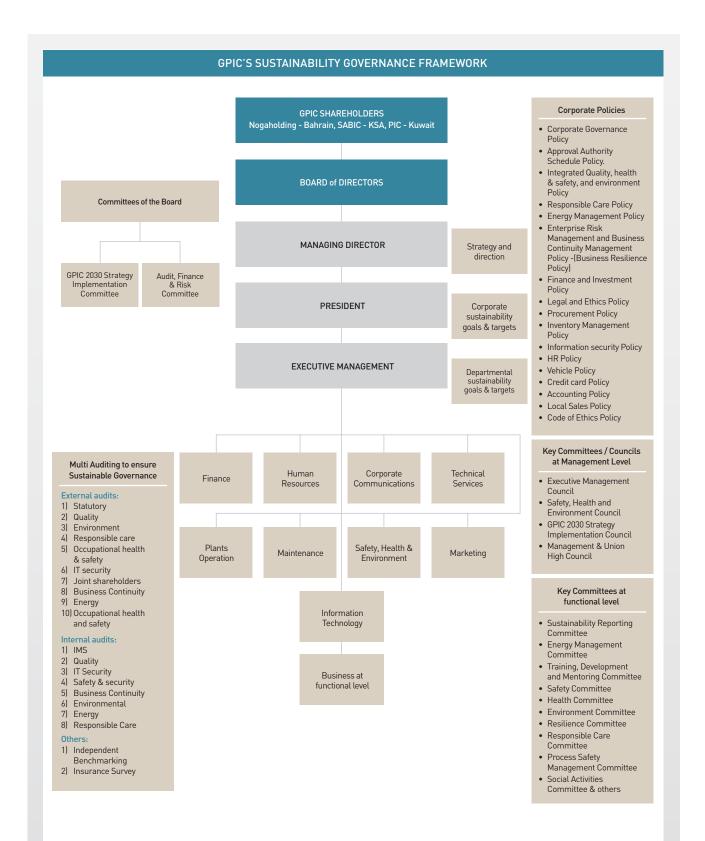
Life Cycle Perspective:

Some of the GPIC's significant environmental impacts can occur during the sourcing of raw material, manufacturing process, transport, delivery, use and final disposal of its product or service. By providing information, GPIC can potentially prevent or mitigate adverse environmental impacts during these life cycle stages. GPIC considers the extent of control or influence that it can exert over activities, products and services considering a life cycle perspective.

GPIC and the Sustainable Development Goals:

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.

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



38 YEARS OF EXCELLENCE IN CORPORATE SUSTAINABILITY - OUR JOURNEY



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



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



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



GPIC certified for Quality Management System ISO 9000











GPIC becomes OHSAS 18001 Certified

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



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



GPIC becomes ISO 27001 certified

Dilmun Environmental Award in partnership with RoSPA-UK



GPIC wins HRH Princess Sabeeka award for Empowerment of Bahraini Women

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



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

member of UN Global Compact

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

GPIC wins the Arabia CSR Award

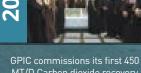


GPIC installs its first solar heating unit

GPIC wins the Arabia CSR Award

HM Queen Margrethe II of

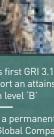




MT/D Carbon dioxide recovery plant that reduces 0.12 million tons CO₂ emissions annually

HRH Princess Sabika bint Ibrahim Al Khalifa Aromatic garden inaugurated

GPIC becomes Responsible Care RC - 14001 certified





A remarkable safety record with over 27 million man hours without a Lost Time Accident

Embarking on a new Urea Formaldehyde (UF 85) plant to make supply chain of our raw materials and chemicals more robust and sustainable.

Start export of methanol to downstream industry in Bahrain

Revamped our corporate strategy to GPIC corporate strategy 2030, an innovative business strategy knowing that business as usual will not be sustainable

GPIC issues its second Greenhouse Gas Inventories report based on IPCC Guidelines for the year 2016.

GPIC issues its yearly UNGC COP report in May 2017

GPIC SR 2016 undergoes **GRI** Benchmarking





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

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

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

GPIC partners with Global Reporting Initiative to become GRI organizational stakeholder

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

GPIC wins HRH Princess Sabeeka award for Empowerment of Bahraini Women





GPIC becomes ISO 31000 and ISO 22301 certified

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







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

GPIC President becomes IFA and AFA president

GPIC achieves ISO 50001 Energy Management System Certification

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

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

Best Responsible Care Company Award in GCC - 2015 from GPCA

Arabia CSR Award Winner -Large Category - 2015

Arabia CSR Award Winner -Partnership & Collaboration Category - 2015





A record yearly cumulative production for Ammonia, Urea and Methanol of 1,617,422 metric tonnes

GPIC wins the Arabia CSR Award in Large and Partnership & Collaboration Category

GPIC issues its first report based on IPCC Guidelines for the year 2014 - 2015

GPIC issued its third GRI Sustainability and UNGC COP report in June 2016

GPIC attended the Marrakesh Climate Conference COP22

GPIC wins Mohammed Bin Rashid Al Maktoum Business Excellence Innovation Awards

GPIC aligns its long-term goals, corporate yearly goals and departmental goals with the UN'S 17 SDGs.



MAKING THE SDGs A REALITY AT GPIC





GPIC wins the King Hamad International Award for Youth Empowerment in the private sector category for achieving the sustainable development goals. The award was received by the President of GPIC, Dr. Abdulrahman Jawahery from His Majesty the King.



GPIC and the UN Sustainable Development Goals

2016-2017 have been challenging years for sustainability in many respects, but there have also been exciting developments in the sustainability landscape. We look back at GPIC's efforts in mainstreaming the UN's 17 SDGs in the Company's Business Functions.

In September 2015, the UN General Assembly agreed to 17 global Sustainable Development Goals (SDGs) to reach by 2030. The goals and specific targets under the goals seek to end poverty, protect the planet, and ensure prosperity for all.

GPIC's triple bottom line business approach aligns strongly to the UN SDGs. GPIC is a proud supporter of the global goals and has contributed in all the phases, right from the participatory process of My World to setting up meaningful indicators, sharing best practices on SDG aligned projects and programs through the UN Global Compact and KPMG's Industry Matrix. Aligning corporate goals both short term and long term with the relevant SDGs. Mainstreaming SDGs in business functions. Linking SDGs with our Capex projects and modifications through our MOC system is one of our latest initiatives. Sharing our sustainability performance publicly through GRI sustainability reports and encouraging others to do the same.

As we continue to advance our thinking and work to address the SDGs, we'll update our initiatives in our sustainability reports and the UN Global Compact's Communication on Progress Reports.

We proudly present our eleven steps that are instrumental in making the SDGs a reality at GPIC.

11 STEPS GPIC HAS TAKEN TO CONTRIBUTE TO THE SDGs



STEP 1 - Leadership Commitment towards Sustainability and SDGs

We have entered a new era where we are engaging more with leading global corporate sustainability initiatives such as the UN Global Compact and focusing more on Leadership, Collaboration and Innovation and Youth empowerment so that we can serve the people of this nation and the world in a better way".

Dr. Abdulrahman Jawahery President, GPIC

STEP 2 - GPIC employees took part in the Participatory process through MY WORLD survey in 2013

GPIC's employees were involved in the participatory process for the SDGs through UN's global My World survey that received more than 7 million votes from around the world, with approximately 75% of participants under 30 years of age.

STEP 3 - GPIC promotes awareness of SDGs within the Organization

GPIC Sustainability Reporting committee are conducting awareness presentations to GPIC Employees.

STEP 4 - GPIC compares its business practices with the SDGs and its targets first quarter 2016

GPIC's Sustainability Reporting committee compared GPIC's current business practices to see how they compare and align to the 17 SDGs.

The result was encouraging to know that in one way or another GPIC practices are contributing to the SDGs.

MAKING THE SDGs A REALITY AT GPIC



省 THE GLOBAL GOALS

11 STEPS GPIC HAS TAKEN TO CONTRIBUTE TO THE SDGs

STEP 5 - GPIC aligned its Corporate sustainability goals with the SDGs and its targets in 2017.

GPIC has mainstreamed SDGs in its business and has shown alignment with its Corporate Goals.

STEP 6 - GPIC aligned its Departmental sustainability goals with the SDGs and its targets in 2017.

GPIC has mainstreamed SDGs in its business and has shown alignment with its Departmental Goals.

STEP 7 - GPIC aligned GRI indicators with the SDGs in its GRI Sustainability Report 2016 and 2018

GPIC aligned the Sustainable Development Goals (SDGs) to GRI standards relevant disclosures/ indicators, UNGC principles and GPIC's contribution. These linkages are based on a more detailed analysis available on the SDG Compass website (www.sdgcompass.org).

STEP 8 - GPIC provided its SDG related Industry Matrix best practice to UNGC based on UNGC Survey

To solicit examples of how companies are positively contributing to the SDGs through their core business operations and to capture ideas on future opportunities for shared value. GPIC has provided a number of best practices and one is the carbon dioxide recovery project that addresses SDG 12# and 13.

STEP 9 - GPIC promotes awareness of SDGs within the Community

GPIC Sustainability committee and the Youth committee are conducting awareness presentations to Bahrain's School children.

STEP 10 - GPIC has started to link its initiatives, technical reports with the SDG's

GPIC has started to show linkage to SDGs in technical reports. For example the Company's waste recycling report was linked to target 12.5 of SDG 12 "Responsible Consumption and Production".

STEP 11 - GPIC has linked its technical and non-technical projects with the SDG's

At GPIC, now the SDGs are part of the MOC work flow for all the Capex projects and Modifications. The Engineering project leader has to select SDGs related to the project as one of the pre-requisites for processing the MOC.



 $\operatorname{GPIC}\nolimits$'s President with H.E The Minister of Oil and the Company's Chairman

Linking the SDGs, UNGC ,GRI and GPIC's contribution

The following table links the Sustainable Development Goals (SDGs) to GRI standards relevant disclosures/ indicators, UNGC

principles and GPIC 's contribution. These linkages are based on a more detailed analysis available on the SDG Compass website (www.sdgcompass.org) and also the document from UNGC.

SDGs	UNGC PRINCIPLES	GRI DISCLOSURES /INDICATORS	GPIC'S CONTRIBUTION
1.5 8.89.8	UNGC Principle #1,2,3,4,5,6	GRI 103-2, 202-1, 203-2, 413-2	NO POVERTY: Contributing to economic growth, job creation and trade; Producing fertilizer that increases income of farmers worldwide.
	UNGC Principle #1,2,7,8,9	GRI 201-1, 203-1, 203-2, 411-1, 413-2	 ZERO HUNGER: 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 12 million tonnes of granular urea since 1998 and a total of more than 39 million tons of ammonia, methanol and granular urea since 1985. 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
3	UNGC Principle #1,2,3,4,5,6,10	GRI 203-2, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 403-2, 403-3	 GOOD HEALTH AND WELL BEING: Health and Safety for employees, their families and contractors; Full health insurance and health campaigns; Health training and lectures. GPIC's First Aid training and Community outreach programme with National Safety Council (NSC)-USA which started in 2012 is continuing and to date we have trained more than 400 employees, contractors, industrial and university students, summer camp children, employees' wives and others. Defensive driving training, campaigns on "Mobiles free driving" to save lives.

LINKING THE SDGS, UNGC, GRI AND GPIC'S CONTRIBUTION

SDGs	UNGC PRINCIPLES	GRI DISCLOSURES /INDICATORS	GPIC'S CONTRIBUTION
4 880a 1	UNGC Principle #1,2	GRI 102-27,404-1	QUALITY EDUCATION: 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.
5	UNGC Principle #1,2,3,4,5,6	GRI 103-2, 201-1, 203-1, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1, 414-1, 414-2	 GENDER EQUALITY: 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 WEPs 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 council.
6	UNGC Principle #1,2,7,8,9	GRI 303-1, 303-2, 303-3, 304-1, 304-2, 304-3, 304-4, 306-1, 306-2, 306-3, 306-5	CLEAN WATER AND SANITATION: GPIC's Long Term Sustainability Goals include water conservation; Energy efficiency (water+energy nexus); Campaigns to reduce water use.
7	UNGC Principle #1,2,7,8,9	GRI 201-1, 203-1, 302-1, 302-2, 302-3, 302-4, 302-5	AFFORDABLE CLEAN ENERGY: 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. In 2016/2017 690 LEDs have been installed with a total energy saving of 461 MWH/Year and CO2 emission reduction by 230 tons.
	UNGC Principle #1,2,3,4,5,6	GRI 102-8, 102-41, 103-2, 201-1, 202-1, 202-2, 203-2, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-3, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 414-1, 414-2	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. GPIC has injected since inception US\$ 4.598 billion in the national economy.



SDGs	UNGC PRINCIPLES	GRI DISCLOSURES /INDICATORS	GPIC's CONTRIBUTION
	UNGC Principle #3,4,5,6,7,8,9	GRI201-1,203-1	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 2017
	UNGC Principle #1,2,3,4,5,6,10	GRI 203-2,405-2	REDUCE INEQUALITIES: Responsible Care protects wellbeing of all people involved with the company's business; Sharing expertize 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.
11 AB46	UNGC Principle #1,2,7,8,9	GRI 203-1	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.).
	UNGC Principle #7,8,9	GRI 204-1, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-3, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 417-1	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. Sustainability Reporting and advocating it as part of target 12.6.
13	UNGC Principle #7,8,9	GRI 201-2, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	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.

LINKING THE SDGS, UNGC, GRI AND GPIC'S CONTRIBUTION

SDGs	UNGC PRINCIPLES	GRI DISCLOSURES /INDICATORS	GPIC'S CONTRIBUTION
14 Elizante	UNGC Principle #7,8,9	GRI 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3	LIFE BELOW WATER: Seawater outfall monitoring to protect sea life; Maintaining the Fish Farm; Following strict marine standards for shipping products internationally;
15 #	UNGC Principle #7,8,9	GRI 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5	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.). Participating in UN 's Green Wave Campaign since 2015, distributing 2,000 saplings in 50 schools over the past three years.
16 Mate and An interest and interest and interest	UNGC Principle #1,2,3,4,5,6,10	GRI 102-16, 102-17, 102-21, 102-22, 102-23, 102-24, 102- 25, 102-29, 102-37, 103-2, 205-1, 205-2, 205-3, 206-1, 307-1, 406-1, 408-1, 410-1, 414-1, 414-2, 415-1, 416-2, 417-1, 417-2, 418-1, 419-1	PEACE, JUSTICE AND STRONG INSTITUTIONS: Aligned with human rights and labour laws; Working with National Institute of Human Rights (NIHR) and Judicial Council to train and develop their staff.
17 ministration	UNGC Principle #1,2,3,4,5,6,7,8,9,10	GRI 203-2	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.

GPIC'S LONG-TERM SUSTAINABILITY GOALS 2030 - 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, now we aim 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	PERFORMANCE 2016	PERFORMANCE 2017	SDG
	Safety, Health and Security	Protection of Human Health & Safety	Zero Lost Time Accidents	Zero LTA	Zero LTA	3 mm
		To ensure availability and readiness of security systems at all the times	100% Security readiness	100%	100%	
	Corporate Social Responsibility	Supporting community and community initiatives	Strategic Philanthropy: Sustained financial contributions to NGOs, Educational institutions, charity organizations etc.	100%	100%	
Ē			OutReach: Achieve yearly target of schools environmental awareness lectures	42 School lectures delivered	44 School lectures delivered against a target of 32	4 883.
PEOPLE			Innovation: Sustained support to GPIC/ Ministry of Education Environmental Research Programme for schools	2015/2016 cycle completed successfully.	2016/2017 cycle completed successfully. 2017/2018 In progress	9 2011 2011
		Commitment to 1) UN Global Compact (UNGC) Principles 2) Food and Agriculture Business Principles (FAB) 3) Women's Empowerment Principles (WEPs) 4) UN's 17 SDGs)	Ensure implementation of the universally accepted 10 principles of the UNGC & the 6 FAB Principles, WEPs and the SDGs	GPIC 3rd GRI sustainability report & UNGC COP issued June 2016	GPIC UNGC COP issued May 2017. SR 2018 issued in March 2018	
	Learning and Growth	Development of Human Capital	Achieve yearly target of qualifying local talent to take responsible positions within the Company	24,794 training hours for local employees were achieved in 2016	23,214 training hours for local employees were achieved in 2017.	4 883. Mji

GPIC'S LONG-TERM SUSTAINABILITY GOALS 2030 - A VISION FOR THE LONG-TERM



	AREA	SUSTAINABILITY GOALS	TARGET	PERFORMANCE 2016	PERFORMANCE 2017	SDG
	Environmental Sustainability		Provide Solar Energy to non-process area buildings by 2019	The project will be revisited once it becomes more viable commercially	The project will be revisited once it becomes more viable commercially	" Ø
		Phase out Ozone depleting and global warming potential HCFC's including R-22 as refrigerants from GPIC	Replace R-22 Refrigerant AC units	All projects related to ODS are on hold for this year for cost optimization reasons and moreover SCE/ NOGA has advised to slow down the replacement due to higher GWP of alternate refrigerants.	All projects related to ODS are on hold for this year for cost optimization reasons and moreover SCE/ NOGA has advised to slow down the replacement due to higher GWP of alternate refrigerants.	13 200
	Reduce Green House Gas (GHG) emission levels	Reduce GHG emissions below 2014 levels for the existing plants	Total GHG emissions for 2016 is 1.14 MM tons of CO2e.	Total GHG emissions for 2017 is 1.13 MM tons of C02e.	13 111	
PLANET	Optimize energy consumption every saleable	Optimize energy consumption so that every saleable tonne of product is attained	Energy consumption <= 7.99 Gcal/MT of combined product	7.55 Gcal /MT	7.53 Gcal /MT	13 200
		within the target level of energy consumption		Reduction in HH steam consumption in urea plant by 2T/H achieved by implementing M-6290	The two projects M-6633 and M-6794 are on track and will be implemented in TA 2018 in April.	Ø
		To ensure Compliance to Environmental Legislation	100% compliance to Bahrain Environmental Legislation	100% compliance	100% compliance	
		Reduce water consumption	Increase recycle / Reuse of waste water streams	Water consumption reduction & recycling opportunities will be explored 2017 and beyond	Water consumption reduction & recycling opportunities will be explored in 2018 and beyond	6 CLEAN WATER AND SANTATION



	AREA	SUSTAINABILITY GOALS	TARGET	PERFORMANCE 2016	PERFORMANCE 2017	SDG
	Economic Sustainability	Maintaining the financial Health of the Company	Target Debt to Equity Ratio to optimum lowest	1:3	1:3	8
PROFIT		Implementation of GPIC Corporate Strategic plan 2030	Tap in potential areas of Growth and carryout debottlenecking of existing facilities for energy efficiency and production enhancement	NA	GPIC initiated to find the opportunities for growth by Joint Ventures or Grass root Projects outside Bahrain. Pre- feasibility meetings with licensors in progress for potential debottlenecking for energy efficiency and production enhancement	8
	Business Process Excellence	Optimizing plants (Ammonia, Methanol and Urea) availability	Actual on-stream factor >= budget on stream factor	On stream factor of 99.57 achieved against target 98.18	On stream factor of 99.54 achieved against target 98.81	12 mm CO 2 mm



GPIC SUSTAINABILITY MATERIALITY ISSUES LINKAGE TO CORPORATE ANNUAL GOALS, LONGTERM GOALS, ERM RISKS AND SDGS.



We have identified and prioritised our material sustainability issues through an extensive internal and external stakeholder engagement. The below matrix shows the linkage between our material issues, corporate goals, long term goals, ERM risks and the SDGs.

GPIC SUSTAINABILITY MATERIAL ISSUES (EXTERNAL / INTERNAL STAKEHOLDER ENGAGEMENT 2017)	CORPORATE GOALS 2018	LONG-TERM GOALS	ERM RISKS	THE GLOBAL GOALS
 Product and Process Safety Health and Safety 	To target for Zero Harm by attaining the target level of SHE incidents during the reporting period and maintain a high level of personnel and process safety and care for the environment at GPIC site at all times.	Protection of Human Health, Safety	 Damage to Reputation Operational and Production Interruption Legal liability and property damage 	8 meretani 12 meretani
2- Health and Safety	To ensure the target level of reduction in sick leaves taken by GPIC employees is attained during the reporting period.		 Damage to Reputation Operational and Production Interruption Legal liability and property damage 	8 metericana 12 metericana -//+
 Product and Process Safety 15-Buisiness Continuity 	To ensure availability and readiness of security systems at 100% all the times	To ensure availability and readiness of security systems at 100% all the times	 Damage to Reputation Operational and Production Interruption Legal liability and property damage Reduction/ Interruption/ limitation of gas and power supply 	16 min anni inclusion M
3- Environmental Awareness4- CSR	To ensure that a targeted number of environmental awareness lectures are delivered at Local Schools.	Supporting community and community initiatives	1- Damage to Reputation	4 855. 17 805855 11 808
5- Philanthropy 4- CSR	To ensure distribution of contribution money to worthy organizations and thus helping the local communities	Strategic Philanthropy: Sustained financial contributions to NGOs, Educational institutions, charity organizations etc.	1- Damage to Reputation	1 See 17 SECON
 3- Environmental Awareness 4- CSR 7- Community engagement and awareness 	To ensure that the target number of educational visits to the GPIC complex during the reporting period is fully achieved.	Community outreach through environmental awareness and environmental research program	1- Damage to Reputation	4 tilles



GPIC SUSTAINABILITY MATERIAL ISSUES (EXTERNAL / INTERNAL STAKEHOLDER ENGAGEMENT 2017)	CORPORATE GOALS 2018	LONG-TERM GOALS	ERM RISKS	THE GLOBAL GOALS
 5- Sustainability 6- Partnerships and Collaboration 16- Human rights and labor rights 17- Women Empowerment 18- Anti-Corruption 19- Ethical business practices 22- Innovation 23- Corporate Governance 24- Reputation 	 To maintain compliance with GRI Sustainability Reporting and UN Global Compact (UNGC)Principles by: a. Commitment to UNGC's 10 principles b. Commitment to UNGC Food and Agriculture 6 principles. c. Commitment to UNGC Women Empowerment Principles (WEPs) d. Supporting and Contributing to the UN 17 SDGs 	Commitment to UN Global Compact (UNGC) Principles & Food and Agriculture Business Principles (FAB)	1- Damage to Reputation	
 8- Education, training and Development 9- Women Empowerment 	To ensure the target percentage of Bahrainisation is attained at GPIC during the reporting period.	Development of Human Capital	5- Failure to attract or retain staff	8 milliona 1
 8- Education, training and Development 9- Women Empowerment 	To ensure the target percentage of hours of training is attained during the reporting period.	Development of Human Capital	5- Failure to attract or retain staff	4 min
10-Sustainability	To ensure the target percentage of employee retention is maintained for the reporting period.	Development of Human Capital	5- Failure to attract or retain staff	8 million

GPIC SUSTAINABILITY MATERIALITY ISSUES LINKAGE TO CORPORATE ANNUAL GOALS, LONGTERM GOALS, ERM RISKS AND SDGS.

GPIC SUSTAINABILITY MATERIAL ISSUES (EXTERNAL / INTERNAL STAKEHOLDER ENGAGEMENT 2017)	CORPORATE GOALS 2018	LONG-TERM GOALS	ERM RISKS	THE GLOBAL GOALS
11- Energy and water conservation12- Greenhouse gases and Climate change	To ensure that every saleable tonne of product (Ammonia, Methanol and Urea) is attained within the target level of energy consumption.	 Optimize energy consumption so that every saleable tonne of product is attained within the target level of energy consumption Expand the use of renewable energy at GPIC. Phase out Ozone depleting and global warming potential HCFC's including R-22 as refrigerants from GPIC. Reduce Green House Gas (GHG) emission levels Reduce water consumption 	7- Increase in price of gas and power	
 11- Energy and water conservation 12- Greenhouse gases and Climate change 	To ensure implementation of identified significant energy use projects related to reduction of consumption of HH steam and fuel natural gas, and to check the feasibility to further reduce the overall specific energy consumption per tonne of product through a probable debottlenecking project.	 Optimize energy consumption so that every saleable tonne of product is attained within the target level of energy consumption Expand the use of renewable energy at GPIC. Phase out Ozone depleting and global warming potential HCFC's including R-22 as refrigerants from GPIC. Reduce Green House Gas (GHG) emission levels Reduce water consumption 	7- Increase in price of gas and power	
13-Sustainability 21-Air &Water pollution	To ensure 100% compliance of Bahrain Environmental Legislations at all times	To ensure Compliance to Environmental Legislation	13- Non Compliance with regulatory and Legislative requirement	6 meterine 13 meterine IV IV IV IV



GPIC SUSTAINABILITY MATERIAL ISSUES (EXTERNAL / INTERNAL STAKEHOLDER ENGAGEMENT 2017)	CORPORATE GOALS 2018	LONG-TERM GOALS	ERM RISKS	THE GLOBAL GOALS
14-Financial Performance	To ensure the company remains profitable	Maintaining the financial Health of the Company	 6- Bank failures jeopardizing Company deposits 7- Increase in price of gas and power 9. Impact of volatility in market price on GPIC profitability 10. Default/ delay in the collection of receivables 11. Change in shareholding 	8 minutesia Anti-
14-Financial Performance	To ensure that the total cost of production (Ammonia, Methanol and Urea) does not exceed the budget cost	Maintaining the financial Health of the Company	7- Increase in price of gas and power	8 ministration
14-Financial Performance 20-Customer satisfaction	To ensure that the actual export of products (Ammonia, Methanol and Urea) equals to or exceeds the budget export quantities		 9- Loss of ability to export 2- Operational and Production interruption 	2 mm ≤≤≤ −5√
14-Financial Performance	To ensure that the actual netback equals to or exceeds the budget netback		 7- Increase in price of gas and power. 9- Impact of volatility in market price on GPIC profitability 	8 ministration And

Note:

The numbers on the material issues column is related to the material issues on page 49-50 and the numbers on the ERM risks column is related to the 13 ERM risks on page 43

GPIC SUSTAINABILITY MATERIALITY ISSUES LINKAGE TO CORPORATE ANNUAL GOALS, LONGTERM GOALS, ERM RISKS AND SDGS.

GPIC SUSTAINABILITY MATERIAL ISSUES (EXTERNAL / INTERNAL STAKEHOLDER ENGAGEMENT 2017)	CORPORATE GOALS 2018	LONG-TERM GOALS	ERM RISKS	For Sustainable Development
14-Financial Performance	Maintaining the financial Health of the Company	Maintaining the financial Health of the Company	 6- Bank failures jeopardizing Company deposits 7- Increase in price of gas and power 9- Impact of volatility in market price on GPIC profitability 3- Legal Liability and Property damage 2- Operational and Production interruption 12- Loss of electronic data and records 	8 martinet
15-Business Continuity	To ensure that the targeted level of combined production (Ammonia, Methanol and Urea) is attained during the reporting period.	Optimizing plants (Ammonia, Methanol and Urea) availability	 2- Operational and Production Interruption 12-Loss of electronic data and records 	2
15-Business Continuity	To optimize plants (Ammonia, Methanol and Urea) availability		2- Operational and Production Interruption	

2016-2017 have been challenging years for sustainability in many respects, but there have also been exciting developments in the sustainability landscape. We look back at GPIC's efforts in mainstreaming the UN's 17 SDGs in the Company's Business Functions. **GPIC SUSTAINABILITY REPORT 2018**



Strategy & Profile

of the Gulf Petrochemical Industries Company



STRATEGY AND PROFILE



STATEMENT FROM THE CHAIRMAN Presenting Overall Vision GRI 102-14

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

In 2014, market stability and favorable economic conditions allowed GPIC to post profits around the \$200 million mark. In 2015 the challenges of market instability, low product prices and the increasing cost of energy were overcome through redefining and reshaping our global marketing strategy and assertively continuing to build our brand reputation and product quality within the international market. So despite a sharp drop in market prices in 2015, we were able to sustain our profitability due to our efficient and streamlined operations and cost optimization initiatives. The global economic challenges continued in 2016 and 2017, however GPIC, with its revamped strategic plan, cost optimization initiatives and, safe and reliable operation sustained its ability to meet and even exceed its stakeholder's expectations.

With sustained focus on all aspects of our business including Safety, Health & Environment excellence; business continuity; record production; human capital development; women empowerment; youth engagement and, a revamped strategic plan we are confident that we will surmount all future challenges.

For us, sustainability is a journey and we believe that taking a long term strategic view will continue to serve us well now and into the future. We are calling attention to and effecting positive change on global issues that have a significant impact on building a more sustainable and resilient value chain- not only for our Company, but also for the communities we proudly serve. We remain actively involved in Bahrain's commitments and efforts to deliver on the COP 21 Paris Climate Agreement landscape. We also proudly support the newly launched SDGs and have taken several steps to make the SDGs a reality at GPIC and we are hopeful that these global goals will help transform our world to a better future.

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

As a stakeholder of GPIC, we thank you for your continued support and interest in the strategic efforts of GPIC. We appreciate you taking the time to review this report which encompasses our material sustainability initiatives and invite you to share your thoughts with us.

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

H.E. Dr. Ahmed Al Sharyan GPIC Chairman

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

Dr. Ahmed Al Sharyan - GPIC Chairman

STRATEGY AND PROFILE



STATEMENT FROM THE MANAGING DIRECTOR Presenting Overall Vision GRI 102-14

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

GPIC has continued to invest in the societies and communities in which it operates and, has extended its reach far beyond the traditional understanding of corporate philanthropy. For the company, ensuring a proactive forward-thinking and hands-on approach to a myriad of social sector needs such as education, health, skills development, poverty alleviation, women's empowerment and infrastructure improvement, is at the core of GPIC's moral code

We are conscious that the future growth strategy of GPIC relies on how we measure and manage our stakeholder engagement, social responsibility, environmental sustainability and our overall financial optimization. Financial optimization is critical in today's current economic uncertainty and volatile market conditions. And, in response to this ever-changing world, GPIC, consistently benchmarks itself against global best practice and seeks out new and more resilient and sustainable ways to deliver its vision and stakeholder promise. Business accountability, transparency and sustainability are the cornerstones of GPIC's values and, it is through these values that we are taking the next steps towards monitoring and reporting excellence. Our new Sustainability Report is aligned to the global GRI Standards and is also our Communication on Progress towards the implementation of the UN Global Compact Principles. We have also heightened our performance and progress on other key signature platforms such as the UNGC Food and Agriculture Business Principles and the Women Empowerment Principles.

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

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

Mr. Ibrahim Mohammad Almusaitir Managing Director

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

Mr. Ibrahim Mohammed Almusaitir - Managing Director

STRATEGY AND PROFILE



STATEMENT FROM THE PRESIDENT Presenting Overall Vision GRI 102-14

Welcome to our fourth GRI Sustainability Report 2018 which shares our performance on social progress, environmental protection and economic growth. It also provides details on our GRI Standards, Communication on Progress for the UN Global Compact Principles and, the Food and Agriculture Business Principles.

This year marks the 39th anniversary of GPIC's commitment to sustainability and our ongoing commitment to ensuring we remain a responsible company, endeavoring to meet the needs of the present generation whilst ensuring our future dexterity. We achieve these commitments through our focus and dedication to the UNGC ten principles, UNGC FAB 6 principles, the UN's 17 SDGs ,being an organizational stakeholder of GRI and, networking and partnershipping with the public and private sectors, including NGOs such as UN Environment, UNGC, IFA, AFA, ROSPA and the National Safety Council.

