



**2020**  
**Sustainability**  
**Report**



**40**  
**YEARS OF**  
**SUSTAINABLE**  
**SUCCESS**



40

**YEARS OF  
SUSTAINABLE  
SUCCESS**

## **2020 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 Oil and Gas Holding Company (Nogaholding), Kingdom of Bahrain, SABIC Agri-Nutrients Investment Company, 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 the purpose of clarity throughout this report,

1. 'GPIC', 'we' 'us', and 'our' refer to the Gulf Petrochemical Industries Company;
2. 'SABIC' refers to the Saudi Basic Industries Corporation;
3. '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.

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 fifth GRI Sustainability Report and encouraging others to do the same, we are in fact addressing SDG 12 target 12.6.

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



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.



We are a member of the GRI Community since 2014 and support the mission of GRI to empower decision makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to take action towards a more sustainable economy and world.

The GRI community is a catalyst for positive change; it's a learning-exchange space where experience and expertise come together helping participants make competitive choices; it's the launch pad for local and global leaders to share their success stories; it's the powerhouse where collective impact in sustainable development starts to become real and grow.



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

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# Introduction

Welcome to our fifth GRI Sustainability Report 2020 “40 Years of Sustainable Success” The theme of the report highlights the wonderful journey that began 40 years ago, when GPIC was born in December 1979 as a petrochemicals joint venture. With sustainability at the heart of its strategy, GPIC is actively involved in the creation of a better world for future generations by tackling pertinent sustainability issues and balancing environmental, social and economic value. GPIC’s smart and forward looking business approach has embraced the shift from the classical three pillars of Sustainable Development to the 5 P’s- People, Planet, Prosperity, Partnerships and Peace. By doing this GPIC has become part of the global transformation for a sustainable future.

To promote transparency, accountability and to share our sustainability performance globally we have prepared this report in accordance with the GRI Standards-Comprehensive and shares our performance on social progress, environmental protection, economic growth and prosperity for 2018-2019.

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](http://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](http://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 2020 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: [www.unglobalcompact.org](http://www.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](http://www.unglobalcompact.org)