2016 and 2017 were extremely challenging years for GPIC. Despite a volatile market, we were able to sustain our profitability through our efficient and streamlined operations and cost optimization initiatives. Through these efforts and dedicated focus, GPIC produced the highest ever cumulative production of 1,617,422 metric tonnes in 2016.

We also know that 2018 will be another difficult year, driven by turbulent market conditions, low oil prices, and escalating natural gas and electricity prices. But, we are resilient and adaptable and, we know that through maintaining business continuity and optimizing production costs, enhancing resource efficiency and improving employee productivity, we can succeed.

The market instability, financial crunch and escalating energy costs has however also provided GPIC with a golden opportunity to build an even more innovative business strategic plan and our "GPIC Corporate Strategy Plan 2030" has been approved by our Board of Directors. We are tapping into potential new areas of growth, including the debottlenecking of our existing facilities for improved energy efficiency and enhanced production initiatives. We have also embarked on a new \$8.8 million Urea Formaldehyde (UF 85) Plant at our existing site to make our supply chain of our raw materials and chemicals more vigorous and sustainable. In addition, GPIC has also initiated the export of methanol to downstream industry in Bahrain.

In 2017 we achieved over 27 million man-hours without lost time accident and the Company's Safety, Health and Environmental (SHE) achievements continue to shape the industry's standards both regionally and globally.

Throughout 2016 and 2017 GPIC achieved several accolades covering every aspect of our business.

We were honored to be recognized with the coveted 'Her Majesty Queen Elizabeth II' Gold Category (RoSPA) Award; the Mohammed Bin Rashid Al Maktoum Business Innovation Award (1st Cycle) and its Business Excellence Award (9th Cycle) Award. The Saudi Arabia Award for Environmental Management in the private sector by the Rabat, Morocco-based Agricultural Management Islamic Educational, Scientific and Cultural Organization (ISESCO) was also bestowed upon GPIC along with the Arabia CSR Award and many more.

For 2018 and beyond, our aim is to ensure a business that is resilient and adaptable to the needs of all our stakeholders. Armed with a revamped strategic plan; a road map laid out to tap new areas of growth, and with a plant turnaround scheduled in April 2018, GPIC is poised to successfully manage and thrive despite any global market and economic uncertainties ahead.

Dr. Abdulrahman Jawahery President

Armed with a revamped strategic plan; a road map laid out to tap new areas of growth, and with a plant turnaround scheduled in April 2018, GPIC is poised to successfully manage and thrive despite any global market and economicuncertainties ahead.

Dr. Abdulrahman Jawahery - GPIC President

GRI Standard Number: GRI 102 Disclosure Number: 102-15

Key Impacts, risks and opportunities

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.

All the ERM risks are regularly reviewed and updated as deemed necessary. Risk of Economic uncertainty impacted every industry and sector during 2015-2017. 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 2015-2017, 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.

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.

A high level strategic committee called the GPIC Debottlenecking and Energy Efficiency committee (DEEC) has been formulated with a mandate to study and implement potential debottlenecking opportunities of the existing plants to decease energy per ton of product and increase existing production capacities.

During 2016/2017, in spite of challenging climatic conditions and the highest ever sea water temperature of 39.50 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.





GPIC's olive oasis

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

GRI Standard Number: GRI 102 Disclosure Number: 102-1

Name of the Organization

Gulf Petrochemical Industries Company

GRI Standard Number: GRI 102 Disclosure Number: 102-2

Activities, brands, products, and services

Gulf Petrochemical Industries Company (GPIC) was established in the Kingdom of Bahrain in December 1979 as a joint venture between GCC member states for the manufacture of fertilizers and petrochemicals. The joint venture is equally owned by the Government of the Kingdom of Bahrain, Saudi Basic Industries Corporation and Petrochemical Industries Company, Kuwait.

GPIC uses natural gas (which is readily available in Bahrain) as a feedstock for the production of ammonia, urea and methanol, totalling 1.5 million tonnes each year. The ammonia and methanol plants were commissioned in 1985 whereas the granular urea plant was started up in 1998.

GRI Standard Number: GRI 102 Disclosure Number: 102-3

Location of Headquarters

Sitra, Kingdom of Bahrain

GRI Standard Number: GRI 102 Disclosure Number: 102-4 Location of operations Sitra, Kingdom of Bahrain

GRI Standard Number: GRI 102 Disclosure Number: 102-5

Ownership and Legal form

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

GRI Standard Number: GRI 102 Disclosure Number: 102-6

Markets Served

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

GRI Standard Number: GRI 102 Disclosure Number: 102-7

Scale of the Organization

Personnel count was 477 on December 31, 2017 Net Sales 2016 - US\$ 235 million Net Sales 2017 - US\$ 299 million Total Capitalization - US \$159 million (100% equity) Total Assets 2016 - US\$ 549 million Total Assets 2017 - US\$ 571 million Total number of operations- Single site operation at Sitra, Bahrain Quantity of products produced - 2016 - 1,617,422 metric tonnes Quantity of products produced -2017 - 1,604,725 metric tonnes



GRI Standard Number: GRI 102 Disclosure Number: 102-8

Information on Employees and other workers

	EMPLOYEES BY GENDER	FEMALE	MALE	TOTAL EMPLOYEES
2014	Number of Employees	50	528	578
2011	Percentage	8.7 %	91.3%	100%
2015	Number of Employees	53	515	568
2010	Percentage	9%	91%	100%
2016	Number of Employees	50	464	514
	Percentage	9.73%	90.27%	100%
2017	Number of Employees	48	429	477
	Percentage	10.06%	89.94%	100%

GRI Standard Number: GRI 102 Disclosure Number: 102-41 Collective Bargaining Agreement

GPIC EMPLOYEES AS LABOUR UNION MEMBERS				
	TOTAL EMPLOYEES	EMPLOYEES AS LABOUR UNION MEMBERS	% OF EMPLOYEES AS LABOUR UNION MEMBERS	
2014	578	497	85.98%	
2015	568	482	84.85%	
2016	514	459	89.3%	
2017	477	436	91.4%	

GRI Standard Number: GRI 102 Disclosure Number: 102-9

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 guality, 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, highquality 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.



Date palm trees at GPIC

En route to ISO 14001-2015 transition, GPIC is in the process of introducing the Life Cycle Perspective for its products and services.

The total number of suppliers registered with the Company are 1805 and out of those, 689 are local suppliers (38%). During 2017 eighteen (18 new suppliers were registered which includes 5 local suppliers (28%).

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.

GRI Standard Number: GRI 102 Disclosure Number: 102-10

Significant Changes to the Organization and its Supply Chain

Global economic challenges faced by the industrial sector, marked by a rise in natural gas and electricity prices and coupled with a sharp decline in prices of petrochemicals and fertilizers produced by the Gulf Petrochemical Industries Company, resulted in a significant impact on profits in 2016. Despite these external market influences, the Company was able to maintain its position and made significant achievements in health, safety and environmental areas as well as reinforced its commitment towards social responsibility. GPIC continued to develop its relationships with international entities and confirmed its role as a significant contributor to Bahrain's economy through its approach towards the foundations of sustainable development as well as the preservation of the environment and ensuring financial stability. On the growth portfolio GPIC has set up a Debottlenecking & Energy Efficiency Committee .The primary function of the Debottlenecking & Energy Efficiency Committee in to explore all the opportunities to enhance production of all the plants and improve efficiencies by adopting energy saving and conservation concept throughout the complex and also to explore major enhancement opportunities that aim at optimizing production cost and improve efficiency.

On the supply chain side, we introduced one alternate supplier for urea formaldehyde from Qatar in addition to our existing supplier from Saudi Arabia to make our supply chain of urea formaldehyde more reliable and robust. However due the recent Qatar crisis the supply from this route is suspended and we are only relying on the Urea Formaldehyde supply from Kingdom of Saudi Arabia.

GPIC has also embarked on a new 13 million USD 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.

On the organization side, one significant change was the appointment of the first female Manager at GPIC. Mrs. Najat Sharif was appointed as the Human Resource Manager highlighting GPIC's strong commitments towards women empowerment.

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.

GRI Standard Number: GRI 102 Disclosure Number: 102-11

Precautionary principle or approach

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 welldefined process for assessing and managing risks in the face of uncertainty. This process is science-based, ensuring decisionmaking 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.

GRI Standard Number: GRI 102 Disclosure Number: 102-12

External Initiatives

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

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

UN Global Compact Food and Agriculture Business (FAB)

Principles: In 2014 GPIC committed to and endorsed the 6 Food and Agriculture Business Principles. (For details refer to the section on FAB 6 Principles)

UN Global Compact Women's Empowerment (WEP) Principles:

In 2014 GPIC's President signed his support and commitment to the WEP's. (For details refer to the section on WEPs)

GPIC's Commitment to Responsible Care® RC 14001 Management System

GPIC is certified to Responsible Care RC 14001 Management System since 2010. Responsible Care is the global chemical industry's unifying commitment to the safe management of chemicals throughout their life cycle, while promoting their role in improving quality of life and contributing to sustainable development. As a signatory to the global charter GPIC will actively strengthen the Responsible Care initiative worldwide and is committed to a corporate leadership culture that proactively supports safe chemicals management through the global Responsible Care initiative, safeguarding people and the environment, strengthening chemicals management systems, influencing business partners, engaging stakeholders and contributing to sustainability.

Benchmarking through ISO standards and Management systems

GPIC is one of the few companies globally who are certified to fourteen ISO standards and other management systems (For complete list of management systems refer to GPIC Overview)

GRI Standard Number: GRI 102 Disclosure Number: 102-13

Membership of Associations

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

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



Dr. Jawahery with the IFA staff in Paris Headquarters

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

United Nations

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

Fertilizer and Chemical Associations

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

Health and Safety Organizations

- National Safety Council USA
- Royal Society for the prevention of accidents (RoSPA)

Health and Safety Organizations

• Global Reporting Initiative (GRI)

GRI Standard Number: GRI 102 Disclosure Number: 102-45

Entities Included in the Consolidated financial statements

GPIC does not have any subsidiaries

GRI Standard Number: GRI 102 Disclosure Number: 102-46

Defining report content and topic boundaries

Reporting Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, Comprehensive option. The GRI content index is available on page 198-208.

The content and quality criteria provided by the GRI Standards, which includes sustainability context, stakeholder inclusiveness, materiality, completeness, balance, comparability and reliability, are integral to GPIC's reporting process.

Topic Boundaries

Topic Boundary within the organization

As part of the materiality assessment, we identified where the impact of material topics could occur, both within and outside of the Company. Within the Company, material topics impact the entire organization. Outside of the Company, material

topics impact areas such as value chain (which includes our suppliers), our transportation, distribution, customers and the broader society.

In line with the GRI Boundary protocol, "where the impacts occur" (Disclosure 103-1), the reporting boundary was determined based on where the impacts related to a material topic occur. Therefore, this report includes GPIC's operations at its production facilities in Sitra, Kingdom of Bahrain.

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

Data Collection and reliability

Information for this report was collected through an internal system to meet specific data collection requirements, ensure accountability and integrity. The Company has set up a formal Sustainability Reporting Committee (SRC), which includes people from all significant areas of the business. This ensures that we are engaging people from across the entire business operation for the Sustainability Reporting process. The GRI disclosures related to material aspects were assigned to different members of the SRC who coordinated with different relevant sections of the Company to provide the subject data and information required for the reporting process.

The data was verified and compared with previous year's data. and significant deviations were justified. This structure also ensures that various data points are challenged, reviewed and confirmed by subject matter experts (SMEs).

In compliance with the GRI standards, we aim to provide timely and complete data. Therefore, the report discloses both successes and challenges for the different material aspects. This supports the Company in maintaining the quality of the report, and building trust and credibility with relevant stakeholders.

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

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

GRI 102-46

Fundamental processes

Following complementary processes together form our picture of materiality, as defined in GRI Reporting Standards.

Surveys:

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

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

In 2017 we carried out a high level review of our materiality, by engaging both with internal and external stakeholders inviting them to validate their previous sustainability survey priority issues and/or provide us with new/emerging issues. More than 90 internal and external stakeholders were engaged in the process. We also used these surveys for our current materiality assessment.

Media search:

The purpose of performing a media search is to:

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

The methodology of our media search is as follows:

- In more than 20 media sources we searched for 'hits' for GPIC and its subsidiaries during 2016 and 2017, and additional years when relevant.
- We used 'search strings' in order to filter out sustainability related material issues.
- Results were prioritized by number of hits, sentiment and relevance towards GPIC.

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

Issues pertaining to International Standards and Benchmarking

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





Sustainability strategy and our long term sustainability goals: Our sustainability strategy and our long term sustainability goals also provide a basis for our report content. (Refer to our sustainability strategy and long term sustainability goals on pages 14, 25-27)

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

To have a better understanding on how our sustainability material issues are linked to our corporate goals, ERM risks and the 17 SDGs, we have mapped them together - as illustrated on pages 28-32.

GRI Standard Number: GRI 102 Disclosure Number: 102-47

List of material Topics

Our materiality mapping process has proven to be a significant step in our sustainability journey, reinforcing to us that all aspects of the 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, with two significant regional producers as also engaged as key investors in our organization. We have found that because the community (business and local population) in Bahrain are well integrated and interlinked within the Kingdom, there is high consistency in terms of all issues identified as 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 deemed to be material to GPIC with impacts both within and outside our organization.

1. Environment and CSR:

- Water pollution
- Marine Environment and quality
- Waste management (hazardous and non-hazardous waste management)
- Air Pollution
- GHG Emissions and Climate Change
- Water Conservation
- Energy saving
- Environmental Awareness (in the community)
- Community Engagement and awareness
- (which kind of engagement?)
- Philanthropy

2. Responsible Business:

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

3. Business Continuity

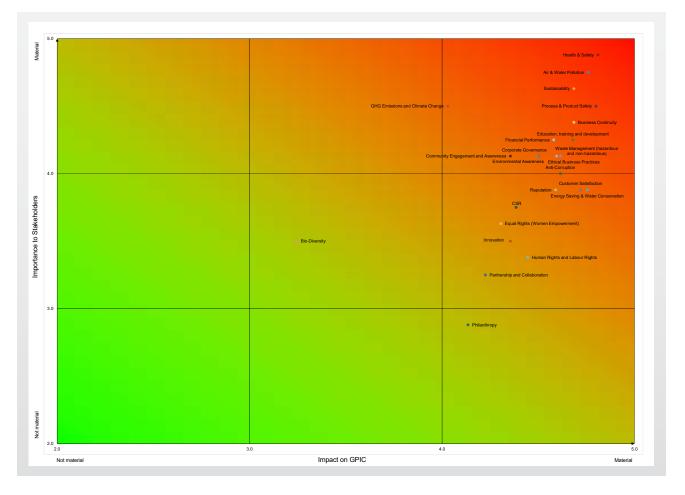
- Sustainability
- Reputation
- Process & Product safety
- Profitability
- Education, training & development
- Raw materials & resources



GRI 102-47

Ongoing assessment process

We have come to understand that the risks and opportunities we face are constantly evolving, and have a multifaceted impact on our stakeholders while also being quite interdependent. As a part of our development curve, we aim to strengthen and broaden our enterprise risk management processes to enhance the quality of information to our stakeholders on our analysis of the sustainability issues that are deemed material. This can be achieved by adopting a strategy that focuses on more formal and frequent engagement with stakeholders, including shareholders, communities and civil society organizations within the Kingdom.



GRI Standard Number: GRI 102 Disclosure Number: 102-48

Restatements of Information There are no restatements of information

GRI Standard Number: GRI 102 Disclosure Number: 102-49

Changes in Reporting

The only significant change in reporting is the in accordance "Core" to "Comprehensive"

GRI Standard Number: GRI 102 Disclosure Number: 102-40

List of stakeholder groups

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

GRI Standard Number: GRI 102 Disclosure Number: 102-42

Identifying and selecting stakeholders

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

To initiate our Stakeholder assessment process we prepared an expansive list of stakeholders whom we should consider and rank

them respectively as per their influence on GPIC and vice versa. Based on the ranking we identified our key stakeholders. Once the key stakeholders were identified we switched to the next step of deciding whom to engage.

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

In 2015/2016 we carried out a detailed in depth stakeholder engagement both internal and external as part of our Materiality Exercise. As per international best practices we will carry out a High level Materiality Review every 2 years and a detailed review after every 4 years.

As we have already carried a detailed exercise in 2015/2016 hence we carried out a High level review of our Material issues by engaging around 100 of our internal and external stakeholders.

In this regard the Sustainability Reporting Committee engaged with identified external and internal stakeholders through questionnaires providing them an opportunity to either validate their 2015/2016 responses or add new issues if they are material. This exercise started in November 2017 and concluded in December 2017. Questionnaires were sent to selected Managers, superintendents, supervisors and some staff at the shop floor level and also to selected external stakeholders as was done in 2016.



GRI Standard Number: GRI 102 Disclosure Number: 102-43

Approach to stakeholder engagement

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

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

The overall purpose of engagement is to advance the most appropriate business objectives while building GPIC's reputation.

The following are examples of engagement with key stakeholders:

	Stakeholder	Mechanism for Engagement / Typical frequency	Key topics of Interest
1	Shareholders	 Meetings, Mail, Media Regular Board meetings (quarterly). Five meetings per year. A minimum of 2 meetings is required for the Audit, Finance & Risk Committee. The GPIC Strategy 2030 implementation committee meets as and when required. 	 Company's financial performance, Risk Management GPIC Corporate strategy 2030 implementation status
2	Employees	 Multiple forums throughout the year in which employees are encouraged to share their views with executives about a variety of issues within the Company. (as and when required) Strategic executive management and management meeting during the first quarter to discuss and share company performance, future strategies and challenges. The attendees include managers, superintendents, current and potential employees, Labour Union members . Regular meetings right from shop floor to top-tier management level Involvement in functional committees and councils (meetings from daily to once a year) Printed publications, such as the company magazine (at least once a quarter or special editions covering special occasions) On-line communication tools such as e-mails, websites, intranet Regular Labour Union meetings with employees and management Open face to face discussions Conferences, forums, presentations Suggestion schemes Regular sectional meetings Regular shift talks 	 Recruit the right people at the right time for the right position Employee satisfaction and motivation Employee development competency review and enhancement Safety and Health care Employee retention Employee benefits Work ethics Engagement



	Stakeholder	Mechanism for Engagement / Typical frequency	Key topics of Interest
3	Local Community	 Open to visits by community members to our industrial areas (minimum of 45 visits per year) Environmental awareness lectures delivered by GPIC employees to Bahrain schools at various levels (minimum 30 lectures per year) Media - electronic and press (throughout the year) Social investment (financial support) 	 Support for their community needs Education and awareness on environmental issues
4	4 Government and Regulators - Conferences and speaking engagements (periodic) 4 Government and Regulators - Vorking closely with local authorities during the planning and implementation of new projects (as and when invited) - Working closely with regulators related to environment, safety and health to ensure legal compliance (according to the committee charter with minimum once per year) - Regular audits by government officials (minimum one visit per year) - GPIC representation and participation in governmental entities, committees and task groups (periodic)		 Legal, legislative and regulatory compliance Information sharing Skills, economic development and employment opportunities Labour standards and employee rights Minimising environmental impact Alignment with Kingdom of Bahrain's vision 2030 Sustainability of raw materials Waste management, effluents and recycling activities Security
5	Suppliers and contractors	 Supplier conferences, forums and workshops Day to day communications between suppliers, vendors, buying teams and technologists Meetings with suppliers (minimum one kick off meeting) Formal feedback from contractors, vendors. (after major activities such as biennial turnarounds) 	 Long term relationships Equal opportunity, fair treatment and competitive pricing Sustainability of their products and services Sustainability of raw materials Social responsibility with a focus on human rights for the work force

GRI 102-43

	Stakeholder	Mechanism for Engagement / Typical frequency	Key topics of Interest	
6	 Day to day communication, Meetings Phone calls Contracts Written communication(e-mails, faxes) 		 Reputation Sustainability of Products/Services 	
7	Media	 Responses to media requests for information and interviews (as and when requested) Conferences and speaking engagements (periodic) - GPIC's official website (available 24 hours) GPIC's engagement of media to cover most of its official events held internally and externally (as and when required) GPIC's publications and newsletters (periodic – minimum one release every quarter) Press releases in key newspapers (as and when required) TV and Radio interviews of GPIC's President (as and when required or requested) 	 n and interviews (as and when es and speaking engagements - GPIC's official website 24 hours) - Our progress on sustainability and CSR - Share GPIC's achievements and best practices regionally and internationally - Enhance GPIC's reputation - Value addition to promote unity amongst th people of Bahrain 	
8	8 Non-Profit - Conferences and speaking engagements (periodic) 8 Non-Profit - Correspondence (as and when required) 9 - Responding to information requests and surveys (as and when requested) 9 - Responding to information requests and surveys (periodic/ as and when requested) 9 - Rench marking surveys (periodic/ as and when requested) 9 - Financial support towards capacity building the organisations		 Environmental protection, social and economic development Establishment of mutually beneficial relationships Collaboration and partnership opportunities 	



	Stakeholder	Mechanism for Engagement / Typical frequency	Key topics of Interest
9	Regional / International Organizations	 Conferences and speaking engagements (periodic) Correspondence (as and when required) Face to face discussions (as and when required Communicating our position on a range of social and environmental issues (as and when requested/required) Responding to information requests and surveys (as and when requested) Bench marking surveys (periodic/ as and when requested) Financial support towards capacity building the organisations Being part of working/ advocacy committees Being part of their board 	 Add value to the organization by obtaining best practices and know-how in house Establish international network of associate that can be tapped into when required Provide GPIC workforce opportunities to work with and interact with international expertise Further solidify the goodwill and reputation of GPIC
10	Customers	 Feedback through marketing and online feedback forms (online feedback is dynamic (GPIC website) and with every product shipment there is a customer feedback form) Audits via buyer surveys (annual meetings with surveyors) Customer feedback evaluation forms (as and when required-for every consignment) Customer invitational and group meetings (quarterly meetings with marketers Sabic and PIC) stakeholder engagement (continued) Media a key stakeholder for GPIC. As part of our commitment towards UN Global Compact, GPIC's President has written a letter of invitation to all the stake holders of GPIC inviting them to become members of UNGC. 	- Customer satisfaction - Quality and competitive benefits - Sustainable products
11	Banks	- Meetings - Written Communication (emails, faxes), - Phone Calls	 Financing, Providing Competitive Rates, Sustainability of Financial Institution (to secure financing over long periods) Ability to Pay Back Loans Financial Performance Timeline of Projects Reputation of Company

55





GRI Standard Number: GRI 102 Disclosure Number: 102-44

Key topics and concerns raised The examples of recent feedback received from some of the stakeholders groups are as follows:

Stakeholder group	Issues of Interest	Our Response
	Revamp GPIC Corporate strategic plan ranging till 2020 to GPIC Corporate Strategy 2030 and explore future growth opportunities.	We revamped our Vision, Mission and values to be in line with our future aspirations and stakeholders needs and updated our corporate strategy to 2030 and formed a strategic high level council to implement it.
Shareholders		We are looking ahead to Secure growth and expansion projects through implementing GPIC's 2030 Corporate Strategy, including debottlenecking of our existing facilities for improved energy efficiency and enhanced production capacities
	Cost optimization focus due to economic uncertainty and sharp drop in market prices. GPIC leadership initiated a Cost Optimization programme and a task team has been formed. The objective being to propose, review and if found feasible implement the cost optimization projects. A number of cost optimization project have been implemented in 2016-2017	
Government and regulators	Supreme council for Environment (SCE) requested GPIC for environmental awareness school visits to GPIC complex.	GPIC arranged the visits and hosted a number of schools to its facilities.
Employees	GPIC Labour Union Requested the formation of Youth Committee as the sustainable future of any business is in the hands of its young leadership.	A youth committee has been formed and its members are below 30 years of age.
	Issue sustainability reports (SR) in soft version only	GPIC will be issuing SR 2018 in soft version only
	UN Environment requests GPIC to participate in the Green wave Campaign	Since the launch of the program in 2015, 50 local schools have benefited from the program with the distribution of 2,000 sapling trees in total by GPIC
NGOs & local	GPCA requests its member companies to carry out annual beach cleaning as part of Waste Free Environment (WFE) campaign	GPIC arranges a beach cleaning campaign on annual basis in coordination with Ministry of Education.
community	InJAz, Bahrain requested to accelerate the provision of volunteers to support its youth development initiatives.	GPIC responding by providing its volunteers on sustainable basis.
	UN Global Compact (UNGC) encourages its members to advocate and pass on the mission of UNGC to other non-members.	GPIC's President has written a letter of invitation to all the stake holders of GPIC inviting them to become members of UNGC.

GRI 102-44

Stakeholder group	Issues of Interest	Our Response
Suppliers and contractors	After completion of every maintenance turnaround the vendors and contractors provide feedback through a structured feed-back system for continual improvement of turnaround management system.	All the feedback is converted to turnaround recommendations for further evaluation and implementation.
Customers	Outreach to ammonia and urea buyers through marketers.	Arrange at least one annual joint meeting with ammonia and urea buyers.
Regional and International organisations	United Nations Declaration of 2016 as the International year of pulses and encouraging businesses to support this initiative	GPIC embraced the initiative and has started a themed menu serving only pulses one day in a month and have invited other local and regional companies to join this initiative by UN. Moreover, GPIC also celebrated the Global Pulse Day on 18 January 2017.
	Arabia CSR Network recommended GPIC to join UNGC's signature issue platform(s) such as Women's Empowerment Principles (WEP).	GPIC embraced the WEP's in 2014.
Media	Chatham house, London invited GPIC president to give a talk during annual food conference 'A Sustainable Food Future: Production, Supply and Consumption'.	GPIC President accepted the invitation and contributed in the annual food conference as the President of GPIC and Chairman of IFA.
	Interview requests from Reuters, Bloomberg TV and press, Financial Times, The Time and other world leading press agencies.	GPIC President accepted the invitation and shared his thoughts with the world's leading press agencies including Bloomberg.
Distributors	The Ministry of Electricity and Water (EWA) requested GPIC to support EWA power grid load sharing during daily peak demand in summer months.	GPIC responded by agreeing to increase their in- house power generation 1400-1600 hrs. every day to off load EWA power grid.
Academia University of Bahrain requested financial assistance for an Advanced air quality monitoring station		GPIC responded by providing the requested financial assistance.

GRI Standard Number: GRI 102 Disclosure Number: 102-50

Reporting Period

Based on 2016-2017 corporate data for the year ended December 31, 2017.

GRI Standard Number: GRI 102 Disclosure Number: 102-51

Date of most recent Report

This is GPIC 's fourth GRI Sustainability Report. The previous report covered 2014-2015 and can be found on our website **www.gpic.com**

GRI Standard Number: GRI 102 Disclosure Number: 102-52

Reporting Cycle Biennial

GRI Standard Number: GRI 102 Disclosure Number: 102-53

Contact point for questions regarding the report

Fadhel Al Ansari General Manager Manufacturing falansari@gpic.net +973-17733392



GRI Standard Number: GRI 102 Disclosure Number: 102-54

Claims of reporting in accordance with the GRI Standards

The Company has chosen to maintain our historical reporting excellence by adopting the GRI Standards. This report is prepared with' In accordance' option Comprehensive as defined by GRI Standards.

For ease of navigation, see the GRI Content Index available at the end of this report on pages 198-208

GRI Standard Number: GRI 102 Disclosure Number: 102-55

GRI Content Index The content index is on pages 198-208.

GRI Standard Number: GRI 102 Disclosure Number: 102-56

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. We have seriously considered external assurance for our SR 2018, however due to time constraints because of the turnaround 2018 in April, we decided not to go for the assurance however we intend getting our next GRI Report, targeted for 2020, to be externally assured.

GOVERNANCE

GRI Standard Number: GRI 102 Disclosure Number: 102-18

Governance structure

Our Corporate Governance framework is developed to establish a common set of expectations and good governance practices that will assist the Board and its Committees to perform their duties effectively.

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

Board of Directors

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

The Governance clearly states that the Chairman of the Board is to be elected from amongst the Bahraini Board Members, while the Deputy Chairman is to be elected from amongst the Saudi or Kuwaiti Board members. The Chairman and the Deputy Chairman are elected for a period of three years.

The Key responsibility of the Chairman is to monitor and evaluate the performance of the Board and senior management to ensure compliance with the Company's Code of Corporate Governance.

The Board of Directors appoint a Managing Director from amongst the Board Members to represent the shareholders from Saudi Arabia or Kuwait and shall determine his/ her level of authority. The selection process is alternated between the shareholders from Saudi Arabia and Kuwait. The appointment shall be for a period of three years.

The Managing Director is elected by the Board of Directors as per the Company's Code of Corporate Governance, with the primary task of being the link between the Board of Directors and the executive management.

STRATEGY AND PROFILE

GRI 102-18

Executive Management:

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

Board Committees:

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

Audit, Finance and Risk Committee:

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

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

The Committee assists the Board in fulfilling its oversight responsibility relating to: the integrity of the company's financial statements; the financial reporting process; the systems of internal accounting and financial controls; independence and performance of the external auditors; risk management processes; financial plans; pension plans, etc. The committee will also be in charge of ensuring; compliance by the Company with the ethics policies, and all relevant national legal and regulatory requirements.

They will also need to monitor/manage the internal and external auditors in relation to any fraud, illegal acts, deficiencies in internal control or other similar issues and ensure that audit/ control recommendations by internal and external auditors are addressed and implemented.

Major Projects Committee:

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

Strategic Plans:

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

External Auditors:

The external auditors for the Company are appointed by the shareholders in the General Assembly Meeting. The auditors with respect to their authority, responsibility and conduct will be subject to the provisions of the Bahrain Commercial Law. The Auditors will submit to the General Assembly Meeting of the shareholders a report, indicating whether the balance sheet and profit and loss accounts are in agreement with the facts and that they provide a true and fair view of the Company's financial state.

The report will also need to confirm that the Company maintains regular accounts, and whether the stock take conducted by the company has been carried out in an appropriate manner. The auditors will need to verify if the particulars, data and information stated in the report to the Board of Directors are in conformity with those contained in the books of the company, and whether there has been any breach of any rules of the Memorandum and Articles of Association of the Company during the financial year in question. The Auditors (acting as the agent of the shareholders) are responsible for the accuracy of the particulars stated in the report to the shareholders. Each shareholder will have the right at the General Meeting to discuss the audit report and to seek clarification in respect of its contents. The auditors will be liable to the Company for compensation of damages sustained by reason of errors committed by them in the course of carrying out their duties and responsibilities.

Sustainability Committee

GPIC has a Sustainability Reporting Committee chaired by the General Manager - Manufacturing. The Committee is formed with fair representation from personnel responsible for critical operations to ensure that all aspects of the business is taken into consideration when measuring impact. The mandate of



the Committee includes ensuring the reporting cycle of GRI Sustainability Reports, the UN Global Compact COP and the FAB 6 principles is completed on time and efficiently. The Committee also engages with international organizations such as UNGC and GRI and provides capacity building assistance to regional Companies with regards to GRI reporting.

GRI Standard Number: GRI 102 Disclosure Number: 102-19

Delegating Authority

GPIC employs a delegation of authority structure from senior executives throughout the Company through an authority matrix. Generally, this progresses from Managing Director to President, to General Manager - Manufacturing, to Departmental Managers and then to the relevant section heads.

GRI Standard Number: GRI 102 Disclosure Number: 102-20

Executive Level responsibility for economic, environmental and social topics

Mr. Fadhel Al Ansari, General Manager Manufacturing is the chair of Safety, Health and Environment Council and also heads the Sustainability reporting committee. The safety, Health and Environment Department is headed by Mr. Jassim Darwish, Safety, Health and Environment Manager who reports directly to Mr. Fadhel Al Ansari. Mr. Fadhel reports directly to Dr. Abdulrahman Jawahery, President - GPIC, on all Sustainability related issues.

The President reports on weekly basis the MD through a written report on the weekly highlights of all aspects of the business.

GRI Standard Number: GRI 102 Disclosure Number: 102-21

Consulting stakeholders on economic, environmental and social topics

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

Employees and external stakeholders are invited to voice their views though special surveys such as the sustainability survey. Please refer to the section on stakeholder engagement for details.

GRI Standard Number: GRI 102

Disclosure Number: 102-22

Composition of the highest governance body and its committee's

GPIC BOA	GPIC BOARD COMPOSITION 2017					
SR. NO.	NAME	COUNTRY	GENDER	QUALIFICATION	BALANCE	
1	H.E. Dr. Ahmed Al Sharyan	Bahrain	Male	Economics	Non-Executive Director	
2	H.E. Mr. Yousef Al Zamel	Saudi Arabia	Male	Engineering	Non-Executive Director	
3	H.E. Mr. Ibrahim Al Musaiteer	Kuwait	Male	Engineering	Non-Executive Director	
4	H.E. Sh. Fahad Al Khalifa	Bahrain	Male	Business	Non-Executive Director	
5	H.E. Mr. Ahmed M. Alumar	Saudi Arabia	Male	Business	Non-Executive Director	
6	H.E. Mr. Ghanim Nasser Alotaibi	Kuwait	Male	Engineering	Non-Executive Director	
7	H.E. Mr. Shafi Taleb Alajmi	Kuwait	Male	Engineering	Non-Executive Director	
8	H.E. Mr. Abdullah Saeed Almutairi	Saudi Arabia	Male	Engineering	Non-Executive Director	
For the B	For the Board committees please refer to GRI 102-18					

STRATEGY AND PROFILE

GRI Standard Number: GRI 102 Disclosure Number: 102-23

Chair of the Highest Governance Body

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

GRI Standard Number: GRI 102 Disclosure Number: 102-24

Nominating and selecting the Highest Governance Body

The General Assembly of the Company represents its shareholders and is considered to have the highest authority within the corporate governance of GPIC. The shareholders will appoint the Board of Directors who will be entrusted with the responsibility and authority to act on behalf of the shareholders to fulfill their vision, aspiration and protection of their interests as per the Articles of Association of the Company. The General Assembly will have the full power to consider and approve the appointment and termination of the Board of Directors in addition to a number of other issues. The Chairman of the Board will be elected by a secret ballot held amongst the Board of Directors. The Chairman will always be elected from amongst the Bahraini Board Members. The Board of Directors nominate the Managing Director from amongst the Board Members representing Kuwait and Saudi Arabia.

GRI Standard Number: GRI 102 Disclosure Number: 102-25

Conflicts of Interest

All Directors and employees of GPIC are expected to be familiar with the Company's Code of Business Conduct, and to apply it in the daily performance of their GPIC responsibilities.

The Code of Business Conduct is intended to help employees and Directors focus on our corporate values of integrity and respect for people, help them recognize and make informed decisions on ethical issues, assist in creating a culture of the highest ethical and business standards, and provide mechanisms to report unethical conduct.

The Conflict of Interest is articulated in section 6.3 of the GPIC Code of Ethics Handbook. It also highlights the importance of bringing to the immediate notice of the management and the legal and compliance supervisor, any suspected cases of conflict of interest.

The full text of GPIC's Code of Ethics is publicly available via our website - www.gpic.com.

GRI Standard Number: GRI 102 Disclosure Number: 102-26

Role of highest Governance Body in setting purpose, values and strategy

Dr. Abdulrahman Jawahery, the President of GPIC, and senior Management periodically review and update GPIC's essential elements of mission, vision, values, and strategy. These essential elements provide insight, offer motivation, and provide direction as the Company seeks to grow and achieve our goals. The Company's mission, vision, values are reviewed annually by the Executive Management Council (EMC) to ensure its adequacy to meets the corporate goals.

Modifications, if any, are proposed to the Board of Directors for their consideration and approval. GPIC's internal quality document SOP-GEN-00-03 elaborates the work-flow related to the vision, mission and values.

We believe that in order to add value for 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 it is to ensure the implementation of the GPIC Corporate Strategy Plan 2030.The Council meets at least once a year.

The GPIC Board has the responsibility for overseeing, understanding, reviewing, and monitoring the Company's short, medium and long-term strategic plans from their inception through their development and execution by management.

GRI Standard Number: GRI 102 Disclosure Number: 102-27

Collective knowledge of Highest Governance Body

All of the Non- Executive Board of Directors are qualified in the field of Engineering, Business and Economics and have in depth knowledge of Corporate Governance and Risk Management. The Board of Directors are kept informed through presentations and workshops on the latest regional and global initiatives and policy trends related to risk management and sustainability. For example VAT, Cyber Security etc.

GRI Standard Number: GRI 102 Disclosure Number: 102-28

Evaluating the Highest Governance Body's Performance

Each of the Board Committees conducts an annual review of its charter and performance. In addition to this self-assessment, each Committee makes regular reports to the Board of Directors. The Board conducts an annual review of the performance of the President. The Board Committees also undertake numerous risk oversight activities related to their charter responsibilities.



GRI Standard Number: GRI 102 Disclosure Number: 102-29

Identifying and Managing economic, environmental and social impacts

The Identified Enterprise Risks also cover the economic, environmental and social segments of the business and the Board is responsible to ensure compliance to ERM, Business Continuity and other control frameworks established within the Company. The establishment, operation and monitoring of the Framework is delegated to the Executive Management, however the overall accountability lies with the Board.

The Board has the responsibility to monitor the enterprise risks to which GPIC is exposed and to ensure that the system of internal control is effective in reducing those risks to an acceptable level.

Normally the Board mandates the Audit, Finance and Risk Committee to perform this task

GRI Standard Number: GRI 102 Disclosure Number: 102-30

Effectiveness of Risk Management Processes

The Board of Directors are responsible for overseeing the overall risk management process for the Company. Risk management is considered a core strategic activity within the Company and the responsibility for managing risk rests with the executive management while the Committees of the Board and the Board as a whole participate in the monitoring and reviewing the process. Specifically, the Board has the responsibility for overseeing the strategic planning process, reviewing and monitoring management's execution of the corporate and business plan; and each Board Committee is responsible for oversight of specific risk areas relevant to their Committee's charters.

GRI Standard Number: GRI 102 Disclosure Number: 102-31

Review of Economic, Environmental and Social Topics

The boar d of directors meet on quarterly basis and five meetings are held in a year. In addition to this the Committees of the Board also meet on regular basis. In 2017 the three Board committees met seven times.

Major issues that have been discussed are 1) Market and economic outlook of the petrochemicals and fertilizers 2) Maintaining the financial health of the Company through operational excellence and cost optimisation initiatives 4) Securing growth and expansion projects through implementing GPIC's 2030 Corporate Strategy including exploration of investment opportunities outside Bahrain. GRI Standard Number: GRI 102 Disclosure Number: 102-33

Communicating Critical Concerns

The oversight responsibility of the Board and Committees is enabled by an enterprise risk management model and relevant processes implemented by the management that is designed to identify, assess, manage and mitigate risks. The Audit Committee is responsible for ensuring that the management implements and follows this risk management process and for coordinating the review of outcomes by the other Committees in their respective areas in relation to risk. In addition, the enterprise risk management model and processes are reviewed by the Board of Directors annually, and the Board recognizes that the risk management and oversight requires a dynamic and continuous process.

The strategic plan, critical issues, and opportunities are presented to the Board each year by the President and senior management. Throughout the year, the management reviews any critical issues and actual results in comparison to the plan with the Board and relevant Committees. Members of the executive management team are also available to discuss the Company's strategy, plans, results and issues with the Committees and the Board, and regularly provide periodic briefings and access via scheduled meetings. In addition to this, the Audit Committee regularly meets in executive sessions, and hosts separate executive sessions with the independent registered public accounting firm, internal auditor, and other relevant management teams as appropriate.

GRI Standard Number: GRI 102 Disclosure Number: 102-32

Highest governance's body's role in sustainability reporting

GPIC's sustainability reporting committee ensures that all material aspects are covered as a part of their responsibilities. The chair of the Committee, Mr. Fadhel Al Ansari, General Manager – Manufacturing, formally reviews the organization's sustainability report and then seeks the final approval from the President Dr. Abdulrahman Jawahery. Policy and performance Statements in the report are formally reviewed and approved by the senior most decision makers within the organization, i.e. the Managing Director.

STRATEGY AND PROFILE

GRI Standard Number: GRI 102 Disclosure Number: 102-34

Nature and Total Number of Critical Concerns

In view of the continuity of market instability, financial crunch and escalating energy costs the key concerns and focus areas revolved around the following topics; (For detailed review refer to our achievements and challenges section of the report)

- Maintain the financial health of the Company through operational excellence and cost optimisation initiatives
- Secure growth and expansion projects through implementing GPIC's 2030 Corporate Strategy
- Come up with an improved optimized organization chart for GPIC staff
- Embrace new technologies for improving energy efficiency and performance enhancement of plants
- Maintaining safety performance & adherence to environmental legislation
- Build our people capability and improve employee productivity
- To have a safe and successful turnaround 2018 after 3 years from last Turnaround
- Complete the UF 85 project successfully and safely in 2018

GRI Standard Number: GRI 102 Disclosure Number: 102-35

Remuneration policies

The Company has well established remuneration policies in line with the Bahrain Labour law and GPIC HR policies.



GRI Standard Number: GRI 102 Disclosure Number: 102-36

Process for determining Remuneration

The process for determining remuneration is in line with Bahrain labour law and GPIC's HR policies.

GRI Standard Number: GRI 102 Disclosure Number: 102-37

Stakeholders involvement in Remuneration

GPIC's internal stakeholders (selected) are involved in setting the Remuneration policies and the compensation plans and targets.

GRI Standard Number: GRI 102 Disclosure Number: 102-38

Annual total Compensation Ratio Confidentiality constraints

GRI Standard Number: GRI 102 Disclosure Number: 102-39

Percentage increase in Annual total Compensation Ratio Confidentiality constraints

GRI Standard Number: GRI 102 Disclosure Number: 102-16

Values, principles, standards, and norms of behavior

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

The Code of Conduct for Board of Directors developed by GPIC sets the standards for corporate governance and ethical behaviour within the company which must be followed and respected by Directors of the Board. A similar Code of Ethics is applicable to senior management and employees. All employees and directors of the Company are requested to sign a copy of this code upon joining the company. The acknowledged copy is placed in each employee's respective personnel file under the custodianship of the Human Resources Department.

In 2016 a new Code of Conduct & Ethics was approved by the Board of Directors.

The revised version of the Code of Ethics, issued in 2016, outlines GPIC's commitment to ethical business practices. It forms the framework by which we can all ensure we are doing ethical business and complying with our values and the ten principles of the UN Global Compact in the realms of Labour, Human rights, environment and Anti-corruption. The code is aimed at all GPIC employees and contractors, including shareholders, business partners and customers.



جيبك GPIC	GPIC VISION, MISSION AND CORPORATE VALUES			
VISION	To be a world-class petrochemical and fertilizer company of choice, recognized for excellence			
MISSION	 To produce high qulaity petrochemical and fertilzer products To grow through successful partnerships and joint ventures To optimize the business in a safe, sustainable and cost effective manner To embrace knowledge, harness innovation and utilize best applicable technologies and practices To boost Stakeholders share value To train and develop the Human Capital to realize their full potential 			
ប្រ	EXCELLENCE	RESPECT	SAFETY	
VALUES	INTEGRITY	TRANSPARENCY	PROFESSIONALISM	
	SOCIAL RESPONSIBILITY	CREATIVITY	TEAM WORK	

GRI Standard Number: GRI 102 Disclosure Number: 102-17

Mechanisms for advise and concerns about ethics

For all concerns and questions related to business ethics and the code of ethics protocol one should contact the line manager, legal and compliance supervisor and / or legal adviser at GPIC. For details refer to GPIC's Code of Ethics Handbook available both in English and Arabic on GPIC website www. gpic.com and the Company's intranet.

The Economic Impact of Sustainability

SAFETY+FIRST

66



ECONOMIC SUMMARY

Our Performance Highlights



US\$ 32 MILLION Profit in 2017



US\$ 299 MILLION sales in 2017 and US\$ 235 million sales in 2016



of Methanol exported to Bahrain local market in 2017 - a new market



5% higher production cost in 2017 as compared to 2014



US\$4.59 BILLION injected to Bahrain economy since inception



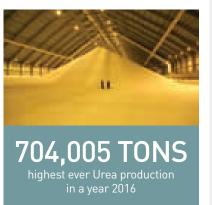
US\$2.2 BILLION paid to shareholders as dividend



1,617,422 metric tonnes of combined annual production, achieved in 2016







We are confident that despite the market conditions GPIC will be able to sustain its profitability due to its efficient and streamlined operations ,cost optimization initiatives and innovative business strategy.

ECONOMIC SUMMARY

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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

We are aware that our operations have major direct and indirect impacts, and are taking steps to increase the positive impacts whilst reducing any negative impacts. Our direct impacts include (and are not limited to) shareholder returns (dividends), payment to investors, payment of taxes and relevant levies to the Government, payment of salaries and benefits to employees, payment to suppliers etc. while our indirect impact includes the economic betterment of local communities through improvements in business environment, investments, creating viable jobs, etc.. GPIC understands the importance of a strong manufacturing economy, and the importance of manufacturing jobs on the local and global scale. Each job in manufacturing is responsible for multiple indirect jobs created in the regions we do business. We strive to be a good neighbor as well as a global corporate citizen. Through our actions, we know that we are building better, stronger, more sustainable communities in the places where we do business.

We aim to be the growth partner for all our stakeholders by integrating local suppliers within our supply chain where possible, employing Bahraini nationals and contributing to the local community.

Global economic challenges faced by the industrial sector, marked by a rise in natural gas and electricity prices and coupled with a sharp decline in prices of petrochemicals and fertilizers produced by the Gulf Petrochemical Industries Company, resulted in a significant impact on profits in 2016 and 2017.

However, through our adoption of bold production targets, cost optimization and a dynamic focus on operational excellence throughout the year, we have prevailed through the general slump. Our profits decreased from US\$48 million in 2015 to US\$ 1.13 million in 2016 and recovered to some extent in 2017 when our profits reached US\$ 32.07 million. We had a total sales of US\$ 235 million and a production of 1,617,422 metric tonnes the highest in the history of the Company in 2016.

The volatile markets and global economic instability have resulted in all companies across every industry, consolidate their costs. GPIC is by no means immune to these factors either, and has during the course of 2017 consolidated and prioritized its capex investment accordingly. However as GPIC is embarking on a major planned turnaround in April 2018, hence capex investment in the enhancement of our entire facility is significant. With the increase in costs for natural gas, electricity and fuel, coupled with volatile product prices, we foresee 2018 and beyond as challenging times. Based on the above mentioned challenges and to remain sustainable our 2018 ambitions and goals include improving on employees productivity, further optimizing our cost of production, improving on energy efficiency and capacity utilization, maintaining our continuous production record and sustaining our safety performance.

We are confident that despite the market conditions GPIC will be able to sustain its profitability due to its efficient and streamlined operations ,cost optimization initiatives and innovative business strategy.

New Plans

We are tapping in potential areas of growth, including debottlenecking of our existing facilities for improved energy efficiency and enhanced production capacities. We are also exploring other potential growth avenues such as overseas joint ventures, mergers and acquisitions as part of GPIC's Corporate Strategy 2030, knowing that business as usual will not be sustainable.

We have also embarked on a new US\$ 8.8 million Urea Formaldehyde (UF 85) plant at our existing site to make the supply chain of our raw materials and chemicals more robust and sustainable.

In addition, GPIC has also started export of methanol to downstream industry in Bahrain since December 2016. A total of 121 tons of methanol was exported in the local market.

OUR ECONOMIC PERFORMANCE 2016-2017

Every industry and every sector felt the impact of economic uncertainty during 2016. GPIC redefined and reshaped its global marketing strategy and assertively continued to build its brand reputation and product quality within the international market. Therefore, despite a sharp drop in market prices in 2016, we were able to sustain our profitability due to our efficient and streamlined operations and cost optimization initiatives.



<u>71</u>

Net Profit in Millions US\$ The net profit in 2016 was around US\$ 1.08 million whereas it recovered to US\$ 32.17 million in 2017. 250.0 200.0 150.0 100.0 50.0 21.2 3.1 1.1 0.0 -50.0 2014 2015 2016 2017 Target Actual Linear (Actual)

(variable + fixed cost) Our production cost in 2017 is 5% higher than in 2014. 215 210 205 205.7 200 195 190 188 185 180 175 2014 2015 2016 2017 Linear (Actual) Target Actual

ECONOMIC PERFORMANCE

Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers GRI 201-1

Component	2017 Data	2016 Data	2015 Data	2014 Data	2013 Data	2012 Data
Direct economic value generated US\$						
Revenues US\$	298,959,750	242,331,900	293,707,450	441,421,100	420,199,900	430,609,100
Economic value distributed US\$						
Major operating costs	109,950,640	83,677,383	63,441,000	67,628,000	80,347,576	74,123,451
Employee wages and benefits	47,427,450	46,460,446	56,669,007	55,875,636	50,442,104	46,700,778
Payment to providers of capital	-	-	-	105,000,000	186,000,000	211,740,000
Payment to Government	201,770,000	179,329,000	96,051,261	97,787,483	93,298,344	87,201,775
Community Investments	9,830,158	8,673,213	8,386,023	9,836,916	9,910,293	10,831,03
Economic value retained US\$						
Retained earnings	263,270	143,672	142,538	94,979	201,582	12,06

Financial statement Ratios

Ratios	2017	2016	2015	2014	2013	2012	2011
Current Ratio	4.28	1.82	3.19	8.17	7.28	4.44	12.27
Debt / Equity Ratio	0.15	0.44	0.36	0.08	0.09	0.11	0.07
Debt Ratio	0.13	0.15	0.10	0.07	0.09	0.10	0.07
Operating Cash Flow / Assets	14.73%	2.36%	25.27%	36.42%	34.98%	49.37%	22.10%
Net operating margin percentage	13.66%	1.13%	17.54%	44.08%	44.85%	48.88%	58.70%
Net Profit margin	12.02%	-0.30%	17.50%	44.00%	45.00%	49.17%	40.54%
Return on Total Assets (ROA)	6.24%	0.50%	9.92%	34.45%	34.15%	38.50%	47.26%
Return on Equity (ROE)	7.16%	0.72%	13.50%	37.24%	36.40%	43.67%	53.30%
Receivable Turnover	6.42	5.05	4.41	5.18	5.43	5.17	5.14
Inventory Turnover	9.61	10.54	12.71	12.79	11.17	11.58	8.80

Economic Performance:

Balance Sheets

(Expressed in thousands of US\$)



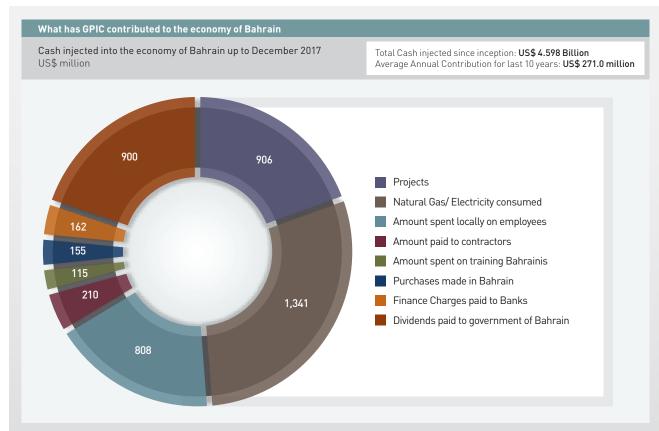
Assets	2017	2016	2015	2014	2013	2012	2011
Non-Current Assets		ĺ					
Property, plant & equipment	424,201	434,501	455,066	418,454	406,441	396,954	352,850
Total Non-Current Assets	424,201	434,501	455,066	418,454	406,441	396,954	352,850
Current Assets							
Inventories	20,076	20,172	15,495	12,635	15,492	14,379	12,474
Trade and other receivables	40,632	52,499	43,455	89,663	80,727	73,988	92,604
Cash and cash equivalents	65,381	41,353	4,428	43,044	65,373	53,856	103,125
Total Current Assets	147,091	114,024	63,377	145,342	161,592	142,223	208,203
Total Assets	571,292	548,526	518,443	563,795	568,033	539,177	561,053
Equity							
Capital and Reserves							
Share Capital	159,000	159,000	159,000	159,000	159,000	159,000	159,000
Statutory Reserve	79,500	79,500	79,500	79,500	79,500	79,500	79,500
Retained Earnings	230,940	143,672	142,538	94,979	94,886	94,687	94,841
Proposed Dividends	30,001	85,200	85,200	190,201	186,001	151,739	190,140
Total Equity	499,441	467,372	466,238	523,680	519,387	484,926	523,481
Liabilities							
Non-current Liabilities							
Employee Benefits	37,491	18,346	25,032	22,329	26,455	22,236	20,477
Current Liabilities							
Trade and Other Payables	34,360	62,808	19,901	17,787	22,191	32,015	17,095
Total Liabilities	71,851	81,154	52,205	40,116	48,646	54,251	37,572
Total Equity and Liabilities	571,292	548,526	518,443	563,795	568,033	539,177	561,053

US\$ 2.2 Billion

Dividend to Shareholders since 1998

ECONOMIC PERFORMANCE

GRI 201-1



Year	Net profit (US\$)	Dividends to Shareholders (US\$)
1998	1,000,000	15,000,000
1999	9,000,000	9,000,000
2000	40,000,000	36,000,000
2001	25,000,000	21,000,000
2002	25,000,000	21,000,000
2003	66,000,000	60,000,000
2004	96,000,000	96,000,000
2005	128,000,000	129,000,000
2006	162,000,000	162,000,000
2007	201,000,000	201,000,000
2008	300,769,700	350,857,350
2009	105,014,200	150,000,600
2010	138,200,150	105,000,950
2011	265,002,650	212,999,050
2012	211,750,900	250,141,450
2013	186,202,250	151,739,000
2014	190,293,850	186,000,850
2015	47,559,550	105,0000,950
2016	1,134,200	0
2017	32,070,000	30,000,650

<u>75</u>



ECONOMIC PERFORMANCE

Financial implications and other risks and opportunities due to climate change GRI 201-2

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

Regulatory Risks

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

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

Physical Risks

Climate change poses the risks of more frequent and severe weather conditions across the globe. Bahrain has witnessed increasing weather extremes since some years. Additionally, between 2013 and 2017 we have witnessed a 1.3 degree C increase in ambient sea water temperature rise. This temperature has neared our maximum temperature of 39.5 degree C for seawater intake for process use, which if exceeded would significantly impact our operations and production capacities.

In 2016-2017, in spite of the challenging climatic situations like higher than normal ambient temperatures ,GPIC was able to maintain all its plants at the highest level of safety, productivity and reliability. This enabled the Company to record the highest ever production in 2016.

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 adaptation and mitigation steps to climate action also covers our robust preventive maintenance regime and include our recent drive to energy efficiency including the use of energy efficient equipment and lighting. (For details please refer to our section on energy reduction measures) 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.

Opportunities

2016 and 2017 have been very challenging years for GPIC. The continuity of market instability and escalating energy costs has provided GPIC a golden opportunity to come up with an innovative business strategy knowing that business as usual will not be sustainable. As part of this strategy we are tapping in potential areas of growth, including debottlenecking of our existing facilities for improved energy efficiency and enhanced production capacities.



GPIC's olive oasis

ECONOMIC PERFORMANCE

Coverage of the organization's defined benefit plan obligations GRI 201-3

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

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

MARKET PRESENCE

Ratios of standard entry level wage by gender compared to local minimum wage GRI 202-1

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

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

The Company does not currently benchmark against minimum wage.

Proportion of senior management hired from local community GRI 202-2

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 and in 2017 GPIC appointed its first Female Manager as the Human Resources Manager.



GRI 202-2

GPIC has a well-established Leadership programme with an effective succession plan and talent management that develops potential Bahrainis ready for senior management positions.

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

INDIRECT ECONOMIC IMPACT

Infrastructure investments and services supported GRI 203-1

Through financial contributions and the volunteer efforts of our

employees, GPIC supports programs that address education, the environment and economic success – all important aspects of community sustainability.

Since inception, GPIC has injected US\$ 4.598 billion into the economy of Bahrain. This contribution has been made in several areas, such as employment, training, procurement, dividends to the Government, purchases made within Bahrain, etc.

	Brief
Supporting local technical institutions (includes vocational, technical, educational):	 Crown Prince Education program ,Ministry of Education, Bahrain Technical institute (BTI), Bahrain Polytechnic, University of Bahrain, Injaz, Tamkeen. US\$ 100,000 every year to Crown prince education program, US\$ 19,000 every year to Ministry of education, Bahrain. GPIC supports Bahrain youth development by providing 50 employees each year as volunteers for teaching and coaching students at inJAZ, Bahrain.
Involvement with Schools in Bahrain	Number of schools engaged per year: 30 Type of engagement: Environmental awareness lectures, Coaching to secondary school students, Environmental Research Program
Scholarships for children of employees and community	 Number of scholarships bestowed to employees children in 2014: 60 2015: 104 2016: 101 2017: 101 Level of scholarships: university level Number of scholarships for community children (not employees of the company): 2014:1 2015:0 2016:0 2017:0 Approximate monetary value: US\$ 2645 per semester for the employees children sponsorship & US\$ 530 monthly stipend for the University of Bahrain Scholarship students plus the university fees and books expenses.

77

ECONOMIC PERFORMANCE

GRI 203-1

Initiatives during the year 2016-2017	
	Brief
Key Social Contributions 2016/2017 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). Ministry of Social Development AlRahma Centre for disabled Bahrain Cancer Society Royal Charity Organization Supreme Council for Women in JAz, Bahrain Ministry of Education, Bahrain Crown Prince's Scholarship Programme King Hamad Hospital Campus Second West Asian Federation for Ladies Bahrain Tootball Association Bahrain Tootball Association Bahrain Tennis Association Bahrain Table Tennis Association Bahrain Table Tennis Association Bahrain Special Olympics for people with intellectual disabilities Bahrain Society for child development UNEP for supporting environmental sustainability UOB for air quality monitoring unit
Please refer to social disclosures section for details	

Significant indirect economic impacts GRI 203-2

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

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

In addition, GPIC gives back to the communities in which we live and work, as part of our commitment to improve quality of life, vitality and sustainability around the world. GPIC has backed this commitment with financial contributions and the active volunteer participation of our employees. We focus on enabling programs and nonprofit organizations that enhance sustainability in the communities in which we operate. The areas of focus for our philanthropic work are described in GRI 203-1

Proportion of Spending on Local Suppliers GRI 204-1

GPIC is a strong supporter of local businesses and wherever possible the first priority goes to the local suppliers. Out of a total of 1805 suppliers, 689 are local suppliers which is 38%.

Strong corporate governance is an integral part of the GPIC's core values, supporting our sustainable growth mission.

PRODUCTION PERFORMANCE

We produced record volumes of quality products and in 2016 we achieved 1,617,422 metric tons, the highest production ever in the history of the Company.

Like in previous years, GPIC has continued to maintain operational excellence during the years 2016-2017. In spite of the challenging situations like higher than normal ambient temperatures and exceptionally high sea water temperatures, GPIC was able to maintain all its plants at the highest level of safety, productivity and reliability. This enabled the company to achieve its annual total production targets of 2016 and 2017.

The key to our success, like that of any other successful fertilizer and petrochemical company, is to keep the plants available and running efficiently while maintaining our focus on their reliability and process safety. During this period, we excelled in our business processes and produced and exported quality products whilst achieving our cumulative production targets.

GPIC's total production capacity sits at 1.6 Million tons, with roughly 40% being Urea, followed by Ammonia and Methanol around the same capacity percentage.

Our 2017 Production breakdown reflects the percentages mentioned above, where Urea reached 699,596 MT, followed by Ammonia at 464,227 MT and Methanol at 442,327 MT respectively. (For details please refer to the production performance table in this section)

Our output capacity for 2018 as it stands, reflects just over 640,300 MT for Urea, with methanol at an expected 418,640 MT and Ammonia at 425,000 MT. Of course, our major turnaround is planned for the first quarter of 2018 and therefore our capacity output in 2018 reflects these differences in production figures.

Exploring New Markets

The traditional markets have witnessed a dramatic shift and the company is exploring potential new emerging opportunities and customers coming to the front from a number of key regions around the globe. Markets like Taiwan, India, USA, Brazil and countries in East Asia have shown sound and growing trends in imports for GPIC's products, whilst more traditional markets have witnessed an internal consolidation of their imports in general, resulting in a shift in market purchasing patterns.

For GPIC, Taiwan has the highest share of the company's exports in 2017 with a 17% followed by India and USA by 14% and 12% respectively. All this, has been achieved smoothly and without hindrance and in accordance with the marketing plan and contractual obligations.

GPIC had exported a total of 1.23 million tons of Ammonia, Urea and Methanol in 2017, representing an increase of 4.2 % over 2016. GPIC's exports records by product showed 454,667 tons of Methanol, 6.3% over 2016, 709,791 tons of Urea, 3.9% over 2016 and 74,021 tons of ammonia 14% more than what we planned to export during the year. The products shipped by 72 vessels to their final destination.

In 2018, GPIC will carry out a total plants turnaround after being in operation for almost 3 year continuously. Hence, the projected production and Exports is expected to be less compared to 2017. The total planned production of Ammonia, Urea and Methanol in 2018 will be 1.48 million tons, out of which 1.12 million tons will be available for export.

In 2017,GPIC was also among the first industrial organisations in the Kingdom of Bahrain to acquire the "Port Operator License" in July 2017 by the Ports and Maritime Affairs (PMA). This license allows GPIC to solely operate and manage its jetty for the export of urea to the international market.

Our Chief Source of Pride

Our chief source of pride during these achievements was the excellence of our SHE performance, whilst a simultaneous drive towards process safety excellence that gained momentum. To maintain the operations of our plants at the optimum, we further reviewed and enhanced our staff training and development programs.