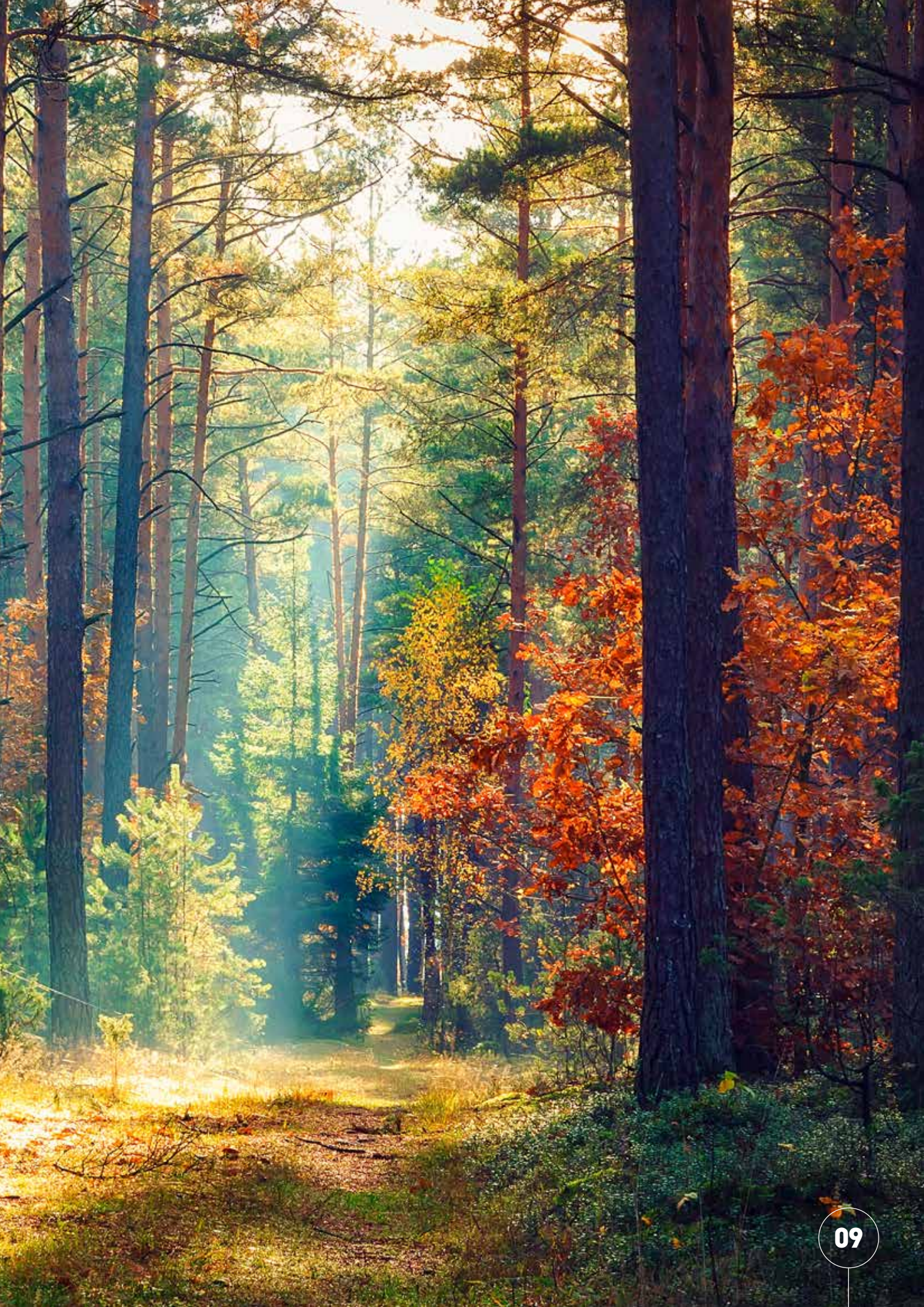
### **What is the United Nations Global Compact (UNGC) Women's Empowerment Principles?**

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.empowerwomen.org](http://www.empowerwomen.org)

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

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

# Sustainability Overview 2018-2019



## GPIC's Achievements, Challenges and Goals

### OUR PERFORMANCE HIGHLIGHTS

**1,644,590**



metric tonnes of combined annual production, the highest ever, achieved in 2019

**US\$5.067 BILLION**



Injected into Bahrain economy since inception

**32.25 MILLION**



man-hours without LTA as of 31 December 2019

**+42,400**



school students have attended environmental awareness lectures given by GPIC employees since 2001

**US\$8.7 MILLION**



saved through in-house spare part manufacturing since 2004

**US\$2.2 BILLION**



paid to shareholders as dividend

**+1.2 MILLION FISH**



released to Bahrain's territorial waters from GPIC's managed fish farm since inception