During 2016 and 2017 we reached several significant milestones, key amongst them are;

Major achievements in 2016/2017:	
Cumulative Ammonia production from 1985	13.56 million tons
Cumulative Methanol Production from 1985	13.32 million tons
Cumulative Urea Production from 1998	12.254 million tons
Cumulative Urea Export from 1998	12.168 million tons
Ammonia Plant completed 804 days of Uninterrupted production	31st December 2017
Highest ever Daily Urea Production	2,055 tons on 12 December 2017
Highest ever Urea Production in a month	62,300 tons in January 2017
Highest ever Urea Production in a year 2016	704,005 tons
Highest ever annual cumulative production in 2016	1,617,422 tons



Major achievements in 2016/2017:

Urea Formaldehyde (UF 85) Project Contract signing Engineering and Start of Construction work

Construction and commissioning of new Demin Water tank

Refurbishment and commissioning of Boiler B-5201B

- Complete repair work on export Ammonia Vapor line and Methanol line
- Installation of new potable water dosing system
- Installation of new UCON dosing system in the Benfield section of Ammonia Plant
- Start of Construction of new Nitrogen plant
- Establishing local sale of Methanol for downstream industry in Bahrain

Our Challenges:

Significant challenges experienced during the reporting period include the following;

- 2017 was an extremely challenging year. We experienced the hottest summer ever and had challenging weather conditions. The sea water intake temperature exceeded 39 deg C.
- Higher than normal H2S concentration in the natural gas supply
- Stretching the Turnaround cycle to three years for the first time
- Methanol Plant total trip due to the failure of CPU caused production interruption. In addition, load restrictions due to distillation column limitation, are the main reasons that the targeted Methanol production was not achieved for the year 2017.
- We also experienced a tube leak in Boiler B-5203, which also affected the Urea Plant Operation as Boiler B-5201B was under maintenance.



PRODUCTION PERFORMANCE

Yearly Production and Export			2016			2017		
Performance Figures	Units	Budget	Actual	Deviation	Budget	Actual	Deviation	
Ammonia Production	MT	452,520	467,539	1,509	454,860	464,573	9,713	
Methanol Production	MT	442,800	445,880	3,080	444,030	442,154	-1,876	
Urea Production	MT	680,200	704,003	23,803	684,000	697,998	13,998	
Total Cumulative Production	MT	1,575,520	1,617,422	41,902	1,582,890	1,604,725	21,835	
Ammonia Exports	MT	64,810	78,218	13,408	64,980	73,494	8,514	
Methanol Exports	MT	442,800	427,744	-15,056	444,030	455,393	11,363	
Urea Exports	MT	680,200	683,864	3,664	684,000	677,750	-6,250	
Total Exports	MT	1,187,810	1,189,826	2,016	1,193,010	1,206,637	13,627	
On stream Factor (2)		1	1	1	1			
Ammonia	%	98.36	99.67	1.31	98.90	100.00	1.1	
Methanol	%	98.36	99.31	0.95	98.90	99.60	0.7	
Urea	%	97.84	99.73	1.89	98.63	99.02	0.4	
Utilization Factor (3)								
Ammonia	%	104.75	106.81	2.06	105.00	106.07	1.1	
Methanol	%	102.50	102.23	-0.27	102.50	101.35	-1.1	
Urea	%	111.76	113.45	1.69	111.76	113.60	1.8	
Capacity Utilization (1)		1	1	1	1			
Ammonia	%	103.03	106.45	3.42	103.85	106.07	2.2	
Methanol	%	100.82	101.52	0.7	101.38	100.95	-0.4	
Urea	%	109.32	113.15	3.83	110.23	112.49	2.3	
Plant outages								
Ammonia	Days	6	1.23	-4.77	4	0	-4	
Methanol	Days	6	2.52	-3.48	4	1.46	-2.54	
Urea	Days	8	0.97	-7.03	5	3.57	-2.43	

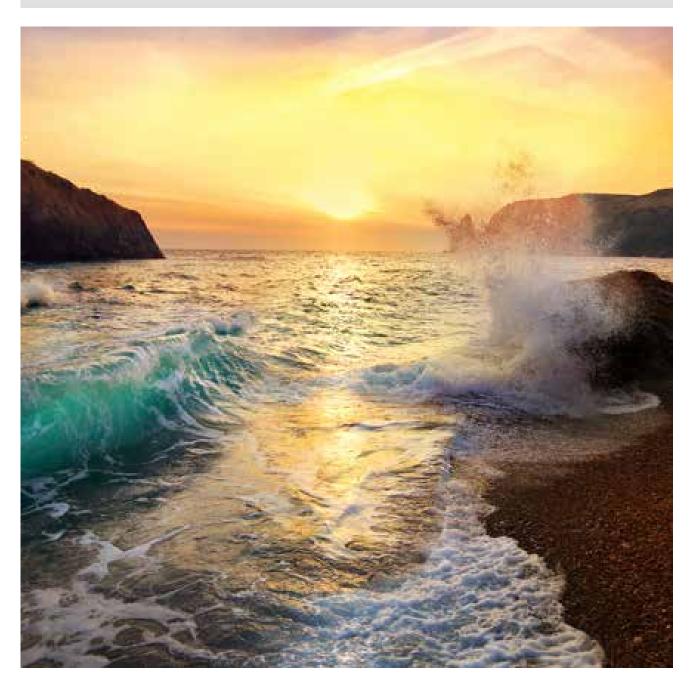
Notes:

Capacity utilization is the percentage of design capacity utilized based on calendar days
 On stream factor is the Operating days as percentage of calendar days
 Utilization factor is the percentage of the design capacity utilized based on operating days



Our exports

Yearly Production and Export	Units 2016		dev	20	2017		
Performance Figures			Actual		Budget	Actual	%
Ammonia Exports	MT	64,810	78,218	20.7	64,980	73,495	13.1
Methanol Exports	MT	442,800	427,744	[3.4]	443,030	455,380	2.8
Urea Exports	MT	680,200	683,864	0.5	685,000	677,749	(1.1)
Total Exports	MT	1,187,810	1,189,826	0.2	1,193,010	1,206,623	



PRODUCTION PERFORMANCE

			2016		2017	
		- Unit	Tonnes	Percentage	Tonnes	Percentage
	China	MT	15,026.214	19.0	10,954.783	15.0
	India	MT	36,844.755	47.0	55553.795	76.0
Ammonia export	Korea	MT	11,400.941	15.0		
by region	Taiwan	MT	14,945.809	19.0		
	Turkey	MT			6,985.919	9.0
	TOTAL	МТ	78,218	100.0	73,495	100.0
	Australia	MT			106,614.998	16.0
	Argentina	MT			21,998.796	3.0
	Brazil	MT	348,472.460	51.0	120,341.941	18.0
	France	MT	27,498.719	4.0		
	India	MT	78,019.496	11.0	113,457.175	17.0
	Mozambique	MT			14,999.098	2.0
Urea export	South Africa	MT	79,999.395	11.9	42,600.350	6.0
by region	Thailand	MT	46,190.011	7.0	46,376.211	7.0
	Turkey	MT			43,998.226	7.0
	Tanzania	MT			21,606.260	3.0
	Uruguay	MT			27,499.060	4.0
	USA	MT	102,698.003	15.0	117,298.547	16.9
	Local	MT	986	0.1	959	0.1
	TOTAL	MT	683,864	100.0	677,749	100.0

The traditional markets have witnessed a dramatic shift and the company is exploring potential new emerging opportunities and customers coming to the front from a number of key regions around the globe.



			2016		2017	
		Unit	Tonnes	Percentage	Tonnes	Percentage
	USA	MT	93,172.021	22.0	35,829.148	8.0
	UAE	MT	37,797.915	9.0	27,292.495	6.0
	China	MT	112,902.489	26.0	97,207.841	21.0
	Singapore	MT	10,315.630	2.0		
Methanol export by region	Korea	MT			50,327.103	11.0
-,	Thailand	MT			39,172.768	8.7
	Taiwan	MT	173,540.494	41.0	204,370.761	45.0
	Local	MT	15		1,179.110	0.3
	TOTAL	MT	427,744	100.0	455,380	100.0



Mangroves plantation at GPIC

SAFETY AND HEALTH PERFORMANCE

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

Safety is our top priority – driven by our leadership and applied across the organization. We believe that employers are only truly sustainable when they ensure the safety, health and welfare of their workers.

GPIC's leadership commitment to Safety, Health and Environment is built on a genuine belief in the "triple- bottom-line" business concept, where profitability and creating shareholder value is equal to the company's social responsibilities and commitment to health, safety and protection of the environment.

As a forward moving company, GPIC has understood the worker safety dimension of sustainability and has started proactively leveraging the OHS and sustainability connection. With the launch of the UN's 17 Sustainable Development Goals, GPIC is using these global strategies to underpin its sustainability efforts.

Our Long term goals, the corporate annual goals and the departmental goals clearly highlight our OHS and Sustainability connection and the linkage to the relevant UN's 17 SDGs.

Safety is our Core value

We are successful because safety isn't just a program, it's a way of life for us. As a forward-looking petrochemical and fertilizer company, GPIC recognizes that our commitment to safety is the foundation for building and maintaining trust and public confidence. It's part of being a good citizen, a good neighbor and a good partner. Safety drives our commitment to sustainable business and defines who we are and what we stand for. By instilling a culture that ensures the well-being and safety of our employees, we empower them to focus on the details and to do what's right first time every time. This leads to improved performance and reliable, consistent and predictable delivery of our high-quality products.

Our challenges

The only obstacle a company may have to implementing or ensuring best practice, is if adopts an attitude of complacency. We need to assume an accident can occur at any moment. When one does, we need to quickly understand why and put the right procedures in place so that it doesn't happen again. At GPIC we have mandatory safety training every year for our employees. We also do yearly on-site safety assessments at all of our plants, and spot site assessments regularly. But the best thing we do – and that any company needs to do – is utilize the full capability of its workforce. All of our GPIC employees are our eyes and ears constantly. Conditions change, plants and offices change, people change. It's an ongoing process.

How we measure safety performance at GPIC

At GPIC, safety, health and environmental performance is a top level agenda and is measured, reported, evaluated and continuously improved upon. It is part of our company's regular review process and we have set stringent, clear and visible goals with leading and lagging indicators throughout all levels and processes of the organization. We focus and apply measures to all the four elements of safety culture; Systems and Processes; Skills and Knowledge of Individuals; Behaviours; Attitudes, Perception and Leadership. We have long realized and recognized that there is no single reliable measure of health and safety performance. What is required is a basket of measures providing information on a range of health and safety activities.

Our Achievements

GPIC achieved a strong Responsible Care performance in 2016-2017, particularly in the area of employee health and safety. GPIC continued to enhance and strengthen its Safety, Security, Health and Environmental (SSHE) management systems including training, capacity building, table top exercises and testing of its emergency response and preparedness.

These continual improvement efforts further enhanced our behavioural safety culture and culminated in achieving a record 27 million working hours for its workforce and contractors without any lost time accident, exceeding 7,639 days. Our injury rate including the first aids has decreased significantly and the hand injuries have gone down as well due to awareness campaigns, site audits and the introduction of custom made gloves.

All our operations were managed responsibly on a sustained basis throughout the year without any reportable environmental incident. GPIC maintained its process safety performance through operational excellence, robust risk management, training and lessons learned and hence we did not have any Tier 1/ Tier 2 process safety incidents in 2017.Our Security management continued to be robust and resilient.

With regard to its excellence in occupational health, safety and the environment, GPIC has been awarded with the coveted' Her Majesty Queen Elizabeth II Gold Category(RoSPA Award

In quest of continual improvement and as an outcome of the PSM assessment that was carried out by auditors from Process Improvement Institute (PII)-USA.

GPIC implemented the potential recommendations ,including the updating of its mechanical integrity related PSM critical equipment list and its life cycle requirements.



OUR SA	FETY, HEALTH, ENVIRONMENT AND SECURITY	PERFORMANCE						
S. No	METRIC NAME	METRIC FORMULA / DEFINITION	2012	2013	2014	2015	2016	2017
А	Occupational Health & Safety							
1	Employee Fatalities	# of Fatalities	0	0	0	0	0	0
2	Lost Time Injury Incident rate for Employees (# of days away from work cases X 200,000) / Employee man-hours worked		0	0	0	0	0	0
3	OSHA Recordable Cases Incidence Rate for Employees worked (# of Injuries X 200,000)		0.789	1.176	0.17	0	0	0.36
4	Contractor Employee Fatalities	# of Fatalities	0	0	0	0	0	0
5	Lost Time Injury Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man- hours worked	0.452	0	0	0	0	0
6	OSHA Recordable Cases Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man- hours worked	1.807	0.398	0.56	0	0	0
7	First Aid Injuries (Contract+ employees)	# of Injuries	33	19	27	31	13	4
В	Process Safety							
1	Process Safety Incidents (Tier 1 and Tier 2)	(# of Incidents that meet the Process safety Incident Criteria	0	0	0	0	0	0
2	Process Safety Total Incident Rate (PSTIR)	(# of Process Safety Incidents x 200,000) / (Employee + Contractor Employee man-hours)	0	0	0	0	0	0
3	Process Safety Total Incident Severity Rate (PSTISR)	(Total Severity Score x 200,000) / (Employee + Contractor	0	0	0	0	0	0
С	Environment							
	Reportable Environmental Incidents	Tier 1 and Tier 2 Incidents	0	0	0	0	0	0
D	Security							
1	Security breaches	Number of security breaches	0	0	0	0	0	0

Wellness at Work at GPIC

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

- Regular medical checks for all employees
- Smoke-free GPIC campaign

- Health campaign on Diabetes, Hypertension and Fat Composition
- Beat the heat campaign
- Obesity Management Programme
- Blood donations by GPIC employees
- First aid training for GPIC employees
- Occupational health and disease awareness lectures, newsletters

SAFETY AND HEALTH PERFORMANCE

88

- Breast Cancer screening tests were introduced for GPIC ladies and Employees wives in coordination with Bahrain Cancer Society and King Abdulla Medical City
- Some of the latest awareness presentations include;
 - o Prevention on respiratory infections
 - o Office Yoga
 - o What you should know about cancer?
 - o Beat Diabetes- Follow medical advise

Year	No. of sick leave days	% sick leave	% sick lea	% sick leaves by gender		% sick leave days by age					
	leave days	days	Male		<20	20-29					
2010	5969	2.8	2.6	5.7	1.5	1.5	2.5	3.9	2.4	1.8	
2011	4729	2.4	2.3	2.2	1.4	2.1	2.4	2.9	1.8	1.0	
2012	5486	2.6	2.76	2.4	1.92	3.08	2.83	3.03	1.97	1.51	
2013	4963	2.4	2.39	2.24	0	2.65	2.57	2.65	1.59	1.05	
2014	4694	2.28	2.3	2.17	0.00	2.66	2.06	2.64	1.98	0.46	
2015	5040	2.44	2.37	2.69	0.00	2.71	2.24	2.84	1.93	0.84	
2016	3603	1.88	1.78	2.27	0.00	2.42	1.75	1.91	1.29	1.49	
2017	2939	1.64	1.83	3.28	0.00	2.62	1.93	2.27	1.18	0.71	

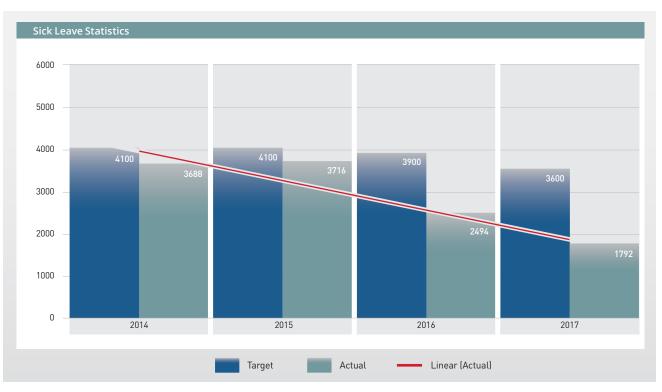
Sick Leaves Statistics

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

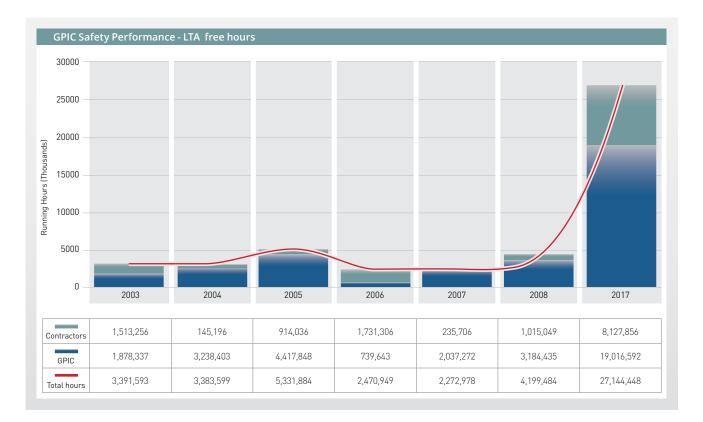
(No. S.L days X 100)

Sick Leave % = _

Total No. of Emp. X No. Calendar days / year







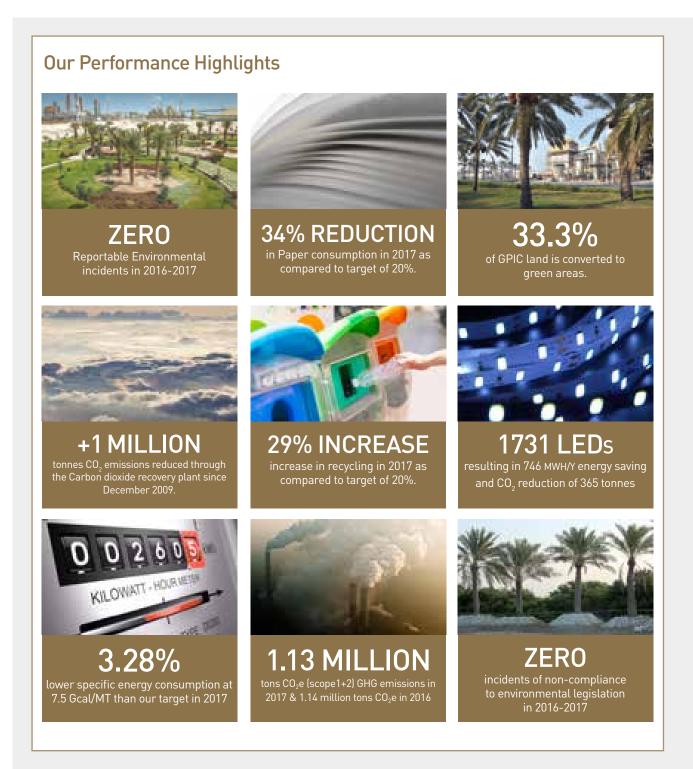
Safety is our top priority – driven by our leadership and applied across the organization. We believe that employers are only truly sustainable when they ensure the safety, health and welfare of their workers.

Protecting our Planet

90



ENVIRONMENTAL SUSTAINABILITY



GPIC has consistently demonstrated that a rapid 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.

ENVIRONMENTAL SUSTAINABILITY

<u>94</u>

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3) At GPIC, protecting people and the environment is at the core of everything we do and every decision we make.

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 to ignore the impact it has on the environment. 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 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 through this report.

We have shown our strong commitment by establishing and upholding high environmental standards while at the same time pursuing capabilities and expertise towards softening the impact of our industrial activities on communities and the surrounding natural environment. This approach is aligned to the Bahrain Environmental policy, based on the precautionary principle, the polluter pay principle, the sustainability concept, and the concept of shared responsibility, to fulfill the ultimate goals of sustainable development through harmonious action of all relevant actors.

Below are the highlights of our Environmental Strategy based on which we have prioritized our investments.

Environmental review at design stage

An environmental impact study and review at the design stage is carried out for all minor and major projects as well as engineering modifications. We identify environmental impacts and seek to avoid them or minimize them right at the planning stage. Any gaps or concerns highlighted as part of the environmental impact study are addressed to ensure an environmentally sustainable project. In addition to that, an Environmental Review for each Modification and Capital Project is carried out as part of the Company's electronic MOC system.

Reliable operations with minimum business interruption

We believe that by operating our plants in an efficient and reliable manner with minimum production interruptions and down-time, the environmental impacts from our operations will be minimized. Hence, to achieve this we invest in reliable, state of the art technology and equipment, and ensuring that all our people are appropriately trained for their roles.





GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

Monitoring and control of emissions, effluents and waste As a part of our responsible operations protocol, we actively monitor our gas emissions, liquid effluents and waste generation,

and have also initiated several measures to reduce our carbon footprint to improve our overall environmental footprint.

Resource Efficiency and conservation

We ensure that we are maximizing resource utilization within all our processes. This includes issues around water, energy, and even raw materials, to minimize wastage from our manufacturing processes, and ensure that our facilities are greener and more eco-friendly.

Strict Compliance to Legislative and regulatory requirements

We ensure regulatory compliance to applicable environmental laws and legislations. This is embedded at the core of all our policies.

Benchmarking for continual improvement

We benchmark ourselves against some of the highest global standards by pursuing internationally recognized certifications such as the EMS ISO 14001, Responsible Care RC 14001, ISO 50001 and others.

Regular Audits

In addition to internal audits carried out by our various committees, our facilities are frequently audited by third party expert organizations to ensure that we are holding ourselves to the standards we have committed ourselves to.



Environmental awareness

We are actively engaged in inculcating a culture of environmental responsibility amongst our people and in the communities we are located in. This is sustained by training our people and providing them with the necessary skills, competencies and empowerment to continuously improve, as they are the key to the success in implementing HSE best practices.

Biodiversity and protection of natural habitats

Our production site now hosts; a fish farm where about 100,000 sea bream fish are released into the deep sea annually to enrich marine life. We also nurture; a bird sanctuary which hosts birds of different species (migratory and local). Our facility in Bahrain is surrounded by a number of gardens specifically designed to promote the growth of rare, indigenous, aromatic and desert plants. The gardens are also used to help educate school students on environmental preservation and to expand their knowledge on Bahrain's natural biodiversity.

Environmental care beyond borders

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

Climate Change Commitments

In an era of global climate change, GPIC greenhouse gas emissions, as well as its carbon footprint, are some of the biggest challenges we face when planning our investment 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 us to contribute towards slowing the pace of climate change. The Carbon Dioxide Recovery (CDR) plant commissioned in 2010, captures 450 MT/Day of CO2 from the methanol reformer flue gases and then recycles it back into our processes. Hence reducing the Company's carbon footprint in addition to improving resource efficiency and production augmentation. This project is the best example of how GPIC combines business strategy with environmental sustainability.

Life Cycle Perspective:

Some of GPIC's significant environmental impacts occur during the sourcing of raw materials, manufacturing, transportation, delivery, and final disposal of its product or service. By monitoring and reviewing relevant information, we can potentially prevent or mitigate adverse environmental impacts during these life cycle stages. We consider the extent of control or influence that it can exert over activities, products and services considering a life cycle perspective.

ENVIRONMENTAL SUSTAINABILITY

96

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3) GPIC and the Environmental dimension of the Sustainable

GPIC and the Environmental dimension of the Sustainable Development Goals (SDGs):

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.

The Environment related domain is expanded in the SDGs and the environmental dimension of sustainable development is fully fleshed out in the goals on oceans and marine resources, ecosystems and biodiversity, land degradation and desertification, and are also mainstreamed/ embedded under all other goals. Almost half of the SDGs have a significant relevance to our environment.

We have proactively aligned our business priorities with the SDGs and as part of this journey have demonstrated our contribution to a number of SDGs including the ones related to the Environment.

Global engagement and sustainability

In addition to the commitment and responsibilities we have for our operations, we are also engaged in environmental efforts at several levels, Creating Impact, efforts for environmental sustainability and stewardship. One of the examples is our commitment to the UN Global Compact 10 Principles including the three principles on environmental sustainability and also the UN Global Compact Food and Agriculture Business Principles (FAB 6) where Principle number 2 is to be Environmentally Responsible.



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

Our Environmental Performance 2016-2017

Our Environmental performance during 2016-2017 was par excellence. We achieved our environmental targets including the energy targets. Our emissions and effluents were in compliance to the Bahrain Environmental Standards and we did not experience any reportable environmental incidents. We enhanced our waste recycling, introduced card board recycling for the first time in GPIC and also implemented recycling at the GPIC Club. Liquid waste management was effective due to the commissioning of new evaporation pond in 2014. We continued our drive towards energy efficiency and energy efficiency projects such as the introduction of energy efficient lighting. We participated in a number of environmental bench marking studies including IFA bench marking for effluents and emissions. We continue to maintain our biodiversity projects within GPIC and also outside. (For details refer to SR 2016 section "Protecting our Planet").

Our Salient achievements

More recently the Company also received, the Saudi Arabia Award for Environmental Management in the Private Sector. GPIC's continued with its leadership role in SSHE excellence at regional and global levels and has been actively involved and engaged with Regional and Global organizations such as National Safety Council, Royal Society for the Prevention of Accidents, UN and UN Environment. GPIC President is in the UN Environment 's HLG of GEO 6 assessment and provides advise on regional assessment. GPIC has engaged actively governmental bodies on National level strategy formulation and legislation revision on environmental issues covering Paris climate change agreement COP 21 and associated greenhouse gas inventory reporting, Role of Industries and private sector in the implementation of UN 17SDGs , National Energy Efficiency and National Renewable energy action plan, Carbon capture and potential future scenarios, Ozone depletion and Montreal Protocol national level initiatives and way forward.

Replacement of existing conventional lights in process areas, non- process areas, buildings and street lights with energy efficient LEDs. 455 LED light fittings were installed in 2017, with an energy saving of 272 MWH/year and a total reduction in carbon emissions by 157 tons per year.

Since 2013 we have installed 1731 LEDs within our complex, replacing conventional lights, resulting in an energy saving of 746.50 MWH/Y, a cost saving of US\$ 55148 and a CO2 emission reduction of 371.76 tons/ year.



ENVIRONMENTAL SUSTAINABILITY

- 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 second GHG Inventory Report in 2017.
- 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. The campaign for the 2017/2018 academic year is now concluded, with a total of 20 primary, intermediate and secondary boys and girls schools participating. Furthermore, between Sunday 15 October to Thursday 9 November, 800 local sapling trees were planted at the participating schools. It is worth mentioning that since the launch of the program in 2015, 50 schools have benefited from the program with the distribution of 2,000 sapling trees in total.
- To date we have recycled 111 tonnes of plastic, paper, metal cans and card board. Additional waste recycling points were introduced in employees car park and the GPIC Club. This has resulted in reduction of our carbon emissions by 190 tonnes.
- 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 27,500 since 2001. From 2015 Responsible Care awareness is also being imparted in addition to environmental awareness

- For the fourteenth consecutive academic year, GPIC sponsored the Ministry of Education/GPIC Environmental Research Program for the GPIC Environment Award for secondary school students.
- New Marpol compliant, urea marine terminal waste handling procedure was introduced and GPIC's Marine oil spill plan was revamped in accordance with Bahrain's Supreme Council for Environment recommendations.

Our Challenges

- Our biggest environmental challenge is the location of our facilities, which is surrounded by sea, neighbouring facilities and the residential communities. We as a responsible care company are mindful of the challenges and hence follow a precautionary approach when it comes to environmental sustainability.
- Compliance to the Environmental legislations, reducing energy consumption and emissions, resource conservation, energy efficiency, hazardous waste management and pollution prevention are some of our main priorities towards the environmental challenges we face at GPIC.
- Impact on sea water effluent thermal dispersion as a result of reclamation around GPIC during 2016 and 2017 remained a challenge, with mitigating plans under review.

MATERIALS

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

GPIC embraces Responsible consumption & production as part of its sustainability and environmental strategy. Resource efficiency and optimum material use is embedded in all our operations. Where ever possible we progress the concept of reuse and recycle. Optimum material use reduces both our production cost and the carbon foot print.

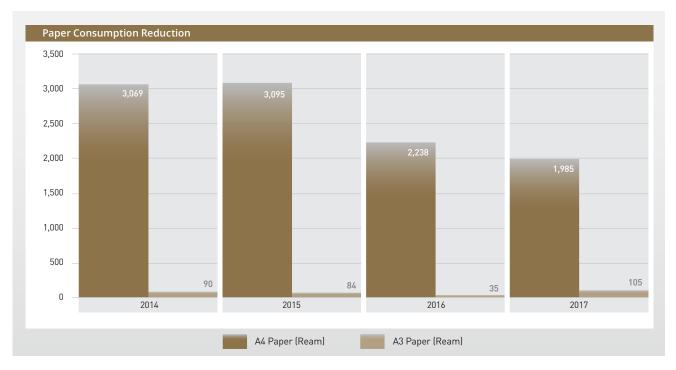
Material	Unit	Quantity 2016	Quantity 2017
Natural gas	MMSCF	45,838	45,888
Chemicals	Kg	7,563,309	7,602,694
Catalyst	M3	73.6	68.2
Paper	Kg	5770	5487
Diesel	liter	90,000	105,000
Petrol	liter	245,000	220,000

Materials used by weight or volume GRI 301-1



GRI 301-1

As part of our corporate drive, we have reduced our paper consumption significantly over the past three years mainly due to enhanced awareness and use of electronic platforms. We achieved our paper reduction targets for both 2016 and 2017.



Recycled input materials GRI 301-2

We do not use any recycled input materials in our processes.

ENERGY

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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.

We have reduced our 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 has been reduced to 7.34 Gcal/Metric tonne in our current operations. This significant reduction has been achieved through reliable operations with high on-stream factor, high capacity utilization, and through a range of energy saving projects, such as the implementation of the urea plant in 1998 and commissioning of the carbon dioxide recovery unit in 2009. In recent years, we have embarked on many energy saving projects, including the most recent ammonia converter revamp that involved the replacement of Uhde converter basket with Haldor Topsoe S-200 series basket. This has 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 has been technically upgraded to optimize energy efficiency. Similarly many energy-saving programs have been successfully implemented in our other Facilities, leading to improved energy efficiency and the added benefit of reducing C02 emissions.

With energy efficiency being a corporate priority, we opted to undergo an ISO:50001 certification in 2015. Among our several energy goals, we have an ambition to replace all the conventional lights currently being used within the facility with LEDs and also to provide for solar energy infrastructure to support our energy requirements for the buildings outside of the process areas.

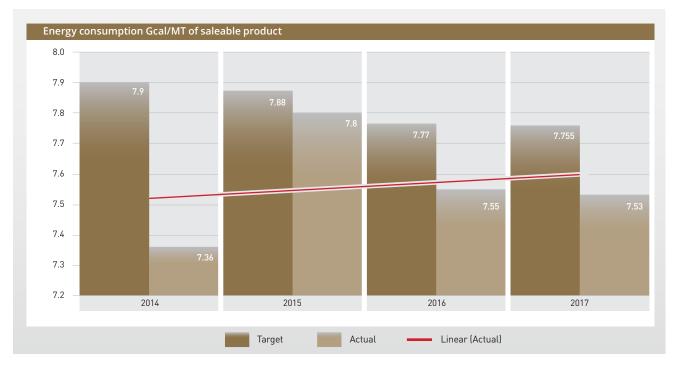
ENVIRONMENTAL SUSTAINABILITY

100

Our latest initiative 2017

A Debottlenecking & Energy Efficiency initiative to explore all the opportunities to enhance production of all the plants and improve efficiencies by adopting energy saving and conservation concept

throughout the complex and also to explore major enhancement opportunities that aim at optimizing production cost and improve efficiency.



Energy consumption within the organization GRI 302-1

		2017	2016	2015	2014	2013	2012
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Total energy consumption as Natural Gas (Feed and fuel)	GJ	37,153,352	37,277,395	34,754,906	36,760,203	36,654,554	35,092,603
Total imported electricity	MWH	135,764	148,341	127,186	128,215	128,799	97,739
Total imported electricity in terms of natural gas	GJ	1,629,068	1,779,981	1,526,134	1,538,477	1,545,490	1,172,793

Energy consumption outside of the organization GRI 302-2

For this report we have not calculated energy consumption outside of the organization. However we will be considering scope 3 estimation for our future reports.



GPIC supports beach cleaning.

Energy intensity GRI 302-3

		2017	2016	2015	2014	2013	2012
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Energy Intensity	Gcal/MT of Combined saleable product	7.53	7.55	7.80	7.36	7.34	7.63

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

Reduction of energy consumption GRI 302-4

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

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

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

In line with this theme, some of the major modifications implemented to improve the reliability and efficiency in the past 10 years, are listed below detailing their accrued benefits

• 2007:

- o Replacement of Ammonia plant Secondary Reformer with Modified Design helped in reducing the specific energy consumption by 3.7%.
- Reformer Tubes Replacement in Ammonia Plant and Methanol plant to take advantage of reduced specific energy consumption. An energy saving of 0.4% i.e. 0.04 Gcal/MT of Methanol was realised.

• 2009:

o Energy Saving by increasing Production through Carbon Dioxide Recovery Plant. The overall specific energy consumption has reduced by a minimum of 3.4%. This was possible due to the installation of new Omega Bond Stripper in urea plant.

• 2012:

 Replacement of Converter Basket in Ammonia Synthesis Converter resulted in a reduction in the synthesis loop pressure and a net energy saving of 0.17 Gcal/MT of ammonia produced.

• 2014-2015:

- A solar energy project has been approved by the Board to provide solar power to buildings in non-process areas with an anticipate net energy saving of 758,616 KWH/year. However the project has been put on hold temporarily as part of Company's cost optimization drive.
- An 11 KV capacitor bank was installed and commissioned in April 2015 to improve the power factor. The improved power factor above 0.9 shall ensure optimum consumption of electricity without much reactive power loss to both GPIC and Electricity and Water Authority. This has resulted in substantial cost saving for the Company and the net saving as a result of this project has been US\$ 1.6 million till December 2015.
- 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.

• 2016-2017:

- GPIC's focus on energy efficiency continued and in 2017 the energy target for the year was 7.75 GCal/MT and we actually achieved 7.53 GCal/MT. This resulted in a saving of US\$ 3.2 million.
- o The project to replace conventional lights with LEDs continued and so far we replaced 1731 LEDs.



ENVIRONMENTAL SUSTAINABILITY

<u>102</u>

GRI 302-4

GPIC Energy Efficient LED lights project

Period	Qty of LEDs installed	Energy Saved MWH/ Y	Cost of Energy Saved / Y (BHD/Y)	CO2 emissions reduction tons/ year
year- 2013 to 2015	1041	285.65	7427.026	142.25
year- 2016	235	188.73	5473.170	93.98
year- 2017	455	272.12	7891.480	135.51
total	1731	746.50	20,791.676	371.76

- GPIC has formed a Debottlenecking and energy efficiency committee with a mandate to explore various options to reduce the specific energy and enhance the production. In this context a number of licensors are on board for the pre-feasibility study.
- Two energy saving projects to use surplus steam from urea plant in CDR unit and the other to integrate the network of BFW pumps in utilities are awaiting final implementation in Turnaround 2018 due in April.

Reduction of energy requirements of products and services GRI 302-5

Not Applicable. We do not sell products that require energy for use. (such as electrical appliances, computers etc.)

WATER

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

Water is an important factor in the manufacturing processes. GPIC mainly needs it for production of steam and cooling Purposes, and some part of it goes towards our horticulture practices. Our water requirements are through a desalination mechanism of sea water, and our plants are designed in a way where 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 that we remain compliant to the national legislative requirements by not exceeding the allowable threshold levels. Ground water monitoring is also carried out to ensure the process fluids and chemicals do not contaminate the sea water and that any leakages or seepages are detected on time. In 2012, the use of chlorine from sea water was eliminated and Sodium Hypochlorite was introduced as a safer alternative. In 2014 GPIC 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 our turnaround in 2015 for spent fresh cooling water (nitrite based), catalyst contaminated waste water (Heavy metals contamination) etc. The solid sludge after evaporation is disposed to the government controlled hazardous waste landfill site.

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

On an average, during 2016-2017 the discharged water to marine environment contained Chemical Oxygen Demand (COD) value of <25 ppm and Biological Oxygen Demand value of 5 ppm, which were well below the accepted levels as per the Bahrain Environment Standards.

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

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



Water Withdrawl by Source GRI 303-1

		2017	2016	2015	2014	2013	2012
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Sea Water	M ³	352,596,000.0	353,946,000.0	325,403,991	351,620,462	343,910,835	331,779,958
Purchased Water	M ³	100,977	117,976	95,444	70,001	79,111	84,507

Water sources significantly affected by withdrawl of water $\ensuremath{\mathsf{GRI}}\xspace{303-2}$

No water sources are significantly affected by withdrawl of water

Water recycled and reused GRI 303-3

Description	2016	2017
Desal water to Demin	1,219,146	1,161,653
Process condensate recovery from Ammonia and Methanol Plants	1,214,673	1,254,462
Process condensate recovery from Urea Plant	249,908	253,701
Total water recycled/reused	1,464,581	1,508,163
Percentage of recycled/reused water	54%	56%

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.

ENVIRONMENTAL SUMMARY

<u>104</u>

GHG EMISSIONS GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

Energy and GHG emissions are directly linked, since the production of energy is a major source of emissions for our organization.

GPIC's concern for minimizing the emission of Greenhouse Gases (GHG), received the highest attention right at the design stage of the plants. We have always believed that the environment should be protected, and industries should optimize their use of resources to minimize their impact on the environment while meeting the needs of modern society. Therefore, we 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 our GHG emissions to a level below our baseline levels in 2014 is one of our long term sustainability goals .

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

In GPIC, the emphasis has always been on maintaining a very high on-stream factor of the plants whilst improving our environmental and safety aspects. At GPIC we believe 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. An increase in interruptions in the plant's operations, will automatically increase the levels of greenhouse gases emitted.

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

Since 1985, we have reduced our total CO2 emissions by 58%. This has been achieved through reliable operations and several energy-saving projects, starting with the debottleneck project in 1989 followed by the setup of our urea plant in 1998 and then the commissioning of carbon dioxide recovery (CDR) unit in 2009. The CDR unit recovers 450 tonnes of CO2 per day from the methanol reformer stack emissions and converts it into more methanol and urea. On an annual basis around 0.12 million tonnes of CO2 emissions are reduced. Since 2009 around one million tonnes of CO2 emissions have been reduced through our CDR unit.

	2017	2016	2015	2014
Energy	metric tons of CO ₂ equivalent			
Boilers and Gas turbine	489333	480082	474470	496066
Transport	1245.2	862	1243.3	1847
Fugitive Emissions (Flare)	58.2	58	49.4	50
Total Energy	490636	481002	475762	497963
Industrial Processes and Product Use (IPPU)				
Ammonia	278294	284251	258232	269020
Methanol	270048	268473	257583	252431
Total IPPU	548342	552724	515815	521451
Waste				
Waste water treatment	50.2	42	50	45
Refrigerants				
HCFC	730	511	195	564
HFC	2275	778	926	329
Total Refrigerants	3005.37	1289	1121	893
Total Scope 1	1042044	1035057	992748	1020000

Direct (Scope 1) GHG Emissions GRI 305-1





Energy Indirect (Scope 2) GHG Emissions GRI 305-2

Indirect GHG emissions are the consequence of GPIC's

consumption of energy but are emitted from sources controlled by another company. For example the supplier of purchased power.

Imported Power	ported Power 2017		2015	2014
Scope 2	tons of CO ₂ equivalent			
	95770	105700	90915	91780

Other Indirect (Scope 3) GHG Emissions GRI 305-3

We have not yet started estimating the scope 3 emissions and will be considering for our next report

GHG Emissions intensity GRI 305-4

	2017	2016	2015	2014
tons of CO2 equivalent emitted / tons of saleable production				
	0.938	0.93	0.98	0.92

Reduction of GHG Emissions GRI 305-5

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 2017 as reported in GRI 302-4, can be converted to equivalent GHG emissions avoided. The activities described in GRI 302-4, and 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.

GPIC is actively involved in pre and post COP 21 consultations at National and International levels. We have contributed towards Bahrain's Intended Nationally Determined Contribution (INDC) and are currently engaged at the National level and the industry level in exploring potential projects for carbon capture. We are also providing our GHG inventory reports since 2016 based on IPCC version 2006.

In addition to this we are also involved in national discussions regarding a renewable energy action plan and a national energy efficiency action plan, an initiative spearheaded by Bahrain's Ministry of Energy in collaboration with UNIDO.

Our CDR, which has been in full operation since 2009, has so far extracted over 1,000,000 tonnes of carbon dioxide, which has been used to enhance the production of urea and methanol. This translates to an average of 450 tons/day carbon dioxide being captured by the CDR recovery unit.

Emissions of ozone-depleting substances (ODS) GRI 305-6

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

In compliance to Bahrain's Environmental legislation and in accordance to the requirements of the Montreal Protocol GPIC is taking proactive steps to make our complex free from ozone depleting substances, such as class 2 HCFC's. In this context we are undergoing a phased replacement of Air Conditioning units using R-22 with an environmentally friendly refrigerant. However with the latest developments post COP 21, the choice between the phase out and phase down of HCFC and HFCs is posing challenges to industry. In this context GPIC is following a precautionary approach keeping in view the OD potential and GWP potential and also the energy efficiency while making the right choice.

ENVIRONMENTAL SUMMARY

<u>106</u>

Ozone Depletors as CFC-11 equivalent GRI 305-6

		2017	2016	2015	2014	2013	2012
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Ozone Depletors	tonnes CFC -11 equivalent	0.024	0.015	0.005	0.021	0.027	0.012

EMISSIONS

Nitrogen oxides (NOx, Sulphur oxides) SOx, and other significant air emissions

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

Air pollutants can have adverse effects on climate, ecosystems, air quality, habitats, agriculture, and human and animal health. Reductions in regulated pollutants lead to improved health conditions for workers and neighbouring communities. GPIC is mindful of the fact that reductions, or performance beyond compliance, can enhance reputation of the company, enhance relations with the neighbouring communities and workers, and the ability to maintain or expand operations. More regional impacts from GPIC production plants include emission of acidifying gases (NOx and SOx) from flue gas stacks of four HP steam boilers, one LP boiler, two reformers, one gas turbine and particulate matter and ammonia from the urea granulator stack. All such impacts are monitored closely through online continuous emission monitoring system (CEMS) and also through laboratory sampling to ensure that allowable levels are not exceeded. GPIC was the first industry in Bahrain to have a installed a mobile ambient air quality monitoring station on voluntary basis.. Over the years GPIC has taken several steps to further reduce emissions beyond compliance, examples include, operational improvements and investments in clean technologies such as the ultra- low NOx burners in the new HP steam boiler and the CDR boiler.

The SOx emissions from the flue gas stacks is dictated by the content of H2S in supply natural gas as fuel. During 2017 the content of H2Sin supply natural gas has been significantly higher 1200 to 1300 ppm resulting in increased SOx levels however still within the legislative limits.

			2017	2016	2015	2014	2013	2012
Component	Source	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
SO _x	HP steam boilers, gas turbine, reformer stacks	Metric tonnes	4,101	3,764	3317	3389	3354	3750
NO _x	HP steam boilers, gas turbine, reformer stacks	Metric tonnes	893.3	958.4	938.6	952.9	881.0	804.4
VOC	Urea Granulation stack	Metric tonnes	22	48	72	62	30	26
PM ₁₀	Urea Granulation stack	Metric tonnes	99,660	111,712	122,071	130,546	135,123	139,810
$\rm NH_3$	Urea Granulation stack	Metric tonnes	69,730	80,307	100,258	127,261	116,530	100,433

NOx, SOx and other significant emissions GRI 305-7

In order to make GPIC free from ozone depleting substances, such as class 2 HCFCs, we are undergoing a phased replacement of air conditioners using R-22 with an environmentallyfriendly refrigerant.

ENVIRONMENTAL SUMMARY

<u>108</u>

EFFLUENTS

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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 being discharged into the marine

Total water discharge by quality and destination GRI 306-1

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

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

		2017	2016	2015	2014	2013	2012
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Sea water	Millions of M^3	352.6	353.9	325.4	351.6	343.9	332

Note:

Sea water (SW) quantity includes 1) Return SW cooling 2) desalination unit reject 3) desalination unit vacuum system sea water outlet 4) SW basins sand wash
pumps dis charge 5) Neutralised waste water from plants.

• The quality of water discharged was in accordance to the permissible limits as per Bahrain Environmental Standards stipulated in Ministerial order 3 of 2001 and there were no exceedances during the reporting period 2016-2017. However the thermal dispersion of the sea water has been impacted by the reclamation around the GPIC sea water outfall as part of new developments, resulting in exceedance in the SW outlet differential temperature threshold of +/- 3 deg C within 100 meters of the mixing zone.

WASTE

Management Approach

Responsible management of hazardous and non-hazardous waste is one of the key focus areas within our environmental strategy. Our strategy is defined by a Waste Minimization Hierarchy, which fundamentally includes waste reduction at source (most preferred) to proper disposal (least preferred). We have taken a number of steps over the years in enhancing recycling of paper, plastic and metals and have also introduced Cardboard Recycling in April 2015. An increase in the recycling target (10% increase over the 2014 baseline) was introduced in 2015 and was achieved successfully. The target has been increased to 20% for the year 2017 and was also achieved.

At GPIC compliance with all relevant laws and regulations is an essential element in our realisation of our vision and, as such, we endeavour to integrate such compliance throughtout all of our business activities.



GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

Catalysts are one of the main raw materials in our industry and we recycle spent catalysts (hazardous) by selling them to certified overseas recycling agencies. In 2016 we exported 267.5 tons of catalyst to overseas recycling agencies.

We are fervently pursuing our ultimate goal of minimal waste to a landfill site. However, we still generate a significant amount of waste that goes to the landfill site locally. We have sent 35.68 tonnes in 2016 and 116.2 tonnes in 2017 of hazardous solid waste to the government monitored landfill site at a total fee of US\$12,700.

One of our latest initiatives to manage the hazardous liquid waste generated within our facility is, the construction and

commissioning of a 1000 M3 double HDPE lined evaporation pond in 2014. The pond was effectively used during the turnaround in 2015 and also during 2016 and 2017

Some of our other initiatives include:

- Reducing our hazardous waste (mainly catalysts) by operating the plants in an efficient way with minimum unplanned outages and thereby increasing the life of the catalysts.
- Reusing a number of items such as the catalyst drums from new catalysts. 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 the landfill.
- Wood waste is reused to make wooden boxes for storing maintenance tools and also for storing rotary equipment such as compressor rotors before sending them to overseas OEM workshops.



ENVIRONMENTAL SUMMARY

110

Total weight of waste by type and disposal method GRI 306-2

			2017	2016	2015	2014	2013	2012			
Component	Unit	Туре	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity			
The total amount of waste (hazardous & non-hazardous) in tonnes by type for composting.	tonnes		nil	nil	nil	nil	nil	nil			
The total amount of waste (hazardous & non-hazardous) in tonnes by type for reuse.	tonnes		Not quantified	Not quantified	Not quantified	Not quantified	Not quantified				
		Hazardous Was	te								
	& tonnes	Spent Catalyst to overseas recycling agencies.	nil	267.5	103	nil	300	172			
The total amount of		& tonnes	Gas condensate to Bapco refinery	234	259	272	176	224	Not quantified		
waste (hazardous & non-hazardous) in tonnes by type for			tonnes	tonnes	tonnes	tonnes	Waste oil to recycling agencies	28	28	Not quantified	Not quantified
recycling.		Non-Hazardous Waste									
		Metal Scrap	0	387	357	0	220	212			
		Plastic & Aluminum cans	1.76	1.89	4.3	3.5	Not quantified	Not quantified			
		Paper & card board	13.32	11.7	14.8	8.2	Not quantified	Not quantified			
The total amount of waste (hazardous & non-hazardous) in	tonnes	Hazardous waste (spent catalyst & Resins etc.) [M³]	116.2	35.68	101	171	97.33	143			
tonnes by type for landfill.		Non- Hazardous General Waste (M³)	9068	6846	9846	7381	Not quantified	Not quantified			

Notes

Density for gasoline estimated 0.77kg/l Density of used oil from MSDS 0.87kg/l Urea Scrap 1 load= 5 tons and 1 skip is 7m3 (2017= 60 ton, 2016=114 ton) Non Hazardous waste 2017 = 8830 m3 general waste, 203 m3 urea scap, 35 m3 spent garnet Non Hazardous waste 2016 = 6621 m3 general waste, 168 m3 urea scap, 70 m3 spent garnet

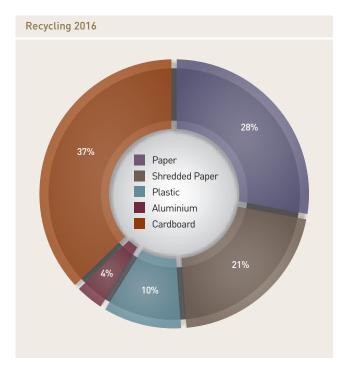


111

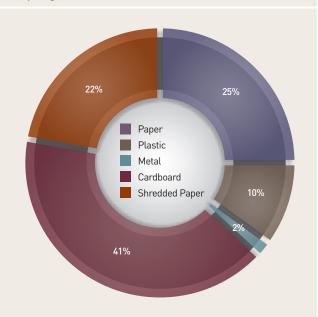
GPIC Recycling Statistics

Year	Recycled Waste (Kg)	CO2 emission reduction (Kg)	Landfill Space saved (m3)
2014	11633	31386	15
2015	19083	38190	18.3
2016	13588	24165	17.9
2017	15081	25224	19.3
Total	59385	118965	70.5

Recycled waste includes paper, cardboard, plastic and aluminum cans

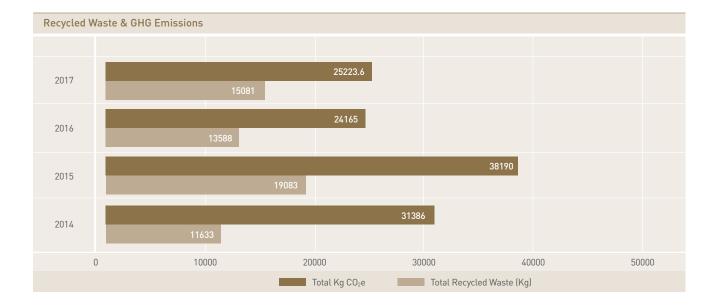


Recycling 2017



ENVIRONMENTAL SUMMARY





Total number and volume of significant spills GRI 306-3

Our operations can result in products or other hazardous materials released to the atmosphere through accidental spills. Our utmost responsibility is in managing safe operations and product handling; therefore, we aim to prevent accidental spills. During 2016-2017 we did not experience any reportable environmental incidents involving significant spills however there were some cases of minor spills which are listed below:

- In July 2017, 0.5 tons of Urea formaldehyde (UF 85) overflowed from a tank T-8611 in the dyke area due to operator error. The spilled chemical was contained, recovered and the soil was remediated.

Transport of Hazardous waste GRI 306-4

Four type of hazardous waste are transported from GPIC. Three are within Bahrain and the fourth one is exported outside Bahrain. All the hazardous waste transportation is governed by Bahrain's MO 3 of 2006.

Type 1- Hazardous solid waste to Hafira Landfill in Bahrain (waste comprises mainly of spent activated carbon and resins from process plants and utilities, fluorescent tube lights, spent filter elements etc)

Type 2- Medical waste generated at GPIC Medical Centre is sent to certified incinerator for medical waste in Bahrain

Type 3- Natural Gas condensate is recycled back to Bapco refinery in Bahrain

Type 4- Spent catalysts from process plants is exported to overseas recycling agencies.

Water bodies affected by water discharges and/ or runnoff GRI 306-5

Our biggest environmental challenge is the location of our facilities, which is surrounded by sea, neighbouring facilities and the residential communities.

The discharges from our complex to the marine environment are controlled and regulated, complying to the limits set by the Supreme council for Environment.

During 2016-2017 we did not have any incident related to noncomplying water discharges.

ENVIRONMENTAL COMPLIANCE GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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

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

<u>113</u>



Non- compliance with environmental laws and regulations GRI 307-1

GPIC was fully compliant to all environmental laws and regulations during the reporting period 2016-2017 and hence did not pay any fines or experience any non-monetary sanctions.

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

Locally based suppliers are defined by the Company as 'Suppliers within Bahrain'. Wherever possible we prefer to procure from local suppliers. We always promote local suppliers as a priority, and nearly 38% of our approved suppliers include local suppliers.

The following factors are considered in selecting suppliers.

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

Note: As GPIC is in the process of transitioning from ISO 14001: 2004 to ISO 14001:2015 hence we are expanding the scope of supplier environmental assessment from the life cycle perspective

New suppliers that were screened using environmental criteria GRI 308-1

Number of new suppliers screened through Safety, Health and Environment (SHE) assessment criteria(2017): **8** (44 percent)

Negative environmental impacts in the supply chain and actions taken GRI 308-2

By focusing on safe and reliable operations with high on- stream factor and robust mechanical integrity program, we did not experience any event impacting adversely our environment. We also did not receive any complaints from neighbouring communities regarding any negative impacts of our operations. Moreover there were no reported cases of negative environmental impacts in the supply chain and hence no actions were taken.





Great Place to Work

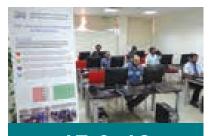
at GPIC We Change Lives



OUR PEOPLE

<u>116</u>

Our Performance Highlights



45 & 63 Male and Female average training hours per year per employee



217 students trained at GPIC in 2017 & 816 in the past 4 years



environment awareness lectures to schools vs planned of 32 in 2017



85% reduction in First Aid injuries in 2017 as compared to 2014



98.6% employee retention level reached vs target of 98% in 2017



534 e-Learning users in 2017 and a total of 2061 since 2010



51% reduction in sick leave days in 2017 as compared to 2014



10% female employees at GPIC, the highest since inception



total training hours for GPIC employees in 2017

Training and development of Bahraini nationals is one of our main priorities, and our training policy aims to achieve progressive integration of Bahraini nationals into our work force through the implementation of a well-structured and systematic career development scheme. This is our commitment towards empowering the indigenous community.

HERMI

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

We value our people as an important asset to our business, and we are committed to treating employees fairly, promoting diversity & inclusion, providing open & fair feedback, as well as ensuring compliance with Bahrain's laws, regulations and the Company's Code of Conduct. We also endeavor to educate our employees and ensure their health and safety.

We have established a well-defined HR policy to manage priorities based on Bahrain's Labour Law. Succession planning, development planning, development of local talent, leadership development, coaching, rewards and recognition of deserving talent is a critical part of our vision for people development.

Training and development of Bahraini nationals is one of our main priorities, and our training policy aims to achieve progressive integration of Bahraini nationals into our work force through the implementation of a well-structured and systematic career development scheme. This is our commitment towards empowering the indigenous community.

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

Attracting talented people and investing in tomorrow's talent

Recruiting and retaining manpower with relevant skillset has become a major challenge within the chemical industry. As a way forward, we have developed innovative approaches towards our recruitment and Learning & Development strategies which essentially helps us to maintain a highly engaged workforce.

In 2016-2017, we demonstrated significant progress in our strategy to ensure continuity of our business. We made enhancements to develop and manage our people, which was essentially designed to help us transform GPIC into a great workplace for talented, committed and responsible people.

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

We have improved our outreach to potential employees through many initiatives:



Recipe of GPIC's success is "Team Work"



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

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

We have an education sponsorship programme for our people who intend to pursue their undergraduate / post graduate degrees. Some of our other initiatives launched to support our people include:

- Facilitation of vocational/ industrial training for Bahraini students and our employees' children.
- Sponsoring and supporting key educational programmes across Bahrain, along with a provision for scholarships for our employees' children.
- Improvements to our recruitment systems by introducing psychometric analysis, which helps us to enhance the recruitment, screening and selection processes.
- Introduction of a standardized, internet-based system for all job applications that will facilitate the process for prospective candidates in registering their applications.

In recruiting potential future leaders and staff, our primary focus is on empowering the indigenous communities, and we do prioritize in providing opportunities for Bahraini Nationals through our recruitment processes. The minimum age for being recruited in GPIC is 18 years – as per provisions under The Ministry of Labour.

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

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

Developing our People

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

Our people are provided with growth opportunities in alignment with the vision to enhance the Company's culture. This is achieved through organizational development interventions such as training, the ability to participate in secondments, work related travel opportunities and engaging in volunteering activities within the community. We have introduced a SAP-based Performance Management System (PMS) to further improve the training and development of our work force. The system has been further enhanced by rolling out a SAP - Competency Based Training module (CBT).

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

Adhering to our Principles

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

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

Our Leadership Programme

We ensure focus on successive leadership development and have a comprehensive Succession Planning programme in place. We identify high potential performers within the organization based on their aspirations, engagement and ability, and support them in their development to enhance our internal talent pool. This is achieved through GPIC creating the right opportunities for employees to build their capabilities and take on additional roles and responsibilities throughout their career path.

This robust HR strategy has resulted in all our current Executive Management Team coming through the ranks through internal skills and merit based promotions. and our top leadership pool reflecting composition of our different local communities in Bahrain.

Leading research highlights the critical importance of ensuring effective emotional competency development for businesses and their ultimate sustainability – both in terms of effective business decisions and, in the ability of companies to create the perfect environment for people to drive progressive thinking and innovation.

This led to the implementation of our specialized internal strategy based on the Hay Emotional Competency Index 360 Feedback initiative implemented throughout the top levels of GPIC. The Leadership Development initiative was sponsored by Tamkeen. Through this process, individual leaders have developed their own unique Individual Development Plan (IDP) geared towards enhancing their EQ (emotional intelligence) and achieving GPIC's top rated leadership skills matrix. Various initiatives such as Executive Coaching and specific training workshops – both national and international – have also been implemented to support this undertaking.

<u>119</u>

OUR PEOPLE



GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

During 2017, 13 of our potential future leaders attended the GPIC leadership program, two attended the Darden University, USA program and eight went to the UK to attend the program led by Leadership Trust.

Our Young Leadership Programme At GPIC we change lives

According to a number of research surveys conducted over the past few years, many employers have failed to fill in vacancies over the past couple of years due to the fact that many university graduates lack basic communication and leadership skills. Even government departments have experienced similar issues in finding suitable candidates as even graduates with "very good degrees" were unable to impress them during interviews, or have relevant experience in working with and collaborating in teams to achieve the necessary goals.

The main shortfalls were in areas such as interpersonal skills, where applicants were unable to demonstrate the right combination of "necessary" skills such as team-work, communication and attitudes combined with relevant academic achievements.

In alignment with GPIC's key strategy on sustainable Corporate Social Responsibility (CSR), the company developed a Junior Leadership Program that tackled the competency gaps regarded as necessary soft skills for potential young entrants into the job market. This was also confirmed by the overview research conducted with undergraduates and graduates as necessary employability skills.

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

Sustainable Coaching Culture

We have been working to develop a robust, formal and sustainable coaching culture at GPIC. The first stage of the process was achieved with 42 members of the GPIC team qualifying through a formal training workshop by one of the world's leading international coaching experts - The Leadership Trust. Having completed the training workshop, we are now working towards the second stage of the process, i.e. creating real opportunities for our people practice they newly acquired coaching skills within the community.

Diversity and Inclusion

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

- Carrying out activities in support of women inside and outside the company.
- Organizing special events for women.
- Coordinating with external professional women organizations.

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

Safety of our Employees and the Host communities

GPIC considers the safety of its employees and the neighboring communities as one of our utmost responsibilities. 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 significantly into projects related to the safety, environmental care and the reliability of our equipment and facilities.

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

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

Health Care

Health Care at GPIC is a privilege that is not just limited to our people, it covers the entire GPIC family. We maintain a state of the art Health Centre within our facility which operates on a 24 hour basis for any emergency needs.

All our people undergo regular health checks. We also facilitate several awareness lectures on industrial hygiene and occupational health. Obesity and diabetes remains key areas of focus from a health perspective. The professional nutritionist at our Health care Centre is available to assist our people.

Many of the GPIC employees are certified first aiders. GPIC aligns and are a part of the various global awareness programmes related to health, safety and the environment.

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

The committee's charter includes:

- Promoting and organizing Health and Responsible Care awareness activities.
- Managing the GPIC Anti-Smoking Program.
- Overseeing hygiene & food quality in main canteen and club canteen.



GPIC Labour Union elections

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

• Conducting regular / emergency committee meetings to discuss the health status of the employees as well as all issues pertaining to and affecting the health, hygiene and wellness of GPIC employees at the complex and at the GPIC Club premise.

Innovation and Creativity

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

GPIC labour Union

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

The management and the labour union share a strong relationship and the two groups are partners in working committees such as:

Management Labour Union High Council, Management Union Committee, SHE Council, Safety Committee, Health Committee, Environment Activities 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.

LABOUR UNION (LU) REPRESENTATION IN GPIC COUNCILS & COMMI	TTEES FOR 2016 AND BEYOND
TITLE	MEMBERS
Safety, Health & Environment Council	LU Chairman
Safety Committee (SC)	LU Representative
Health Committee (HC)	LU Representative
Environment Committee (EC)	LU Representative
Management & Union High Council (MUHC)	LU Chairman LU Deputy Chairman LU Representatives
Social Activities Committee (SAC)	Deputy Chairman LU Representative
Housing Loan Committee (HLC)	LU Chairman LU Representative
Saving Scheme Committee (SSC)	LU Deputy Chairman LU Representative
Management Union Committee (MUC)	LU Chairman LU Deputy Chairman LU Representatives
Fish Farm & Bird Sanctuary Committee (FFABSC)	LU Deputy Chairman
Employees Children's Education & Sponsorship Committee (ECSC)	LU Chairman LU Deputy Chairman LU Representative
Canteen Inspection Committee (CIC)	LU Representative
GPIC Club Committee (GCC)	LU Deputy Chairman LU Representatives

OUR PEOPLE

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

Recognizing and rewarding employees

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

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

Employee Benefit Scheme

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

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

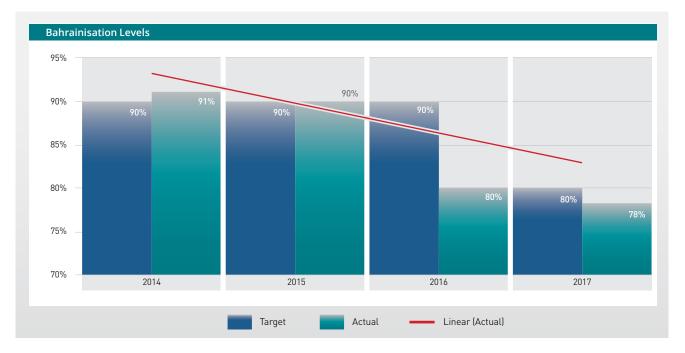
Other benefits include a savings scheme, health insurance covering all our people and their families, loans, indemnity, etc.