**8%**

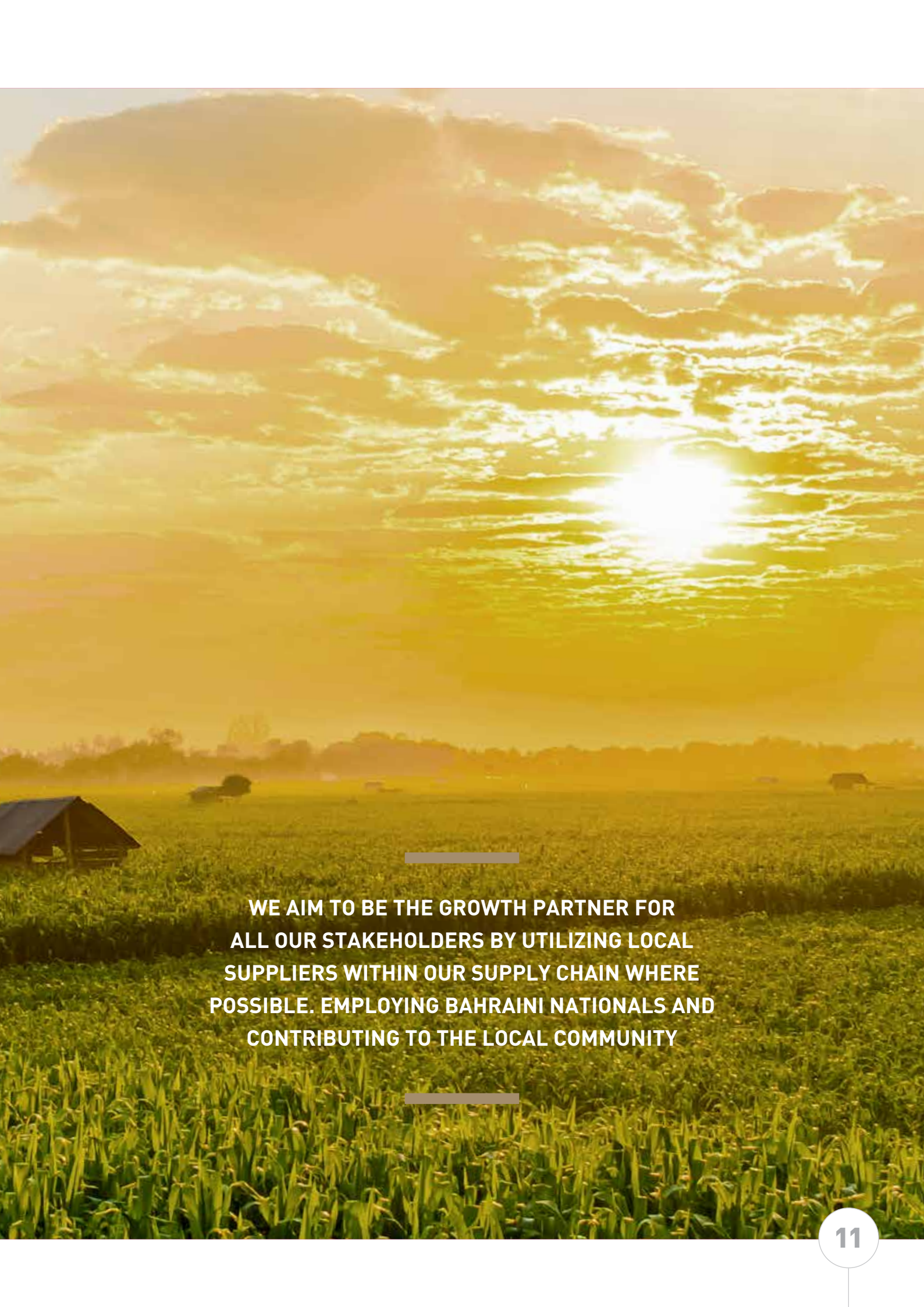


female employees at GPIC

**2,414**



cargo ships loaded and exported to the world since 1985



**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	<ul style="list-style-type: none"> <li>Equal Partnership between the Government of the Kingdom of Bahrain, represented by the Oil and Gas Holding Company (NOGA Holding), Saudi Basic Industries Corp.(SABIC) of the Kingdom of Saudi Arabia and Petrochemical Industries Co.(PIC) of the State of Kuwait</li> </ul>
Date Incorporated	<ul style="list-style-type: none"> <li>December 1979</li> </ul>
Number of Employees	<ul style="list-style-type: none"> <li>444</li> </ul>
Principal Place of Business	<ul style="list-style-type: none"> <li>Sitra, Kingdom of Bahrain</li> </ul>
Core Products	<ul style="list-style-type: none"> <li>1200MT/D Ammonia, 1200MT/D Methanol, 1700 MT/D Granular Urea.</li> </ul>
Key Markets	<ul style="list-style-type: none"> <li>China, Taiwan, South Korea, India, South Africa, USA, Thailand, Australia</li> </ul>
Scale of the Organisation	<ul style="list-style-type: none"> <li>Medium</li> </ul>
Total Capitalisation	<ul style="list-style-type: none"> <li>US \$159 million (100% equity)</li> </ul>
Sales 2019	<ul style="list-style-type: none"> <li>US\$ 308 million</li> </ul>
Sales 2018	<ul style="list-style-type: none"> <li>US\$ 341 million</li> </ul>
Total Assets 2019	<ul style="list-style-type: none"> <li>US\$ 557 million</li> </ul>
Total Assets 2018	<ul style="list-style-type: none"> <li>US\$ 610 million</li> </ul>
Net Profit 2019	<ul style="list-style-type: none"> <li>US\$ 34 million</li> </ul>
Net Profit 2018	<ul style="list-style-type: none"> <li>US\$ 82 million</li> </ul>
Total Products	<ul style="list-style-type: none"> <li>2019 - 1,644,590 metric tonnes</li> <li>2018 - 1,503,808 metric tonnes</li> </ul>
Certifications	<ul style="list-style-type: none"> <li>ISO 9001; ISO 14001; ISO 45001; PAS 99; RC 14001; ISO 27001; ISO 31000; ISO 22301; ISO 17025; ISO 17020; ISO 50001; Halal Methanol; IFA Protect &amp; Sustain-Product Stewardship</li> </ul>
Memberships in Key International Organisations	<ul style="list-style-type: none"> <li>UN Global Compact; National Safety Council (NSC - USA), Royal Society for the Prevention of Accidents (RoSPA - UK), International Fertilizer Association (IFA), Arab Fertilizer Association (AFA), Gulf Petrochemicals and Chemicals Association (GPCA), Global Reporting Initiative (GRI)</li> </ul>
Key Awards 2018 - 2019	<ul style="list-style-type: none"> <li>H.M King Hamad International Award for Youth Empowerment in the private sector for achieving the SDGs; British Safety Council International Safety Award; International Sector Award from Royal Society for the Prevention of Accidents (RoSPA); GPCA Responsible Care Award 2018 - Safety, Security and Health category; Arabia CSR Award - Large Category; IFA Gold Medal Safety Award; Mohammed Rashid bin Maktoum Business and Innovation Awards; CSR Label from Dubai Chamber of Commerce</li> </ul>