OUR HUMAN RESOURCES PERFORMANCE 2016-2017

GPIC achieved most of its objectives with regard to training and development of Bahraini employees during 2016-2017. Our prime focus was on the development of talent by taking measures to mitigate the biggest challenge: Recruitment and retention of the best of talent available.

BAHRAINISATION LEVELS

Our Bahrainisation levels dropped by almost 10% in 2016/2017 due to the early retirement of 50 of our Bahraini employees and no subsequent recruitment during the year as part of the cost optimization drive.

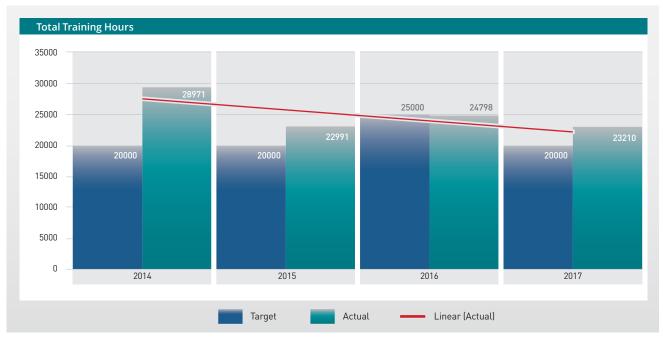




Total training hours

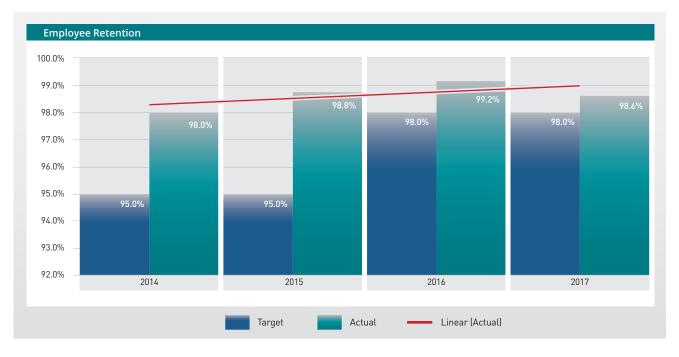
In 2016, the actual training hours was less by 0.8% than the budgeted training hours due to early retirements and

recruitment stoppage. However, in 2017, the actual training hours exceeded the budgeted training hours by 16%.



Employee Retention

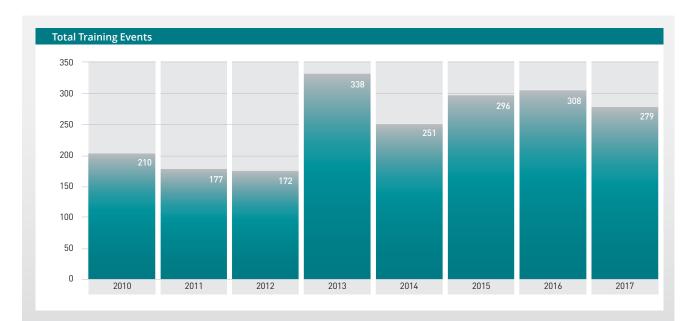
In 2016 and 2017, employee retention targets were achieved.





OUR PEOPLE









Our challenges in the Human Resources Business area Recruitment and retention of the best talent available remains as our biggest challenge for sustaining and persevering as an organization. To this end, as a company, we continue to introduce best practices, including highly competitive benefit plans, development and growth opportunities, to reassert our position as an employer of choice.

While the early retirement of a number of Bahraini employees presented a challenge to the company, it also provided an opportunity to induct young employees into our workforce.

The second challenge, which is also common within our industry, is 'complacence'. We have launched several

programmes which will assist in combating complacency. These programmes include coaching, mentoring, behavioral based safety and many more.

The third challenge we face is, diversity. Even though we are on the right track with regard to women's employment and empowerment, we understand that we still have to go a long way to go in terms of increasing the number of women within our organization.

Our fourth challenge which is also one of our focus areas for 2018 is, improving Employees' productivity.



125

LABOUR PERFORMANCE INDICATORS



ASPECT: EMPLOYMENT

New Employee Hires and Employee turnover GRI 401-1

		RETIRED	EMPLOYEES DURING 2	016 / 2017			
		2016 (AS OF 31/12/2016)	2017 (AS OF 31/12/2017			
JOB FAMILY MALE		FEMALE	TOTAL	MALE	FEMALE	TOTAL	
		ADMINISTRATIVE EMPLOY	EES (MANAGERS & SUPE	RINTENDENTS EXCLUDE			
NUMBERS	7	1	8	5	2		
PERCENTAGE	13.208%	1.887%	15.094%	19.231%	7.692%	26.923%	
	TECHNICAL EMPL	OYEES (MANAGERS, SUP	ERINDENDENTS, SENIOR	SECRETARIES & SECRE	TARIES EXCLUDED)		
NUMBERS	41	0	41	16	0	16	
PERCENTAGE	77.36%	0.00%	77.36%	61.54%	0.00%	61.54%	
			SUPERINDENDENTS				
NUMBERS	3	0	3	2	0	2	
PERCENTAGE	5.66%	0.00%	5.66%	7.69%	0.00%	7.69%	
			MANAGERS				
NUMBERS	1	0	1	1	0		
PERCENTAGE	1.89%	0.00%	1.89%	3.85%	0.00%	3.85%	
			TOTAL COUNT NO.				
NUMBERS	52	1	53	24	2	26	
PERCENTAGE	98.11%	1.89%	100.00%	0.00%	0.00%	0.00%	

Being a committed member of UN Global Compact and the Women's Empowerment Principles, GPIC has allocated special parking lots for special needs and pregnant ladies



GRI 401-1

	RETIRED EMPLOYEES DURING 2016 / 2017									
	2016									
DIVERSITY INDICATORS	ADMINISTRATIVE	TECHNICAL	SUPERINDENDENTS	MANAGERS	TOTAL					
BAHRAINI EMPLOYEES	7	32	2	0	41					
NON-BAHRAINI	1	9	1	1	12					
TOTAL	8	41	3	1	53					
≦ 30 YEARS OLD	0	0	0	0	0					
BETWEEN 31-50 YEARS	1	9	1	1	12					
≥ 51 YEARS OLD	3	25	3	1	32					
TOTAL	8	41	3	1	53					
	2017									
DIVERSITY INDICATORS	ADMINISTRATIVE	TECHNICAL	SUPERINDENDENTS	MANAGERS	TOTAL					
BAHRAINI EMPLOYEES	6	6	1	1	14					
NON-BAHRAINI	1	10	1	0	12					
TOTAL	7	16	2	1	26					
≤ 30 YEARS OLD	0	0	0	0	0					
BETWEEN 31-50 YEARS	6	3	0	0	9					
≥ 51 YEARS OLD	1	13	2	1	17					
TOTAL	7	16	2	1	26					

New Employee Hires

6 new employees were recruited in 2016 and there was no recruitment in 2017.

Benefits provided to full-time employees that are not provided to temporary or part time employees GRI 401-2

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

For detailed outlook on the benefits plan please refer to GRI 201-3

Parental leave GRI 401-3

Maternity Leave

A female employee at GPIC is entitled to maternity leave on full pay for 60 days. Such leave shall include both pre and postnatal.

Child Care Hours

A female worker shall be entitled to periods of care for her newborn after her maternity leave. The period of care is one hour per day till the child is six months of age and half an hour per day subsequently till the child completes one year of age. A female employee shall have the right to combine these two periods and two additional periods shall be calculated as a part of the working hours without resulting in any reduction of wage.

LABOUR/MANAGEMENT RELATIONS

Minimum notice period regarding operational changes GRI 402-1

GPIC has a proven history in recognizing and respecting all prevailing labour and employment laws in our country of operation. We maintain strong relationships with our labour union.

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

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

Communications from the top management to the employees happen in a timely and effective manner. Committee meetings regularly take place between labour union which represents employees and the GPIC Management to discuss a wide range of topics from health and safety concerns to administrative issues. All employees are provided with regular forums to voice their concerns.

OCCUPATIONAL HEALTH AND SAFETY



Workers representation in formal joint management-worker health and safety committees **GRI 403-1**

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

GPIC also has a well-developed health strategy focused on prevention, quality, health system management and advocacy. Employees are provided with the tools and information they need to take action to invest in their personal health and the health of their families. The company also works to establish a "culture of health" through additional policies and practices. Our work force is 100% represented through the members of the labour union in key committees related to safety and health. Even in the Safety, Health and Environment Council, which is the top tier council, the labour union chairman represents the workforce.

By the end of December 2017, we achieved more than 27 million

accident free working hours for our workforce and contractors.

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities GRI 403-2

The overall Injury and Illness rate is a highly visible metric of the Company's Sustainability Goals. Dividing incidents by a defined cumulative number of hours worked by the employee population is a standard way of viewing the rate of injury and illness for a specific population. The progress made in reducing our rate of injury and illness since 2012 has prevented recordable incidents involving GPIC employees and contractors.

OPERATIONAL SAFETY		2012	2013	2014	2015	2016	2017
Employee Fatalities	# of Fatalities	0	0	0	0	0	0
Lost Time Injury Incident rate for Employees	(# of days away from work cases X 200,000) / Employee man-hours worked	0	0	0	0	0	0
Recordable Cases Incidence Rate for Employees	(# of Injuries X 200,000) / Employee man-hours worked	0.789	1.176	0.17	0	0	0.36
Contractor Employee Fatalities	# of Fatalities	0	0	0	0	0	0
Lost Time Injury Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man-hours worked	0.452	0	0	0	0	0
Recordable Cases Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man-hours worked	1.807	0.398	0.56	0	0	0
First Aid Injuries	Employees + Contractors	33	19	27	31	13	4

Note:

Whether first aid is included in injury rate - No

Lost days mean Scheduled work days

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

There were no female employee injuries during 2016-2017.

Refer to details on Safety and Health in the Economic impact section on page 86-89.



Workers with high incidence or high risk of diseases related to their occupation GRI 403-3

GPIC controls occupational health risks in our worker's environments. Comprehensive workplace risk assessments are carried out to evaluate hazards in the manufacturing, office and field settings. Workers are provided detailed education and training along with specific procedures for safe operation. General health prevention programs to reduce overall health risks are provided. Risk control measures in the workplace are implemented and emergency planning is coordinated with external medical and public health experts. Detailed exposure controls are implemented as per global standards. All workers undergo baseline and periodic medical screening, testing, evaluation, and health counseling to identify and control health problems. General medical treatment is also available to all our employees.

As a part of the petrochemical and fertilizer manufacturing industry, our employees are exposed to high risk occupational hazards and are monitored and tracked through our health record systems. Such high risk groups include hearing conservation, confined space, and other potential exposures or other identified hazards. Their risks are minimized by providing them with the appropriate preventive measures.

In our system, health protection hinges upon:

- Recognizing Hazards
- Reducing Risks
- Screening for illness
- Confirming the effectiveness of our system

In addition, GPIC is committed to enhancing employees' overall health to prevent/minimize injuries and illnesses at the workplace. GPIC offers medical benefits that cover a range of preventive, diagnostic and treatment services.

GPIC Health Services makes the following available in the area of Occupational Health:

- Employee Clinical treatment services
- Periodic employee health assessments
- Health promotion programs
- Employee assistance programs

Health and Safety topics covered in formal agreements with trade unions **GRI 403-4**

GPIC Labour union members are part of the Company's top tier committees such as the Safety, Health and Environment Council, Safety Committee, Health Committee and the Environment Committee. All safety and health related topics are discussed in detail regularly during the committee meetings. All employees and their families are provided with a comprehensive health insurance.



TRAINING AND EDUCATION

<u>130</u>

Average hours of training per year per employee GRI 401-1

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

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

GPIC encourages continuous learning – in classrooms, on assignment and through mentoring and networking, thereby

enabling employees to sharpen their knowledge, skills and abilities.

For ongoing training, employees also use the online e-Learning system that helps them select and manage the curriculum that aligns with their core role responsibilities and personal development interests. Required training is assigned to employees in the e-Learning development tool.

In addition to e-Learning courses, GPIC employees complete thousands of hours of job specific training annually. GPIC's training opportunities include both traditional classroom and hands-on training. Training and development varies by job role and responsibilities. On average, there were 48 hours of training per employee in 2016/2017.

GRI 404-1 AVERA	AGE HOURS OF TRAINING	PER YEAR PER EMPLOYEE		
CLASSIFICATION	2017	2016	2015	2014
Total training hours	23,214	24,794	23,179	29,530
Total training events	320	308	296	251
Total number of employees undergone training	482 out of 497	511 out of 549	488 out of 568	541 out of 578
Total training hours for management staff	4,160	3,650	2,827	4,240
Total number of staff who attended management courses	262	302	407	376
Total number of staff who attended non-management courses	459	471	504	512
Total training hours for non-management staff	19,054	21,144	20,387	25,290
Total management staff trained	48	52	52	52
Total non-management staff trained	417	459	436	489
Average hours of training per year per employee for management staff	83.2	66.4	54.36	81.53
Average hours of training per year per employee for non-management staff	42.6	42.8	39.58	48.07
Total training hours for females	3,089	2,865	3,495	4,115
Total training hours for males	20,125	21,929	19,719	25,415
Average hours of training per year per employee for female	63	55	64.722	79.13
Average hours of training per year per employee for male	45	44	38.36	48.31
Total participants in all training events	2,225	2,138	2,247	2,199



Programs for upgrading employee skills and transition assistance programs GRI 404-2

Our approach to training and development of our people is crafted in such a way that it not only develops their job specific technical skills but also to develop them to be a successful corporate citizen.

Our trainings enable our employees to develop:

- Supervisory skills
- Leadership skills
- SAP Competency based performance management and appraisal system
- Classroom training
- Coaching and Mentoring
- Other behavioral interventions

Some examples of trainings provided include:

- E-Learning
- Toastmasters
- Facilitating higher education

Percentage of employees receiving regular performance and career development reviews GRI 404-3

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

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

The key elements are:

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

Setting clear, meaningful and challenging performance expectations along with providing regular coaching and feedback are critical leadership skills. Our leaders are encouraged to partner with their employees to identify their strengths as well as opportunities for development. This on-going collaboration is one way we can engage our employees and drive GPIC's success.

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

Eligible employees receive an Annual Performance Review and have a performance rating in the system.

Thank you for your leadership and commitment to eliminating preventable deaths in our lifetime. The work that you and the employees of GPIC do every day requires care and focus and we know that safety is always your first priority. Your efforts to go above and beyond by providing training in first aid and CPR are exemplary.

Debbie Hersman, NSC CEO

131

DIVERSITY AND EQUAL OPPORTUNITY



Diversity of Governance bodies and employees GRI 405-1

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

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

		2016 (AS OF 31/12/2016)		2017 (AS OF 31/12/2017					
JOB FAMILY	MALE	FEMALE TOTAL		MALE	FEMALE	TOTAL				
	ADMINISTRATIVE EMPLOYEES (MANAGERS & SUPERINTENDENTS EXCLUDED)									
NUMBERS	45	40	85	40	38	78				
PERCENTAGE	8.755%	7.782%	16.537%	8.386%	7.966%	16.352%				
	TECHNICAL EMPL	OYEES (MANAGERS, SUP	ERINDENDENTS, SENIOR	SECRETARIES & SECRE	TARIES EXCLUDED)					
NUMBERS	371	7	378	346	7	353				
PERCENTAGE	72.18%	1.36%	73.54%	72.54%	1.47%	74.00%				
			SUPERINDENDENTS							
NUMBERS	37	3	40	33	2	35				
PERCENTAGE	7.20%	0.58%	7.78%	6.92%	0.42%	7.34%				
			MANAGERS							
NUMBERS	11	0	11	10	1	11				
PERCENTAGE	2.14%	0.00%	2.14%	2.10%	0.21%	2.31%				
			TOTAL COUNT NO.							
NUMBERS	464	50	514	429	48	477				
PERCENTAGE	90.27%	9.73%	100.00%	89.94%	10.06%	100.00%				

DIVERSITY INDICATORS	2016								
DIVERSITY INDICATORS	ADMINISTRATIVE	TECHNICAL	SUPERINDENDENTS	MANAGERS	TOTAL				
BAHRAINI	73	274	27	11	385				
NON-BAHRAINI	12	104	13	0	129				
TOTAL	85	378	40	11	514				
≦ 30 YEARS OLD	25	98	0	0	123				
BETWEEN 31-50 YEARS	56	213	26	2	297				
≥ 51 YEARS OLD	4	67	14	9	94				
TOTAL	85	378	40	11	514				



GRI 405-1

DIVERSITY INDICATORS	2017								
DIVERSITY INDICATORS	ADMINISTRATIVE	TECHNICAL	SUPERINDENDENTS	MANAGERS	TOTAL				
BAHRAINI EMPLOYEES	67	263	25	11	366				
NON-BAHRAINI	11	90	10	0	111				
TOTAL	78	353	35	11	477				
≤ 30 YEARS OLD	19	81	0	0	100				
BETWEEN 31-50 YEARS	56	211	23	2	292				
≤ 51 YEARS OLD	3	61	12	9	85				
TOTAL	78	353	35	11	477				

GOVERNING BODY									
	GEN	NDER	MINORI	TY GROUP		AGE GROUP			
GOVERNING BODY	MALE	FEMALE	MUSLIM	NON-MUSLIM	<30	35 - 50	>50		
BOARD OF DIRECTORS	8	0	8	0	0	5	3		

Ratio of basic salary and remuneration of women to men GRI 405-2

Distinction is based on talent and merit and not gender 1:1

SUPPLIER SOCIAL ASSESSMENT

Management Approach

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

In the case of External Manufacturing, where GPIC equipment is manufactured at a third party site, there are regular audits to ensure adherence to quality and practices specified in the Fundamental EH&S Expectations for External Manufacturers. We ensure that all new suppliers selected are in line with acceptable labor practices. For many materials, particularly those designated as hazardous, GPIC provides written 'Safe Handling' Guides, and in some cases we also provide training sessions to ensure awareness to safety procedures.

Percentage of new suppliers that were screened using social criteria GRI 414-1

- Number of vendors registered with GPIC in 2017: 18
- Out of 18 vendors, the number of local vendors is **5**, i.e. **28** percent
- Number of service vendors screened through Safety, Health and Environment (SHE) assessment criteria(2017): 8 (44 percent)
- No rejection of any recommended vendor due to SHE aspects
- Total number of vendors in GPIC Approved supplier list (ASL): **1805**, Local suppliers in the list: **689**.
- Percentage of local vendors in the total list: 38

Negative Social impacts n the supply chain and actions taken GRI 414-2

There are no significant actual and potential negative impacts for labor practices in the supply chain that have been reported for the year 2016 and 2017.

HUMAN RIGHTS

<u>134</u>

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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

"Man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well-being, and he bears the solemn responsibility to protect and improve the environment for present and future generations." 1972 Stockholm Declaration principle 1

Leadership commitment

GPIC 's President, who has previously served as a board member of the "National Institution for Human Rights (NIHR) Board of Commissioners" and participated in policy making and consultations related to human rights at national level says that 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 and we aim to encourage protection of human rights through organization wide policies.

Human Rights and Environmental Protection in light of the SDGs

The adoption of the 17 Sustainable Development Goals (SDGs) represents an unprecedented moment in human history for global governance and the protection of human rights of (individuals) and our planet (the environment). Both humans and the environment are the center of the 2030 Sustainable Development Agenda.

"Climate change is one of the greatest threats to human rights of our generation, posing a serious risk to the fundamental rights to life, health, food and an adequate standard of living of individuals and communities across the world" UN

"Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature" Principle 1- Rio

Please refer to the section" Making the SDGs a Reality at GPIC" in the beginning of the report.

Human Rights of Employees

GPIC will ensure respect for the human rights of our employees as established in the ILO's Declaration on Fundamental Principles and Rights at Work and the Bahrain Labour Law, including nondiscrimination, 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 emphasizing the off-the-job safety of all employees. Strict compliance with all applicable SHE policies, standards and practices is maintained, for the benefit of the company's human capital. GPIC will provide a work environment that is pleasant, healthy and free from intimidation, hostility or other offensive behavior towards employees, contractors, vendors or customers. The working atmosphere will contribute to the achievement of economic and social development, while providing the opportunity for creativity and innovation.

GPIC's policy is to honour and respect the right of all employees to practice their religious beliefs with dignity. Employees will obey all local laws and regulations. The company will maintain appropriate levels of awareness to protect both the company's and employees' interests by anticipating the legal requirements that may arise from new laws and regulations, new business endeavours or modifications of existing business arrangements. GPIC's grievance handling system aims to ensure that any and all cases of grievances are filed.

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

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

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

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

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

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

Human Rights of the Youth

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.



Beat the heat summer campaign

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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."

Human Rights of Suppliers and Contractors

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

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

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

Human Rights of Women

GPlC aims to remain as a role model in empowering women with in Bahrain's industrial sector. We pursue our strategic priority to employ more women in various positions as allowed by the laws of Bahrain. We have also established an Equal Opportunities Committee, which is now elevated to a 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.

Human Rights of Children

GPIC will uphold the human rights of children by the deliberate and methodical support of children in education, innovation, environmental awareness, health, safety, road safety, responsible care and social responsibility. GPIC will do its utmost to protect the human rights of children in that the company will never employ children to work for it and will also do its utmost to ensure that all other business with which we have dealings do the same.

Human Rights of Communities

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

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

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

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



<u>136</u>

HUMAN RIGHTS ASSESSMENT

Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening GRI 412-3

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.

Employee training on human rights policies or procedures GRI 412-2)

In 2016 /2017 the Company has carried out specific training for its security personnel on UN Human Rights and etiquette and 11 of our employees attended. In addition to this recently a number of GPIC employees have undergone training on etiquette by National Institute of Human Rights(NIHR) and also on Bahrain labor law. In all 109 employees attended various trainings on aspects related to Human rights, labor rights and ethics.

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

NON-DISCRIMINATION

Incidents of discrimination and actions taken GRI 406-1

In 2016 and 2017 there were no cases of discrimination. The Company strictly follows non- discrimination policy.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Operations and suppliers in which the right to exercise freedom of association and collective bargaining may be at risk GRI 407-1

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. 85.98 percent of GPIC's workforce was covered by formal collective bargaining agreements in 2016 and 84.85 percent in 2017. Non- Bahraini employees are also allowed to be part of the labour union.

CHILD LABOR

Operations and suppliers at significant risk for incidents of child labour GRI 408-1

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

FORCED OR COMPULSORY LABOR

Operations and suppliers at significant risk for incidents of forced or compulsory labor GRI 409-1

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

SECURITY PRACTICES

Security personnel trained in human rights policies or procedures GRI 410-1

In 2016 /2017 the Company has carried out specific training for its security personnel on UN Human Rights and etiquette and 11 of our employees attended.

HUMAN RIGHTS ASSESSMENT

Operations that have been subject to human rights reviews or impact assessments GRI 412-1

No incidents of grievances related to human rights were filed in 2016 and 2017

SUPPLIER SOCIAL ASSESSMENT

New suppliers that were screened using social criteria GRI 414-1

All our suppliers undergo a strict screening and our prequalification criteria covers all the aspects.

Negative social impacts in the supply chain and actions taken GRI 414-2

No negative social impacts in the supply chain were identified in 2016 and 2017

Man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well-being, and he bears the solemn responsibility to protect and improve the environment for present and future generations. 1972 Stockholm Declaration principle 1



GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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

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

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

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

Our social investments

GPIC has also contributed over US\$ 4.59 billion into the national economy of Bahrain since inception. This contribution has been made in several areas such as employment, training, procurement, dividends to the Government and, most importantly, through including local businesses into our supply chain.

Community Involvement

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

We are also represented in the University of Bahrain, Bahrain Training Institute, Bahrain Polytechnic, Bahrain's National Committee for Safety, The Royal Society for the Prevention of Accidents (RoSPA, UK), National Safety Council (USA), Gulf Petrochemical and Chemicals Association (GPCA), International Fertilizer Industry Association (IFA), Arab Fertilizer Association (AFA), Global Reporting Intiative (GRI) to name but few. This allows us to positively influence decision making in issues such as health, safety environment, education, sport, and the like. We have always leveraged this presence to bring in upto-date legislations, enhanced quality and tighten up rules and procedures.

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

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

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

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

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

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



GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3) Community Care

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

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

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

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

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

Our Social Committees

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

The committee's charter includes:

• To propose overall policy and management of the activities and social functions in GPIC Club and other social activities.

- To organize GPIC Camping activities.
- To coordinate with external organizations for social events such as beach cleaning.

Other committees that are actively involved with the community are:

- Ladies Working Committee
- Environment Activities Committee
- Safety, Health and Environment Week Organizing Committee.
- Responsible Care Committee
- Agri-Nutrient Committee
- Youth Committee

Our CSR Achievements 2016-2017

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

We were the winners of the Arabia CSR Award in 2016 and 2017 in the 'Large Businesses' category and the Winner in 2015 and second runner up in 2017 for the 'partnership and collaboration category'. Winning the Arabia CSR Award is in itself recognition of our unwavering commitment and ongoing contribution to social responsibility. The success motivates us further to meet future challenges. It inspires and reinforces our commitment to manage our business processes to produce an overall impact on society.

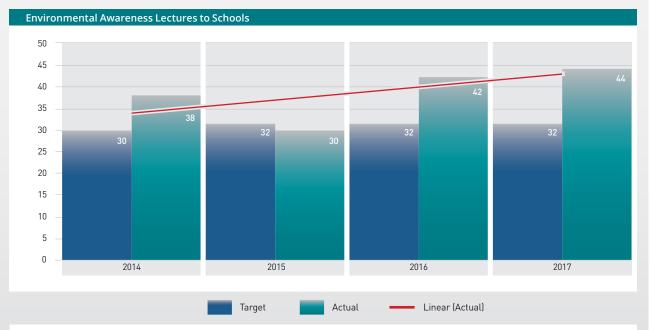
Our Corporate Social Responsibility Performance 2016- 2017

GPIC achieved most of its objectives with regards to CSR during 2016-2017. This includes environmental awareness lectures to school children, Social and educational visits, contributions and sponsorship to charities, NGOs and other worthy causes.



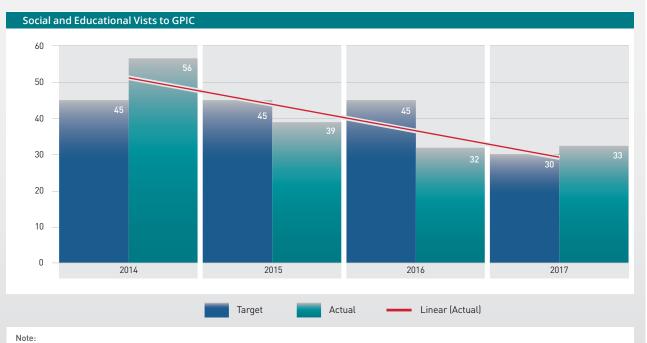
SOCIETY





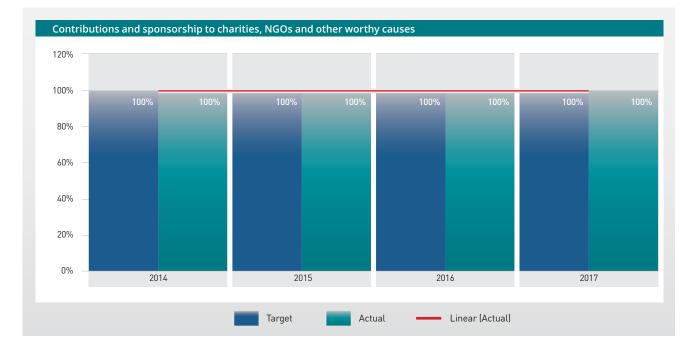
Note:

The number of environmental awareness lectures was 31% higher than target as more number of schools requested for awareness lectures.



The number of visits was lower than target in 2016 by 28.9% as it was difficult to secure visits during the Schools summer break







COMMUNITY

Operations with local community engagement, impact assessments, and development programs GRI 413-1

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

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

Community investment;

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

Environmental Protection and awareness;

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

Employment opportunities to the local community;

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

Operations with significant potential or actual negative impacts on local communities GRI 413-2

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

GPIC is a Responsible care company and is certified for RC-14001 since 2010. The Company applies all the guiding principles and codes of the Responsible Care both within and beyond the fences. This process identifies the potential for negative impacts on communities, the characteristics of most risk within the individual location, the points of vulnerability and leads to an improvement plan where needed to reduce the potential for negative impacts.

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

ANTI-CORRUPTION

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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 throughout 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.



143

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

 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. Moreover, a joint shareholders audit is conducted on GPIC every three years targeting a comprehensive scope which adds to our credibility, integrity, and ethical values.

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, a detailed and comprehensive compliance audits had been conducted in 2014 and 2015 which resulted in significant improvements. The SOD framework is considered to be another essential milestone toward enhancing the anticorruption and anti-fraud programs and systems, which include the following areas:

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.

SOCIETY PERFORMANCE INDICATORS

144

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

- 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-2018.

Following are some of our recent highlights reflecting our commitment to UN Global Compact's principles related to ant-corruption

- New Guidelines on segregation of duties have been issued and an audit has been conducted.
- The corporate governance framework was reviewed by the BoD in 2016.
- Every employee is given a code of business ethics booklet.
- Robust accountability and auditing system prevents any wrong doing.
- The three bids system for tendering is yet another step towards anti-corruption.

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

Eventually these practices will have a huge impact in reducing the intention of employees of engaging in any sort of corruption and fraud activities.

Operations assessed for risks related to corruption GRI 205-1

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.

Communication and training on anti-corruption policies and procedures GRI 205-2

As part of its commitment to the UNGC principles on anticorruption recently, a number of our employees attended specific training and conferences related to corruption, bribery, fraud etc.

Confirmed incidents of corruption GRI 205-3

A review of the complaints and completed investigations in 2016/2017 revealed that:

No GPIC employees were terminated for corruption-related behavior

SOCIO ECONOMIC COMPLIANCE

Non-compliance with laws and regulations in the social and economic area **GRI 419-1**

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

SUPPLIER SOCIAL ASSESSMENT

New suppliers that were screened using social criteria GRI 414-4

GPIC's policy is to be lawful, highly-principled and socially responsible in all of its business practices. GPIC expects its suppliers to comply with all company policies and the applicable laws related to the labor rights and other social aspects of the business.

Negative social impacts in the supply chain and actions taken GRI 414-2

No cases of negative social impacts were identified during 2016 and 2017.

PRODUCT STEWARDSHIP

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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

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

By attaining the RC 14001 certification, GPIC has demonstrated its seriousness and staunch commitment towards continual improvement and its establishment of product stewardship principles across its functional operations, whether it is the upstream supply of raw materials, manpower, services and spare parts or its downstream product supply chain. Today the company is proud of the fact that in the selection of suppliers for materials and manpower, it gives preference to local suppliers who have service facilities in Bahrain and a satisfactory level of national manpower. We consider our approach to product stewardship as our commitment to SHE PLUS (Safety, Health, Environment and Security) aspects throughout the product life cycle. We clearly identify risks relevant to our product life cycle and try to mitigate them. As a tool of continual improvement and benchmarking, GPIC attained the prestigious IFA (International Fertilizer Association) Protect & Sustain Excellence Certification in Q1 2014, which again signifies the importance GPIC Management attaches to the underlying principles of Product Stewardship.

We at GPIC, work very closely with our marketers, customers, suppliers and contractors to foster the safe and secure use, transport and disposal of Urea fertilizer, Ammonia and Methanol by providing comprehensive hazard and risk information to them. We also ensure that we communicate product risks to our stakeholders, listen to their concerns and consider their perspectives on the matter.

PRODUCT STEWARDSHIP

<u>146</u>

GRI 103: Management Approach Disclosures (103-1, 103-2, 103-3)

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

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

• Ensure that GPIC Urea and Methanol products are registered under the European REACH programme (Registration, Evaluation, Authorisation and Restriction of Chemical

Substances) (UREA REG# 01-2119463277-33-0095 & METHANOL REG# 01-2119433307-44-0005). This is the case for GPIC procedures with regard to product and service information and labeling, with particular reference to (i) substances that might produce an environmental or social impact, (ii) the disposal of the product and environmental/social impacts, and (iii) the safe use of the product or service.

- Invite customers to visit the company's complex to exchange views and ideas with regard to working procedures and further enhance business relationships.
- Fully extend technical support as deemed required/ necessary.
- During 2017 GPIC has also started export of methanol to downstream industry in Bahrain.
- In, 2017, GPIC was also among the first industrial organizations in the Kingdom of Bahrain to acquire the "Port Operator license" in July 2017 by the Ports and Maritime Authority. This license allows GPIC to solely operate and manage its jetty for the export of urea to the international market.

This license provides our stakeholders and clients clear assurance that GPIC's Marine Terminal was built to the highest international standards for export terminals, and meets all marine and industrial safety requirements for loading large bulk carriers.

PRODUCT STEWARDSHIP PERFORMANCE INDICATORS Customer Health and Safety

Assessment of the health and safety impacts of products and service categories GRI 416-1

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

GPIC businesses use the Business Risk Review process to assess and minimize possible adverse impacts on people, property and the environment as a result of GPIC's business activity, including minimizing SHE impacts associated with new and existing operations, products, applications and services throughout the products' life cycle.

Businesses are required to conduct risk reviews when material new information is received, including material changes in product uses, regulations, raw materials, etc., or when triggered, in certain cases, by the passage of time. Improvement opportunities have been identified to clarify and strengthen these triggers.

GRI 416-1

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

 $\ensuremath{\textbf{Note:}}\xspace$ All products of the Company are subject to health and safety analysis.

PRODUCT STEWARDSHIP



Incidents of non-compliance concerning the health and safety impacts of products and services GRI 416-2

We did not experience any incidents related to non-compliance concerning the health and safety impacts of products and services.

Marketing and Labeling

Requirement for product and service information and labeling GRI 417-1

All are product storages are properly labeled and the urea bags are also labeled and the product information is provided to all customers.

Incidents of non-compliance concerning product and service information and labeling GRI 417-2

We did not have any Incidents of non-compliance concerning

communications GRI 417-3

Customer Privacy

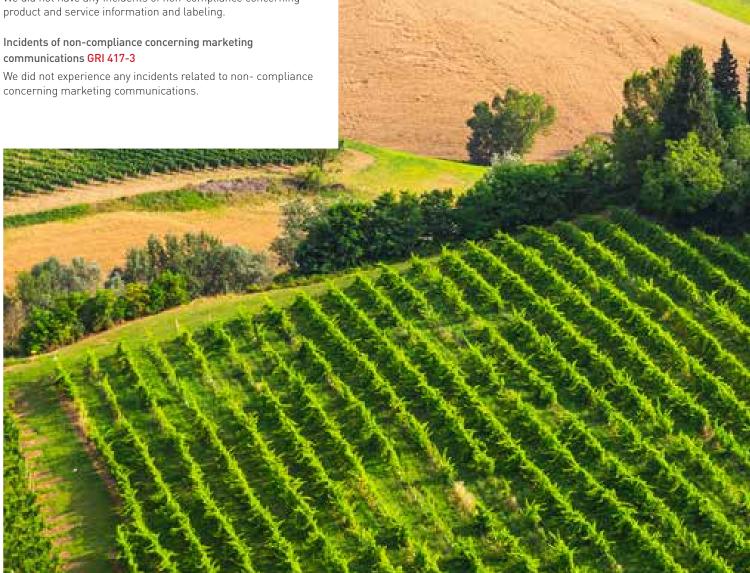
Substantiated compliants concerning breaches of customer privacy and losses of customer data GRI 418-1

We did not experience Substantiated complaints concerning breaches of customer privacy and losses of customer data.

Socioeconomic Compliance

Non-Compliance with laws and regulations in the social and economic area GRI 419-1

We did not experience any non-compliance concerning non-compliance with laws and regulations in the social and economic area.



Our commitment to Responsible Care and the Protect and Sustain initiatives drives excellence in Security, safety, Health and environment aspects throughout our product life cycle.



UN Global Compact

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





OUR COMMITMENT



P/E 257 / 357/18

1 January 2018

H.E. António Guterres Secretary General United Nations New York, NY 10017 United States of America

Your Excellency,

Subject: GPIC Letter of Commitment – United Nations Global Compact

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

This year marks the sixth 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 continued commitment, since 2014, to the UNGC's **Six Food and Agriculture Business Principles** (THE FAB 6 Principles) and **Women's Empowerment Principles**.

In our **2018 Communication on Progress Report** to the UNGC (which is integrated with our GRI Sustainability Report 2018), GPIC is reporting according to the UN Global Compact "Advanced Level" prerequisites and we describe how GPIC is meeting the 21 criteria set out for this Level. We also cover our progress on the FAB 6 Principles, WEPs and, our alignment to the SDGs in addition to the UNGC Ten Principles in this same report.

The values and ideologies governing the UNGC have long been inscribed in GPIC's way of doing business and, our organization remains an avid supporter and promoter of the UNGC's ethical tenet. It therefore gives me great pleasure and pride to confirm our company's continued 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 passionately contributing to the SDGs both at the industry level and at the national level and 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 and GPIC is actively engaged and part of the national initiatives in this regard. We take climate change very seriously and report our GHG Inventory according to IPCC guidelines each and every year as part of Bahrain's GHG inventory post COP 21.

We truly look forward to doing our part in the successful implementation of the COP21 commitments for a greener future.

Yours sincerely,

Dr. Abdulrahman Jawahery President



Management Approach

At GPIC we recognize that contributing to sustainable economic development is a shared responsibility. We have been publicly committed to the UNGC principles since 2012 because we believe we have a responsibility to conduct business ethically while respecting our people and the planet that sustains us.

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.

GC SCOPE	CRITERIA FOR GC	GPIC APPROACH	WHERE TO FIND	REFERENCE TO
OR PRINCIPLE	ADVANCED LEVEL		OUT MORE	GRI INDICATORS
Scope: Implementing the Ten Principles into Strategies & Operations	Criterion 1: The COP describes mainstreaming into corporate functions and business units	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. 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.	 GPIC Corporate governance policy 2016 www.gpic.com Code of ethics OD- EHB-00-01 (Issue 1 Rev 0 26 May 2016) www.gpic.com Sustainability frame work (GPIC SR 2016/ SR 2018) GPIC ISO and other certifications www.gpic.com GPIC policies on HSE and Responsible Care www.gpic.com GPIC Annual Reports www.gpic.com GPIC S revised Vision, Mission and Corporate values www.gpic.com 	Refer to SDG, UNGC, GRI linkage matrix on pages xxx in SR 2018

<u>153</u>

	IMPL	EMENTING THE TEN PRINCIPLES INTO STRATEGIES & OP	ERATIONS	
GC SCOPE OR PRINCIPLE	CRITERIA FOR GC ADVANCED LEVEL	GPIC APPROACH	WHERE TO FIND OUT MORE	REFERENCE TO GRI INDICATORS
Scope: Implementing the Ten Principles into Strategies & Operations	Criterion 2: The COP describes value chain implementation.	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. 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". 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.	 Sustainability report 2016 & 2018 avaiable at www.gpic.com Our policies on HSSE and Responsible Care. Available at www.gpic.com GPIC Code of Ethics OD-EHB-00-01 (Issue 1 Rev 0 26 May 2016). Available at www.gpic.com GPIC Annual Reports www.gpic.com 	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. Principle 2: Businesses should make sure that they are not complicit in human rights abuses	Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.	 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. Our approach is to uphold and promote human rights in three ways 1. in our operations by upholding our values and standards 2. in our relationships with our suppliers, customers and other business partners and, 3. by working through external initiatives, such as the UNGC 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 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. 	- GPIC Code of Ethics OD-EHB-00-01 (Issue 1 Rev 0 26 May 2016) www.gpic.com	GRI 412-3, GRI 412-2, GRI 406-1 GRI 407-1, GRI 408-1 GRI 409-1 GRI 103-2 Additional Refer to SDG, UNGC, GRI linkage matrix on pages xxx in SR 2018



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
	Criterion 4: The COP describes effective management systems to integrate the human rights principles	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. 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.	 GPIC Corporate governance policy www.gpic.com 	
	Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration	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. 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.		

<u>155</u>

156

	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 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	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 and accidents in our facilities. GPIC also takes care of employees' families and community well- being through guidance, structured programs and medical insurance. 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.	- Sustainability report 2016 & 2018 avaiable at www.gpic.com	GRI 404-1 GRI 404-3 GRI 407-1 GRI 413-1 GRI 413-2 GRI 408-1 GRI 406-1	
labour. Principle 6: The elimination of discrimination in respect of employment and occupation	Criterion 7: The COP describes effective management systems to integrate the labour principles Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration	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 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. Employees can report concerns to their Line Manager /HR section or the Legal and Compliance Supervisor. 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.	- GPIC Code of Ethics OD-EHB-00-01 (Issue 1 Rev 0 26 May 2016)		



		ENVIRONMENTAL MANAGEMENT POLICIES & PROCEDU	RES	
GC SCOPE OR PRINCIPLE	CRITERIA FOR GC ADVANCED LEVEL	GPIC APPROACH	WHERE TO FIND OUT MORE	REFERENCE TO GRI INDICATORS
	Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	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. 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. 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.	 Environment section of GPIC SR 2016& 2018 Environment section of GPIC SR 2016& 2018 	GRI 302-4, GRI302- 3,GRI305- 1,GRI305- 2,GRI305- 2,GRI306- 2,GRI306- 3,GRI307-1 Additional Refer to SDG, UNGC, GRI linkage matrix on pages xxx in SR 2018
	Criterion 10: The COP describes effective management systems to integrate the environmental principles	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).	 Environment section of GPIC SR 2016 & 2018 Environmental section of UNGC COP 2017 	
	Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	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.	 Environment section of GPIC SR 2016 Environmental section of UNGC COP 2017 	

<u>157</u>

OUR COMMITMENT

120	1	58
-----	---	----

	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	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption	GPIC has a zero tolerance approach to bribery in any form: it is committed to being a no-bribe business & eradicating any 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.	- Anti-corruption section of GRIC SR 2016& SR 2018 and also UNGC COP 2017	GRI205- 1,GRI205- 2,GRI205-3 Additional Refer to SDG, UNGC, GRI linkage matrix on pages xxx in SR 2018	
	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	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 s and our UNGC COPs show 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 and lately we have automated the linkage of our technical and non-technical projects with the SDGs through our MOC system.	- GPIC and its alignment and contribution to the SDGs (UNGC COP 2017 UNGC SDG Industry matrix - GPIC examples	
	Criterion 16: The COP describes strategic social investments and philanthropy Criterion 17: The COP describes advocacy and public policy engagement Criterion 18: The COP describes partnerships and collective action	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 GE0 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		

OUR COMMITMENT

160

	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. In 2017 we carried out a high level review of our material issues by engaging with over 100 internal and external stakeholders.	- GPIC GRI SR 2016 & SR 2018 www.gpic.com		



This year marks the sixth 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.

mummin

720



UNGC Food and Agriculture Business (FAB 6) Principles



FOOD AND AGRICULTURE (FAB 6) 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 agriculture 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 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.

By producing and exporting fertilizers worldwide and participating in several platforms globally to develop the agriculture sector and improving the food security GPIC is directly contributing towards UN SDG #2 Zero Hunger. (Please refer to our section on SDGs for further details)



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

<u>165</u>

FOOD AND AGRICULTURE (FAB 6) PRINCIPLES

<u>166</u>

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 food production in Bahrain, we annually sponsors 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, local fish and produce. These are provided to both employees and contractors at a subsidized rate to encourage healthy eating habits, and to raise awareness on healthy options for the community. In 2016, GPIC launched FAO's International Year of Pulses campaign, for which a pulse-based menu was introduced, replacing the conventional menu once a month to promote meat alternatives resulting in healthier people and healthier planet. In continuation of this initiative, we celebrated the Global Pulses Day on 18 January 2017. Additionally, our Agri-nutrient committee developed an information booklet on local trees to spread awareness on its health benefits.

Our latest initiative for 2018 is as below;

We have partnered with UN Environment Programme (UNEP) for the first of its kind United Nations Health Awareness Campaign. UNEP seeks to establish a nutritional concept amongst students, to educate them on how to benefit from, and to stop the wastage of healthy food. Through this campaign titled, "Let's put an end to the waste of healthy food and promote the health of our children in public schools", UNEP wishes to establish a partnership with the Ministry of Education in Bahrain, and to cooperate with various government agencies and private institutions in order to achieve the goal. Our initiative will provide financial support through media coverage and contribute in helping a large number of students wishing to improve their nutrition."

UNEP 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 increases availability of fish in local markets. We have released over a million fish into the sea till date. GPIC's mangrove plants surrounding its bird sanctuary also indirectly helps in sustaining the nearby fish populations via the ecosystem services that they provide.

Preserving Biodiversity

In recent years, the indigenous herbs that have played a large role in local culture have been threatened by urbanization. At GPIC, we preserve herbs and medicinal plants in two gardens, the Herbal and Medicinal Plants Garden covering an area of 1,200 square metre and 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 we are planting local trees in ten schools per year in order to promote green spaces and biodiversity, and encourage environmentalism amongst the younger generation. In 2016, we took the initiative to increase the number of schools participating in the program by planting local trees in 20 schools. In 2017, total of 800 local saplings were distributed to 20 schools for the academic year 2017/2018. Each school was provided with 40 trees of four types such as lime, fig, pomegranate and almond trees. Since the launch of the Green Wave initiative three years ago in 2015, GPIC has contributed more than 2000 saplings to over 50 schools in Bahrain.

As Bahrain is updating its National Biodiversity Strategy and Action Plan (under UNEP's Convention for Biological Diversity), we were involved as a stakeholder with Bahrain Supreme Council for Environment and engaged in workshops 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 the IFA Protect and Sustain Product Stewardship certifications. In order to further promote efficient natural resource use and stream line energy management, we have:

- Adopted the ISO 50001 Energy Management System in 2015/2016.
- Established an Energy Management Committee to investigate opportunities within the company operations to reduce energy consumption and promote energy efficiency.
- Started to report our GHG Inventory based on IPCC guidelines since 2016.
- Established Debottlenecking and Energy Efficiency committee in 2017, which is tasked to explore all opportunities to improve efficiency by adopting energy saving and conservation concepts throughout the complex.



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

We follow stringent guidelines for quality control of urea production. Level 1 Gold status awarded by the Australian Department of Agriculture to our bulk fertilizer shipments and low risk status from MPI Biosecurity New Zealand reiterates our commitment to providing high quality uncontaminated fertilizer.

Community Engagement

GPIC's leadership is involved in promoting sustainable development and agriculture on both a local and global level. As of 2015, our president serves as the President of the International Fertilizer Industry Association (IFA) in addition to being the Chairman and President of the Arab Fertilizer Association (AFA) and the chairman of the Responsible Care Committee of Gulf Petrochemicals and Chemicals Association (GPCA). He is also involved by invitation from UNEP with the Geo 6 High Level Intergovernmental Groups and Stakeholder Group. In Bahrain, he 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, with the aim to expand on the knowledge building opportunity, sponsored an external agriculture training, which was attended by our employees and 15 representatives from local community organizations.

Furthermore, GPIC is also working towards raising awareness and knowledge amongst the younger generation towards local plants and biodiversity. This was achieved by distributing educational coloring books addressing "Glueberry", a local fruit. A total of 4,000 copies was distributed at the Bahrain Garden show. Hundreds of copies were also sent to "The National Initiative of Agricultural Development (NIAD) to distribute to different schools and several books were distributed via a local children's hospital. FOOD AND AGRICULTURE (FAB 6) PRINCIPLES

<u>168</u>

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, our 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, we invited women entrepreneurs in the field of Agriculture and local farmers to educate our employees about farming techniques, local plants and plants that best suits Bahrain's climate and soil.

In 2017, we sponsored employees to attend the Europe food and agribusiness course and the basic successful agriculture course to enhance their knowledge towards food and agriculture. Additionally, some of our employees have participated in the 23rd AFA Annual Fertilizer Forum and Exhibition, the TFI world fertilizer conference-2017 and the 8th GPCA Fertilizer Conventions, which was also sponsored by GPIC.

Farmer Engagement

Although GPIC does not work directly with farmers, their needs are considered globally through our active participation in IFA, AFA and their relevant working groups, and locally via the partnership with the National Institute for Agriculture Development. Our marketing committee regularly requests for feedback from our customers and have 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 and 2018 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 our environmental impacts and taking steps to reduce energy use, we publicly document our activities through biennial sustainability reports and have so far published three reports since 2012. Our last report following the GRI G4 guidelines was issued in June 2016 and the current report SR 2018 is also based on the GRI Standards. In 2014, GPIC became an organizational stakeholder with GRI in order to further promote sustainability and transparency globally. We also report our environmental data twice a year to the Supreme Council for Environment in Bahrain.

Engagement with Policy Makers

In recognition of the interdependence of resources and the environment since 2015, we have been actively engaged, as a stakeholder, with the National Oil and Gas Authority, in dialogue and upcoming workshops on Bahrain's Intended Nationally Determined Contributions to the climate change negotiations at COP 21. We are also engaged with the Supreme Council for Environment in the process of updating of the National Biodiversity Strategy and Action Plan. Additionally, our Leadership is representing GPIC on several policy making platforms both at local, regional and international levels. For example, 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

Over the past few years, we have been distributing booklets on optimal use of urea per crop, to buyers prior to execution of each sale. The booklet includes general information on soil health, fertilizers and farming best practices. These were also distributed to the general public, most recently at the 2017 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 capacity and capability of employees to participate in food growing that contributes towards food security. Members of the committee developed their own knowledge on agriculture through participation at the 2015 Global Forum for Innovations in Agriculture in Abu Dhabi and sharing information amongst 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, we are 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 to the top three ideas. 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.



UNGC Women's Empowerment Principles (WEPs)



UNGC WOMEN'S EMPOWERMENT PRINCIPLES

<u>172</u>

GPIC contributes to SDG# 5 through its policies and actions related to gender equality and women's empowerment and by embracing the 7 principles of UNGC Women's Empowerment Principles (WEPs).

GPIC aims to be a role model to other companies, both within Bahrain and in the GCC, through our women empowerment strategies by recruiting, developing and retaining more women in various positions including management roles. Additionally, we ensure a zero discrimination policy within our company, which is championed by our Equal Opportunities Committee. We believe in our people and we know that, by developing the qualifications and professional competencies of the women in our organisation, we will ensure a sustainable future.

In 2014, GPIC committed to the UN Global Compact's Women's Empowerment's Principles (WEPs) and joined companies that publicly support equal opportunities in the workplace. Our company has one of the largest percentage of female employees in Bahrain's industrial sector, which enables more women to access competitive job opportunities offered by this sector. In 2014, we were awarded with the prestigious HRH Princess Sabeeka bint Ibrahim 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. The year 2017 was declared as the year of Bahraini women working in the field of Engineering. Her Royal Highness Princess Sabeeka bint Ibhrahim Al Khalifa, wife of His Majesty and President of Supreme Council for Women (SCW), honoured the our Company President, Dr. Abdulrahman Jawahery, as the personality supporting Bahraini Women's Advancement. In the same year, we appointed a woman, to the position of Human Resources Manager. This appointment was in



recognition of the important role played by women in the overall development of the Company and in response to the directives of Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa, Wife of His Majesty the King and President of the Supreme Council for Women (SCW). It also comes as part of Company policy to give equal opportunities to women and to provide them with training and professional development opportunities.

GPIC's empowerment strategy and initiatives are encouraging our people to increase their involvement in all activities associated with the business. Through our formal communication channels and committees, our employees are encouraged to work with and influence the business goals as well as their personal and professional objectives. Participation in numerous committees has encouraged greater autonomy in decision-making, created a positive and engaging culture, and has resulted in the de-layering and thereby the creation of an inclusive organisation.

Principle 1 – Leadership Promotes Gender Equality

In 2014, our President Dr. Jawahery signed the CEO Statement of Support to the Women's Empowerment Principles in order to publicly stand by the principles, including committing to communicate progress towards the principles using genderspecific data as illustrated below. An Equal Opportunities committee within the company was established in 2013 as a result of an ongoing partnership with Bahrain's SCW integrating a Women's Needs Department. This 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 encouraging their implementation in the company. We also have a Ladies Working Committee which is focused on enhancing the social environment for female employees by organizing events and activities, and coordinating with external organizations for women. Overall, all of our company policies as outlined below, do not discriminate between male and female employees, at any level.

Principle 2 – Equal Opportunity, Inclusion & Nondiscrimination

Equal opportunity at GPIC begins with inclusion of women in all departments of the company. Although the Labour Law in Bahrain restricts women from working in shift jobs, women are represented in all other departments as well as in senior management positions. Women also serve on various committees such as chairpersons, deputy chairpersons, coordinators and members. Some committees like the Environment Committee have a higher than average percentage of female representation. 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%
2017	48	20%	10%

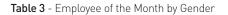
Table 2 - Females in Senior Management and Supervisory Levels

	Female Employees in Senior Management	Female Employees in Senior Management (percentage)	Female Employees in Supervisory Levels	Female Employees in Supervisory Levels (percentage)
2014	3	7%	9	7%
2015	3	7%	14	11%
2016	3	7%	10	7%
2017	3	7%	11	9%

As we aim to be an equal opportunity employer, we have established a zero discrimination policy for recruitment, promotion, compensation, and all other HR related aspects. Female employees have access to the same benefits as their male counterparts, including insurance, loans, and scholarship opportunities for employees' children. They are members of the Labour Union in which all members receive equal benefits. All female employees 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. There are a number of sports teams in GPIC in which our female employees are actively engaged in, such as the Ladies Equestrian team, Table Tennis team, and Bowling team.

Female employees are also recognized for their service at award ceremonies, such as Labour Day, Annual Dinner, and Employee of the Month awards. All employees are honored for completing additional degrees and certifications, winning competitions and other achievements. Some of the award categories include awards for male and female employees separately such as sportsperson of the year and Safety Personality.

	Female	Male
2014	3 (25% of total)	9
2015	2 (15% of total)	10
2016	3 (25% of total)	9
2017	2 (15% of total)	10



UNGC WOMEN'S EMPOWERMENT PRINCIPLES



Principle 3 – Health, Safety and Freedom from Violence

As per the company policy, all our employees are entitled to free medical treatment at the company's Medical Centre or other approved facilities which include access to male and female doctors. The company's medical insurance policy is designed to cover majority of common major ailments, and all medical costs if not covered under the insurance policy are borne by the company, including 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 Bahraini Labour 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. The medical staff train both male and female employees in CPR on a regular basis.. 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

	Females	Males
2014	13 (26% of total)	37
2015	10 (19% of total)	42
2016	25 (17% of total)	122
2017	8 (8% of total)	91

All our employees have the same access to basic safety training, 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 female employees that go on site are equipped with helmets, safety goggles, gloves, 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 female employees 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. Our employees also have access to training courses both in Bahrain and abroad.

Table 5 - Training hours by Gender

	Female (hours / employee)	Males (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
2017		
Middle Management	47	84.2
All Employees	60.9	45.7



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

	Females (training hours)	Males (training hours)
2014	1186	7750
2015	1401	4662
2016	629	3467
2017	911	4553

Female employees 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. Female employees also have the same opportunities as male employees to apply for any of our 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 was re-elected as a board member of the Bahrain Society for Engineers, and another female employee was re-elected as a board member of the Bahrain Society for Training and Development (BSTD).

 Table 7 - Female Members of GPIC Toastmasters Club

	Females	Males
2015	24 (28% of total)	62
2016	7 (17% of total)	35
2017	24 (31% of total)	54

GPIC appoints its first female Human Resources Manager in 2017, a testimony of leadership's continued commitment to women empowerment.

175

UNGC WOMEN'S EMPOWERMENT PRINCIPLES

In 2016, GPIC formally launched a Coaching and Mentoring Initiative. This involved training both male and female employees in the Leader as a Coach certificate from Leadership Trust, UK. This develops the leadership skills of coaches while also allowing all employees to request coaching from the coach of their choice to work through challenges and enhance career development.

Table 8 - Coaches by Gender

	Females	Males
2016	7 (17% of total)	35
2017	7 (21% of total)	27

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

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 SCW by 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 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.

education programs as outlined below, in Bahrain and abroad. In 2015, one of our female engineers chaperoned female Bahraini students to the Women in an 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 Achievement Worldwide program, a program that equips students with skills that ease their transition into the work environment. We financially support the program in addition to providing volunteers to conduct the courses. Furthermore, the company offers training chairs for InJAz emplyees and provides internship opportunities. Both female and male employees have the opportunity to volunteer and enhance their leadership skills, and the programs benefits both female and male students across the country.

Female Male 2014-2015 37 38 2015-2016 20 24 2016-2017 22 29 2017-2018 21 29

Table 9 - GPIC Volunteers with InJaz Program



 Table 10 - Total Students Targeted by InJaz Program (Through GPIC and Non-GPIC Volunteers)

	Female	Male
2014-2015	11,769	8,232
2015-2016	13,861	7,198
2016-2017	20,257	11,740

We also coordinate three additional annual training 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.

Table 11 - Environmental Research Program – Participating Schools

Academic Year	Female	Male	Co-ed
2014-2015	9	8	4
2015-2016	9	9	2
2016-2017	11	8	1
2017-2018	10	7	3

Table 12 - Environmental Lectures Program – Targeted Schools

Academic Year	Female	Male	Co-ed
2014-2015	10	19	1
2015-2016	23	17	1
2016-2017	26	14	2
2017-2018	12	32	4

Table 13 - Greenwave Campaign - Targeted Schools

Academic Year	Female	Male
2015-2016	5	5
2016-2017	10	10
2017-2018	10	10

UNGC WOMEN'S EMPOWERMENT PRINCIPLES



One of our employee benefits that directly impacts young members of the community is providing scholarship 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 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
2017	81 (42% of total)	113

Finally, we are the annual sponsors of the Crown Prince International Scholarship Program, which supports an equal number of males and female students each year in pursuing their higher 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, we have included a special section in our sustainability report for 2018 and also in our UNGC COP for 2017 to report on the progress towards the 7 principles of UNGC WEPs.



PECTED ON:26

1-03011

GPIC contributes to SDG# 5 through its policies and actions related to gender equality and women's empowerment and by embracing the 7 principles of UNGC Women's Empowerment Principles (WEPs).



Leading Excellence Awards



OUR KEY ACHIEVEMENTS



We were humbled to have been honoured and awarded again with several accolades throughout the year 2016 and 2017. We take immense pride in being recognized by such esteemed international and regional organisations worldwide for our diligence and contribution to social development and advancement, responsible care, safety, health and environmental global best practice standards. GPIC has received over 20 awards and recognitions during the last couple of years for its pioneering efforts.

Some of our key achievements include:

2016

Safety Excellence Awards from the Royal Society for Prevention of Accidents (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. GPIC has won the RoSPA International Sector Award for the 16th consecutive year and the British Safety Council International Safety Award for the 9th consecutive year.

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

The Award was launched by the Dubai Chamber of Commerce and Industry and is considered one of the most distinguished in corporate performance in the GCC. It aims to support the development of the business sector and appreciates institutions that have contributed towards regional economic renaissance. The Company won the Awards for its social and environmental activities and its sustainable development, since it takes very seriously its role and responsibility towards others and strives to minimize environmental damage resulting from operations.

The Arabia Corporate Social Responsibility Award

GPIC won the Arabia CSR Award in the Large Organizations Category and the Partnerships and Collaboration Category for its outstanding achievements in Corporate Social Responsibility and Sustainability in the MENA region. Winning the Arabia CSR award for the fifth time is a testimony to GPIC's successful strategy of building a culture that has extended far beyond the traditional understanding of corporate philanthropy. It has taken on the form of proactive, hands-on engagement, to assist in meeting the myriad of social sector needs, in education, health, skills development, poverty alleviation, women empowerment and infrastructure improvement.



GPIC President receives the King Hamad International Youth Empowerment Award for achieving the SDGs



The Royal Society of Prevention of Accidents (RoSPA) Golden Category / Her Majesty Queen Elizabeth II. Award

Award of excellence for Training and Human Resources Development

GPIC was awarded for several times the award of outstanding institutions in training and human resources development from the Ministry of Labour. This achievement comes in recognition of the Company's role in the development of Bahraini human resources, through the provision of prolific opportunities for staff to participate in specialized courses inside and outside the Company and the support and encouragement for employee participation in relevant petrochemical industry workshops, forums and conferences in order to achieve the Company's sustainable development objectives.

United Nations Ambassador to Promote its Sustainable Development Goals

The Regional Network for Social Responsibility has named Gulf Petrochemical Industries Company (GPIC) President Dr. Abdulrahman Jawahery as United Nations Ambassador to promote its Sustainable Development Goals.

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.

2017 The Royal Society of Prevention of Accidents (RoSPA) Golden Category / Her Majesty Queen Elizabeth II. Award

The award came GPIC's way after competing with more than 5,500 companies around the world, making it an unprecedented achievement in the history of the global chemicals sector. This award is presented by the Royal Society for Prevention of Accidents (RoSPA) and is 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.

The recognition coincided with the 100th anniversary celebrations of RoSPA and was presented during a ceremony held in London under the patronage of Queen Elizabeth II. The award resulted from a culmination of many years of excellence in safety, and is evident since GPIC has been winning for the last 25 years the RoSPA Award for safety at the workplace.

OUR KEY ACHIEVEMENTS



H.H. Mohammed bin Rashid Al Maktoum Business Award

GPIC has won both, the Business Excellence Award and the Business Innovation Award. The Award was launched by the Dubai Chamber of Commerce and Industry and is considered one of the most distinguished in corporate performance in the GCC. It aims to support the development of the business sector and appreciates institutions that have contributed and contribute to contribute towards regional economic renaissance.

The Company won the Awards for its social and environmental activities and its sustainable development, since it takes very seriously its role and responsibility towards others and strives to minimize environmental damage resulting from operations.

Saudi Arabia Award for Environmental Management in the private sector

The award is dedicated to outstanding works carried out by individuals, public and private institutions operating in the various fields of the environment and sustainable development, in recognition of their substantial contributions to reconciling the environment and socio-economic development through a holistic and integrated approach. It is given every two years, and GPIC has received this prestigious award several times before. The achievement reaffirms the sound strategies of the GPIC's Board of Directors and their care for the environment and committed to applying strict international standards.



The Arabia Corporate Social Responsibility Award

GPIC won the Arabia CSR Awards in the Large Category and the Partnership & Collaboration Category. The award, which was launched in 2008 with the support of the United Nations Global Compact, is given to the corporation that is most effective and focused in the areas of social responsibility, sustainability, environmental protection, corporate governance, transparency and other global standards.

The award confirms the Company's success and achievements on the integrity of its approach and the accuracy of its strategic vision in the field of community service, development of the human element and the preparation of youth to succeed at the level of the local and global economy.



Order of the Star of Italy from the President of the Republic of Italy

The Ordine della Stella d'Italia or Order of the Star of Italy was originally introduced in 1947 to commemorate and award those foreigners or expatriates who had added to the prosperity of Italy. Since its establishment in 1979, GPIC has attracted many Italian companies in the field of manufacturing technology, plant construction, equipment design, training and technical consulting. The exceptional Presidential Decree was awarded to the President of GPIC, Dr. Abdulrahman Jawahery, for his encouragement and promotion of the relationships between Italy and the Kingdom of Bahrain over his 35 year career.



Order of the Star of Italy from the President of the Republic of Italy



Supporting Bahraini Women's Advancement Personality

Her Royal Highness Princess Sabeeka bint Ibhrahim Al Khalifa, wife of His Majesty and Supreme Council for Women (SCW) President honoured the Gulf Petrochemical Industries Company President, Dr. Abdulrahman Jawahery for being chosen the personality supporting Bahraini Women's Advancement.

Golden Excellence Award in Social Responsibility

The President of the Company, Dr. Abdulrahman Jawahery, was honoured with Golden excellence award in Social Responsibility from the Arabian Social Responsibility Network.

Excellence Achievement in Public Relations Personality

The President of GPIC, Dr. Abdulrahman Jawahery, was awarded the Personality of the Year Award in the field of Public Relations awarded by the Bahrain Public Relations Association.





What Others Say



WHAT OTHERS SAY

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

"Thank you very much for the opportunity you have provided to our staff to engage in industrial immersion the activities and operations of your company. Their experience will contribute immensely in fostering quality training for BTI students to meet the requirements of their employers and address the needs of the trainees. I am confident that through the joint efforts of BTI and GPIC, we will equip our graduates with outstanding skills which contribute to national

Dr. Samah Alajawi Acting Director General Bahrain Training Institute, Bahrain 3 October 2017

development and economy".

"NEBOSH is extremely grateful for the excellent work you have been doing as one of our Ambassadors. At the Annual General meeting in September, the members of NEBOSH council resolved to ask if you would be prepared to serve a further term of one year".

Teresa Budworth Chief Executive Nebosh 31 October 2017

"Congratulations on being recognized by Safety+Health magazine as a 2018 CEO who "Gets It". The National Safety Council applauds your commitment to safety and your success in creating a safe environment for your employees. You are one of only a handful that will be featured in the February 2018 issue of Safety+Health magazine".

Deborah A.P. Hersman President and CEO National Safety Council 10 November 2017 "As you know, all of us at ROSPA, treasure our relationship with GPIC because of the exemplary way in which you promote the importance of effective risk management, both within your organization and beyond. Within this context, your personal leadership is inspirational and widely celebrated".

Errol Taylor Acting Chief Executive ROSPA 1 June 2017







"I am writing this letter to you to inform my heartful thank you for giving me an opportunity to experience and understand what it's like to work at the world-class company, recognized for excellence.

I was amazed by the way people treat each other both inside and outside the company. This is something I wouldn't be able to experience in the vast majority of all companies".

Kirill Gryaznov Student at RUDN University 22 April 2017

"In the beginning I give my sincere thanks and appreciation for your generous support to the University of Bahrain to complete the commissioning of an advanced renewable energy laboratory, which sustains the leading role of your revered organization and its social responsibility through cooperation with national and official organizations by supporting them for the development of our beloved Kingdom."

Dr. Riyad Yousef Hamzah

President of the University of Bahrain University of Bahrain 28 November 2017 "We have received with great thank and appreciation for your generous support to the ministry of agriculture and marine resources the second installment of high quality urea fertilizer, one of your products, which is without doubt a source of pride for Bahrain in the International market, we would like again to express our gratitude for your continuous support for the ministry of agriculture and marine resources, in addition your contribution in the first installment of urea fertilizer had a great impact in increasing the production of lemon trees and local Kinar trees, which proves the high quality of your product.

Therefore we write you this letter to express our great gratitude, and we appreciate GPIC Company as an important partner in the growth and development of the agriculture sector in Bahrain kingdom."

Sheikh Khalifa Bin Isa Al Khalifa

Undersecretary of the Ministry of Agriculture and Marine Resources Ministry of Municipal Affairs and Urban Planning 20 March 2017

"We are pleased to extend to Your Excellency the great thanks and appreciation for your effective participation with the delegation from the Kingdom of Bahrain in the 61st work shop of women status in United States, and we congratulate you on the remarkable success achieved by this participation and appreciate

Sheikha Sabika bint Ibrahim Al Khalifa President of the Supreme Council for Women 28 March 2017

WHAT OTHERS SAY



"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."

Shaikha Hessa bint Khalifa Al Khalifa Chief Executive INJAZ, Bahrain 2016 "It was a pleasure to host you at the Awards Dinner in Birmingham last month. It was a truly memorable occasion- not least because GPIC, once more, won RoSPA 's Chemical Industry Sector Award, and because you, personally, were presented with an Archangel Award to acknowledge the enormous influence you have had, and continue to have, as a global ambassador for health and safety."

Tom Mullarkey MBE Chief Executive RoSPA 2015

"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. "

William V. Roebuck

Ambassador of the United States of America 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."

Charlotte Hebebrand

International Fertilizer Industry Association (IFA) 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."

Barrie Bain Outlook 2016

"I would like to take this opportunity to congratulate you again for the Italian honour "Cavaliere dell'Ordine della Stella d'Italia" bestowed upon you by the Republic of Italy and presented today through the Italian Ambassador in Bahrain, His Excellency Domenico Bellato. It goes without saying the sincerity and dedication all lead to receiving international recognition to efforts made to build and develop international relationships between the Kingdom of Bahrain and the Republic of Italy".

Tareq F. Wafa

Chief Executive Tricom Group 14 May 2017 "Let me take this opportunity to congratulate you and your entire team for the excellent GPCA conference in Bahrain, the level of GPIC's involvement was very evident, and it contributed so greatly to the event's success".

Charlotte Hebebrand

Director General International Fertilizer Association 2 October 2017

"I am pleased to express to Your Excellency, on my behalf and on behalf of my brothers the members of the Board of Directors, our sincere appreciation for your generous initiative and generous support in supporting the 10th International Youth and Cubs Championship. Recalling with all gratitude and pride your noble agreement and your generous sponsorship which has become a major support for the Bahrain Table Tennis Federation, which has reflected positively on the results achieved locally and internationally.

The spirit of partnership between your esteemed national company and the Bahrain Table Tennis Federation has become an example and role model of the social partnership between sports institutions and the private sector should be in the Kingdom of Bahrain."

Hayat Bent Abdul Aziz Al Khalifa President of Bahrain Table Tennis Federation Bahrain Table Tennis Federation 8 May 2017 **GPIC SUSTAINABILITY REPORT 2018**



GRI Content Index





GRI CONTENT INDEX





This report has been prepare in accordance with the GRI Standards: Comprehensive option. This Index of Content serves as a navigation tool for the GRI Standards. **GRI 102-55**

	GRI Standard Number	Disclosure Title	Page Reference / Location (or direct response in case of omission)	UN SDGs	UNGC Principles	
	GRI 101: FOUND	DATION 2016				
		ORGANIZATIO	NAL PROFILE			
	102-1	Name of the organisation	43			
	102-2	Activities, brands, products and services	43			
	102-3	Location of headquarters	43			
	102-4	Location of operations	43			
	102-5	Ownership and legal form	43			
	102-6	Markets served	43			
	102-7	Scale of the organisation	43			
	102-8	Information on employees and other workers	44	8	1,2,3,4,5,6	
	102-9	Supply chain	44,45			
	102-10	Significant changes to the organisation and its supply chain	45			
9	102-11	Precautionary principle or approach	46			
5 201	102-12	External initiatives	46			
URES	102-13	Membership of associations	46,47			
CLOS	STRATEGY					
L DIS	102-14	Statement from senior decision-maker	36,38,40			
IERA	102-15	Key impacts, risks and opportunities	42			
CEN:	ETHICS AND INTEGRITY					
GRI 102: GENERAL DISCLOSURES 2016	102-16	Values, principles, standards and norms of behaviour	64	16	1,2,3,4,5,6,10	
	102-17	Mechanisms for advice and concerns about ethics	65	16	1,2,3,4,5,6,10	
		GOVER	NANCE			
	102-18	Governance structure	59,60,61			
	102-19	Delegating authority	61			
	102-20	Executive-level responsibility for economic, environmental and social topics	61			
	102-21	Consulting stakeholders on economic, environmental and social topics	61	16	1,2,3,4,5,6,10	
	102-22	Composition of the highest governance body and its committees	61	16	1,2,3,4,5,6,10	
	102-23	Chair of the highest governance body	62	16	1,2,3,4,5,6,10	
	102-24	Nominating and selecting the highest governance body	62	16	1,2,3,4,5,6,10	
	102-25	Conflicts of interest	62	16	1,2,3,4,5,6,10	



GRI Standard Number	Disclosure Title	Page Reference / Location (or direct response in case of omission)	UN SDGs	UNGC Principles
	GOVER	NANCE		
102-26	Role of highest governance body in setting purpose, values and strategy	62		
102-27	Collective knowledge of highest governance body	62	4	1,2
102-28	Evaluating the highest governance body's performance	62		
102-29	Identifying and managing economic, environmental and social impacts	63	16	1,2,3,4,5,6,10
102-30	Effectiveness of risk management processes	63		
102-31	Review of economic, environmental and social topics	63		
102-32	Highest governance body's role in sustainability reporting	63		
102-33	Communicating critical concerns	63		
102-34	Nature and total number of critical concerns	64		
102-35	Remuneration policies	64		
102-36	Process for determining remuneration	64		
102-37	Stakeholders' involvement in remuneration	64	16	1,2,3,4,5,6,10
102-38	Annual total compensation ratio	Not reported due to confidentiality constraints		
102-39	Percentage increase in annual total compensation ratio	Not reported due to confidentiality constraints		
	STAKEHOLDEF	RENGAGEMENT		
102-40	List of stakeholder groups	50,51		
102-41	Collective bargaining agreements	44	8	1,2,3,4,5,6
102-42	Identifying and selecting stakeholders	51		
102-43	Approach to stakeholder engagement	52,53,54,55		
102-44	Key topics and concerns raised	57,58		
	REPORTIN	G PRACTICE		
102-45	Entities included in the consolidated financial statements	47		
102-46	Defining report content and topic boundaries	47,48,49		
102-47	List of material topics	49,50		
102-48	Restatements of information	50		
102-49	Changes in reporting	50		
102-50	Reporting period	58		
102-51	Date of most recent report	58		
102-52	Reporting cycle	58		

GRI CONTENT INDEX



; 2016	GRI Standard Number	Disclosure Title	Page Reference / Location (or direct response in case of omission)	UN SDGs	UNGC Principles		
JRES		REPORTING PRA	CTICE				
GENERAL DISCLOSURES 2016	102-53	Contact point for questions regarding the report	58				
	102-54	Claims of reporting in accordance with the GRI Standards	59				
	102-55	GRI content index	59				
Ð	102-56	External assurance	59				
		ECONOMIC PERFO	RMANCE				
	GRI 103	103-1 Explanation of the material topic and its bounderies	70				
	Management Approach 2016	103-2 The management approach and its components	70				
		103-3 Evaluation of the management approach	70				
		GRI 201: ECONOMIC PERF	ORMANCE 2016				
	201-1	Direct economic value generated and distributed	72,73,74	2,5,7,8,9	1,2,3,4,5,6,7,8,9		
	201-2	Financial implications and other risks and opportunities due to climate change	75	13	7,8,9		
	201-3	Defined benefit plan obligations and other retirement plans	76				
	201-4	Financial assistance received from government	We did not receive any financial assistance from government				
	MARKET PRESENCE						
MIC	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its bounderies	70				
ECONOMIC		103-2 The management approach and its components	70				
		103-3 Evaluation of the management approach	70				
	GRI 202: MARKET PRESENCE 2016						
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	76	1,8	1,2,3,4,5,6		
	202-2	Proportion of senior management hired from the local community	76,77	8	1,2,3,4,5,6		
			C IMPACTS				
	GRI 103	103-1 Explanation of the material topic and its bounderies	70				
	Management Approach 2016	103-2 The management approach and its components	70				
		103-3 Evaluation of the management approach	70				
		GRI 203: INDIRECT ECONOM	IIC IMPACTS 2016				
	203-1	Infrastructure investments and services supported	77,78	2,5,7,9,11	1,2,3,4,5,6,7,8,9		
	203-2	Significant indirect economic impacts	78	1,2,3,8,10,17	1,2,3,4,5,6 7,8,9,10		



		PROCUREMENT PR	ACTICES			
	GRI 103	103-1 Explanation of the material topic and its bounderies	70			
	Management Approach 2016	103-2 The management approach and its components	70			
		103-3 Evaluation of the management approach	70			
		GRI 204: PROCUREMENT F	PRACTICES 2016			
	204-1	Proportion of spending on local suppliers	78	12	7,8,9	
		ANTI-CORRUP	TION			
	GRI 103	103-1 Explanation of the material topic and its bounderies	142,143,144			
	Management Approach 2016	103-2 The management approach and its components	142,143,144			
		103-3 Evaluation of the management approach	142,143,144			
MIC		GRI 205: ANTI-CORRU	IPTION 2016			
ECONOMIC	205-1	Operations assessed for risks related to corruption	144	16	1,2,3,4,5,6,10	
	205-2	Communication and training about anti- corruption policies and procedures	144	16	1,2,3,4,5,6,10	
	205-3	Confirmed incidents of corruption and actions taken	144	16	1,2,3,4,5,6,10	
	ANTI-COMPETITIVE BEHAVIOUR					
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its bounderies	142,143,144			
		103-2 The management approach and its components	142,143,144			
		103-3 Evaluation of the management approach	142,143,144			
	GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016					
	206-1	Legal actions for anti-competitive behaviour, anti- trust, and monopoly practices	There were no cases of anti-competitive behaviour, hence no actions	16	1,2,3,4,5,6,10	
		MATERIAL	S			
	GRI 103	103-1 Explanation of the material topic and its bounderies	94,95,96,98			
ENVIRONMENTAL	Management Approach 2016	103-2 The management approach and its components	94,95,96,98			
IME		103-3 Evaluation of the management approach	94,95,96,98			
/IROI		GRI 301: MATERIA	LS 2016			
Ē	301-1	Materials used by weight or volume	98,99	8,12	1,2,3,4,5,6,7,8,9	
	301-2	Recycled input materials used	99	8,12	1,2,3,4,5,6,7,8,9	
	301-3	Reclaimed products and their packaging materials	We do not use reclaimed products	8,12	1,2,3,4,5,6,7,8,9	

GRI CONTENT INDEX



		ENERGY					
	GRI 103	103-1 Explanation of the material topic and its bounderies	94,95,96,99				
	Management Approach 2016	103-2 The management approach and its components	94,95,96,9				
		103-3 Evaluation of the management approach	94,95,96,99				
		GRI 302: ENERG	Y 2016				
	302-1	Energy consumption within the organisation	100	7,8,12,13	1,2,3,4,5,6,7,8,9		
	302-2	Energy consumption outside of the organisation	100	7,8,12,13	1,2,3,4,5,6,7,8,9		
	302-3	Energy intensity	101	7,8,12,13	1,2,3,4,5,6,7,8,9		
	302-4	Reduction of energy consumption	101,102	7,8,12,13	1,2,3,4,5,6,7,8,9		
	302-5	Reductions in energy requirements of products and services	102	7,8,12,13	1,2,3,4,5,6,7,8,9		
		WATER					
	GRI 103	103-1 Explanation of the material topic and its bounderies	94,95,96,102				
	Management Approach 2016	103-2 The management approach and its components	94,95,96,102				
		103-3 Evaluation of the management approach	94,95,96,102				
TAL		GRI 303: WATER	2016				
MEN	303-1	Water withdrawal by source	103	6	1,2,7,8,9		
ENVIRONMENTAL	303-2	Water sources significantly affected by withdrawal of water	103	6	1,2,7,8,9		
ш	303-3	Water recycled and reused	103	6,8,12	1,2,3,4,5,6,7,8,9		
	EMISSIONS						
	GRI 103	103-1 Explanation of the material topic and its bounderies	94,95,96,104,106				
	Management Approach 2016	103-2 The management approach and its components	94,95,96,104,106				
		103-3 Evaluation of the management approach	94,95,96,104,106				
		GRI 305: EMISSIO	NS 2016				
	305-1	Direct (Scope 1) GHG emissions	104	3,12,13,14,15	1,2,3,4,5,6 7,8,9,10		
	305-2	Energy indirect (Scope 2) GHG emissions	105	3,12,13,14,15	1,2,3,4,5,6 7,8,9,10		
	305-3	Other indirect (Scope 3) GHG emissions	105	3,12,13,14,15	1,2,3,4,5,6 7,8,9,10		
	305-4	GHG emissions intensity	105	13,14,15	7,8,9		
	305-5	Reduction of GHG emissions	105	13,14,15	7,8,9		
	305-6	Emissions of ozone-depleting substances (ODS)	106	3,12,13	1,2,3,4,5,6 7,8,9,10		
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	106	3,12,13,14,15	1,2,3,4,5,6 7,8,9,10		



ZUS	

GRI 103 103-1 Explanation of the material topic and its bounderies 94,95,96,108,109 Management Approach 2016 103-2 The management approach and its components 94,95,96,108,109 103-3 Evaluation of the management approach 94,95,96,108,109 94,95,96,108,109						
Management Approach 2016 103-2 The management approach and its components 94,95,96,108,109 103-3 Evaluation of the management approach 94,95,96,108,109						
GRI 306- EEEL LIENTS AND WASTE 2016						
ON 300. ET LOENTS AND WASTE 2010						
306-1Water discharge by quality and destination1083,6,12,14	1,2,3,4,5,6 7,8,9,10					
306-2Waste by type and disposal method1103,6,12	1,2,3,4,5,6 7,8,9,10					
306-3 Significant spills 112 3,6,12,14,15	1,2,3,4,5,6 7,8,9,10					
306-4 Transport of hazardous waste 112 3,12	1,2,3,4,5,6 7,8,9,10					
306-5 Water bodies affected by water discharges and/ or runoff 112 6,15	1,2,3,4,5,6,7,8,10					
Bit Management 103-1 Explanation of the material topic and its bounderies 94,95,96,112						
Management 103-2 The management approach and its components 94,95,96,112						
103-3 Evaluation of the management approach 94,95,96,112						
GRI 307: ENVIRONMENTAL COMPLIANCE 2016						
307-1Non-compliance with environmental laws and regulations11316	1,2,3,4,5,6,10					
SUPPLIER ENVIRONMENTAL ASSESSMENT						
GRI 103 103-1 Explanation of the material topic and its 94,95,96,113						
Management Approach 2016103-2 The management approach and its components94,95,96,113						
103-3 Evaluation of the management approach 94,95,96,113						
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016						
308-1 New suppliers that were screened using environmental criteria 113						
308-2 Negative environemntal impacts in the supply chain and action taken 113						
EMPLOYMENT						
GRI 103 103-1 Explanation of the material topic and its bounderies 118,119,120,121,122						
Management 103-2 The management approach and its components 118,119,120,121,122						
103-3 Evaluation of the management approach 118,119,120,121,122 GRI 401: EMPLOYMENT 2016						
GRI 401: EMPLOYMENT 2016						
401-1 New employee hires and employee turnover 126,127 5,8	1,2,3,4,5,6					
401-2Benefits provided to full-time employees that are not provided to temporary or part-time employees1278	1,2,3,4,5,6					
401-3 Parental leave 127 5,8	1,2,3,4,5,6					

GRI CONTENT INDEX



		LABOUR / MANAGEMEN	IT RELATIONS			
	GRI 103	103-1 Explanation of the material topic and its bounderies	118,119,120,121,122			
	Management Approach 2016	103-2 The management approach and its components	118,119,120,121,122			
		103-3 Evaluation of the management approach	118,119,120,121,122			
		GRI 402: LABOUR / MANAGEME	ENT RELATIONS 2016			
	402-1	Minimum notice periods regarding operational changes	127	8	1,2,3,4,5,6	
		OCCUPATIONAL HEALTH	AND SAFETY			
	GRI 103	103-1 Explanation of the material topic and its bounderies	86			
	Management Approach 2016	103-2 The management approach and its components	86			
		103-3 Evaluation of the management approach	86			
		GRI 403: OCCUPATIONAL HEAL	TH AND SAFETY 2016			
	403-1	Workers representation in formal joint management–worker health and safety committees	128	8	1,2,3,4,5,6	
SOCIAL	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	128	3,8	1,2,3,4,5,6,10	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	129	3,8	1,2,3,4,5,6,10	
	403-4	Health and safety topics covered in formal agreements with trade unions	129	8	1,2,3,4,5,6	
	TRAINING AND EDUCATION					
	GRI 103	103-1 Explanation of the material topic and its bounderies	118,119,120,121,122			
	Management Approach 2016	103-2 The management approach and its components	118,119,120,121,122			
		103-3 Evaluation of the management approach	118,119,120,121,122			
		GRI 404: TRAINING AND E	DUCATION 2016			
	404-1	Average hours of training per year per employee	130	4,5,8	1,2,3,4,5,6	
	404-2	Programs for upgrading employee skills and transition assistance programs	131	8	1,2,3,4,5,6	
	404-3	Percentage of employees receiving regular performance and career development reviews	131	5,8	1,2,3,4,5,6	



		DIVERSITY AND EQUAL (OPPORTUNITY				
	GRI 103	103-1 Explanation of the material topic and its bounderies	118,119,120,121,122				
	Management Approach 2016	103-2 The management approach and its components	118,119,120,121,122				
		103-3 Evaluation of the management approach	118,119,120,121,122				
	GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016						
	405-1	Diversity of governance bodies and employees	132,133	5,8	1,2,3,4,5,6		
	405-2	Ratio of basic salary and remuneration of women to men	133	5,8,10	1,2,3,4,5,6,10		
		NON-DISCRIMIN	ATION				
	GRI 103	103-1 Explanation of the material topic and its bounderies	134,135				
	Management Approach 2016	103-2 The management approach and its components	134,135				
		103-3 Evaluation of the management approach	134,135				
	GRI 406: NON-DISCRIMINATION 2016						
SOCIAL	406-1	Incidents of discrimination and corrective actions taken	136	5,8,16	1,2,3,4,5,6,10		
SOI	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING						
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its bounderies	134,135				
		103-2 The management approach and its components	134,135				
		103-3 Evaluation of the management approach	134,135				
	GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016						
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	136	8	1,2,3,4,5,6		
		CHILD LABO	UR				
	CDI 102	103-1 Explanation of the material topic and its bounderies	134,135				
	GRI 103 Management Approach 2016	103-2 The management approach and its components	134,135				
		103-3 Evaluation of the management approach	134,135				
		GRI 408: CHILD LAB	OUR 2016				
	408-1	Operations and suppliers at significant risk for incidents of child labour	136	8,16	1,2,3,4,5,6,10		



		FORCED OR COMPULS	ORY LABOUR			
	GRI 103	103-1 Explanation of the material topic and its bounderies	134,135			
	Management Approach 2016	103-2 The management approach and its components	134,135			
		103-3 Evaluation of the management approach	134,135			
		GRI 409: FORCED OR COMPUL	SORY LABOUR 2016			
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	136	8	1,2,3,4,5,6	
		SECURITY PRAC	CTICES			
	GRI 103	103-1 Explanation of the material topic and its bounderies	134,135			
	Management Approach 2016	103-2 The management approach and its components	134,135			
		103-3 Evaluation of the management approach	134,135			
		GRI 410: SECURITY PR/	ACTICES 2016			
	410-1	Security personnel trained in human rights policies or procedures	136	16	1,2,3,4,5,6,10	
		RIGHTS OF INDIGENO	US PEOPLES			
SOCIAL	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its bounderies	134,135			
		103-2 The management approach and its components	134,135			
S		103-3 Evaluation of the management approach	134,135			
	GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016					
	411-1	Incidents of violations involving rights of Indigenous peoples	There were no incidents of violations involving rights of minorities and indigenous people.	2	1,2,7,8,9	
		HUMAN RIGHTS ASS	SESSMENT			
		103-1 Explanation of the material topic and its bounderies	134,135			
	GRI 103 Management Approach 2016	103-2 The management approach and its components	134,135			
		103-3 Evaluation of the management approach	134,135			
		GRI 412: HUMAN RIGHTS A	SSESSMENT 2016			
	412-1	Operations that have been subject to human rights reviews or impact assessments	136			
	412-2	Employee training on human rights policies or procedures	136			
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	136			



		LOCAL COMMU	NITIES			
	GRI 103	103-1 Explanation of the material topic and its bounderies	138,139			
	Management Approach 2016	103-2 The management approach and its components	138,139			
		103-3 Evaluation of the management approach	138,139			
		GRI 413: LOCAL COMM	UNITIES 2016			
	413-1	Operations with local community engagement, impact assessments and development programs	142			
	413-2	Operations with significant actual and potential negative impacts on local communities	142	1,2	1,2,3,4,5,6,7,8,9	
		SUPPLIER SOCIAL AS	SESSMENT			
	GRI 103	103-1 Explanation of the material topic and its bounderies	133			
	Management Approach 2016	103-2 The management approach and its components	133			
		103-3 Evaluation of the management approach	133			
		GRI 414: SUPPLIER SOCIAL	ASSESSMENT 2016			
	414-1	New suppliers that were screened using social criteria	133	5,8,16	1,2,3,4,5,6,10	
SOCIAL	414-2	Negative social impacts in the supply chain and actions taken	133	5,8,16	1,2,3,4,5,6,10	
S	PUBLIC POLICY					
	GRI 103	103-1 Explanation of the material topic and its bounderies	138,139			
	Management Approach 2016	103-2 The management approach and its components	138,139			
		103-3 Evaluation of the management approach	138,139			
	GRI 415: PUBLIC POLICY 2016					
	415-1	Political contributions	We do not make any political contributions	16	1,2,3,4,5,6,10	
		CUSTOMER HEALTH #	AND SAFETY			
	GRI 103	103-1 Explanation of the material topic and its bounderies	145,146			
	Management Approach 2016	103-2 The management approach and its components	145,146			
		103-3 Evaluation of the management approach	145,146			
		GRI 416: CUSTOMER HEALTH	AND SAFETY 2016			
	416-1	Assessment of the health and safety impacts of product and service categories	146,147			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	148	16	1,2,3,4,5,6,10	



		MARKETING AND L	ABELING				
	GRI 103	103-1 Explanation of the material topic and its bounderies	145,146				
	Management Approach 2016	103-2 The management approach and its components	145,146				
		103-3 Evaluation of the management approach	145,146				
		GRI 417: MARKETING AND	LABELING 2016				
	417-1	Requirements for product and service information and labeling	148	12,16	1,2,3,4,5,6 7,8,9,10		
	417-2	Incidents of non-compliance concerning product and service information and labeling	148	16	1,2,3,4,5,6,10		
	417-3	Incidents of non-compliance concerning marketing communications	148				
	CUSTOMER PRIVACY						
SOCIAL	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its bounderies	145,146				
SC		103-2 The management approach and its components	145,146				
		103-3 Evaluation of the management approach	145,146				
	GRI 418: CUSTOMER PRIVACY 2016						
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	148	16	1,2,3,4,5,6,10		
	SOCIOECONOMIC COMPLIANCE						
	GRI 103	103-1 Explanation of the material topic and its bounderies	145,146				
	Management Approach 2016	103-2 The management approach and its components	145,146				
		103-3 Evaluation of the management approach	145,146				
		GRI 419: SOCIOECONOMIC C	OMPLIANCE 2016				
	419-1	Non-compliance with laws and regulations in the social and economic area	148	16	1,2,3,4,5,6,10		

GPIC is a GRI Gold community member since 2014 and has so far published four GRI Sustainability reports since 2012. To scale up sustainability efforts, GPIC undertook the GRI benchmarking service for its GRI SR 2016 and GPIC has completed GRI Materiality, content index and SDGs service successfully for its current report SR 2018.



Acronyms

<u>211</u>

AFA	Arab Fertilizer Association
OHSAS	Occupational Health and Safety Assessment Series
API	American Petroleum Institute
REACH	Registration, Evaluation and Authorisation of Chemicals
CEO	Chief Executive Officer
UNEP	United Nations Environment Programme
IFA	International Fertilizer Association
IPIECA	International Petroleum Industry Environmental Conservation association
GPCA	Gulf Petrochemicals and Chemicals Association
ISO	International Organisation for standardisation
GHG	Greenhouse Gas
CSR	Corporate Social Responsibility
GJ	Gigajoule
GRI	Global Reporting Initiative
UNGC	United Nations Global Compact
KSA	Kingdom of Saudi Arabia
GPIC	Gulf Petrochemical Industries Company
PIC	Petrochemicals Industries Company
ppm	Parts Per Million
ppb	Parts Per Billion
MT	Metric Tonne
NGO	Non-Governmental Organization
CDR	Carbon dioxide Recovery
C02	Carbon dioxide
CO2e	Carbon dioxide equivalent - measure used to compare the
	emissions from various types of greenhouse gas (GHG) based on
	their global warming potential (GWP)
SHE	Safety, Health, Environment
NOGA	National Oil and Gas Authority
EWA	Electricity and Water Authority
SABIC	Saudi Basic Industries Corporation
NSC	National Safety Council, USA
RoSPA	Royal Society for the Prevention of Accidents,UK
PMS	Performance Management System
On-stream factor	Operating days as percentage of calendar days
Utilization factor	Percentage of the design capacity utilized based on operating days
Capacity utilization	Percentage of design capacity utilized based on calendar days
ERM	Enterprise Risk Management
LTA	Lost time accident
ВСМ	Business Continuity Management
FAB	Food and Agriculture Business Principles
WEP	Women Empowerment Principles
GEO	Global Environment Outlook
NIHR	National Institute of Human Rights



GPIC PROUDLY SUPPORTS THE 17 SUSTAINABLE DEVELOPMENT GOALS



Contact details

Your feedback is important to us. You can e-mail the Sustainability Reporting team at gpic@gpic.com or send us feedback on line at www.gpic.com.

You can also telephone +973 17 731777 or write to Sustainability Report at: GPIC PO Box 26730 Kingdom of Bahrain.