#### Achievements 2018-2019

- A remarkable safety record with over 32 million man hours without a Lost Time Accident.
- A safe and successful turnaround 2018 was achieved.
- In 2019, Urea Plant completed 21 years of operation, producing 13.6 million tons of granular Urea.
- In 2019, GPIC achieved the highest ever cumulative production of 1,644,590 tons, the highest ever annual urea production of 727,244 tons, the highest ever annual urea exports of 735,647 tons, the highest ever daily urea production of 2108 tons and the highest ever monthly urea production of 64,300 tons.
- A new Urea Formaldehyde( UF 85) plant was commissioned to make supply chain of our raw materials and chemicals more robust and sustainable.
- Gearing up for growth, tapping in potential areas for growth, including debottlenecking 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.
- An improved optimized organization chart for GPIC staff was approved and implemented.

#### Challenges 2018-2019

- Continuity of market instability, financial crunch and escalating energy costs.
- The hottest summer ever with a highest sea water intake temperature of 39.5 °C impacting plant performance.

#### Challenges and goals 2020 and beyond

- To have a safe and successful turnaround 2020.
- Maintain the financial health of the Company through operational excellence and "Optimise Cost to Survive" mind-set.
- 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.
- 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.
- Improve cyber security measures.
- Secure growth and expansion projects through implementing GPIC's 2030 Corporate Strategy.

**WE COMPLETED THE TURNAROUND 2018 IN A SAFE AND EFFICIENT MANNER AND CONTINUED TO OPERATE RELIABLY AND EFFICIENTLY, PRODUCING AND EXPORTING RECORD VOLUMES OF PRODUCTS**

**DR. ABDULRAHMAN JAWAHERY - GPIC PRESIDENT**

## Our Sustainability Strategy

**GPIC's sustainability strategy is centered on the United Nations' pillars of sustainable development: People, Planet, Prosperity, Partnerships and Peace. We measure our success on social responsibility, care for the environment and prosperity. This can only be achieved through partnerships and in a peaceful environment.**

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

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

### **Economic Vitality:**

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

### **Business Continuity:**

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

### **Business Growth:**

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

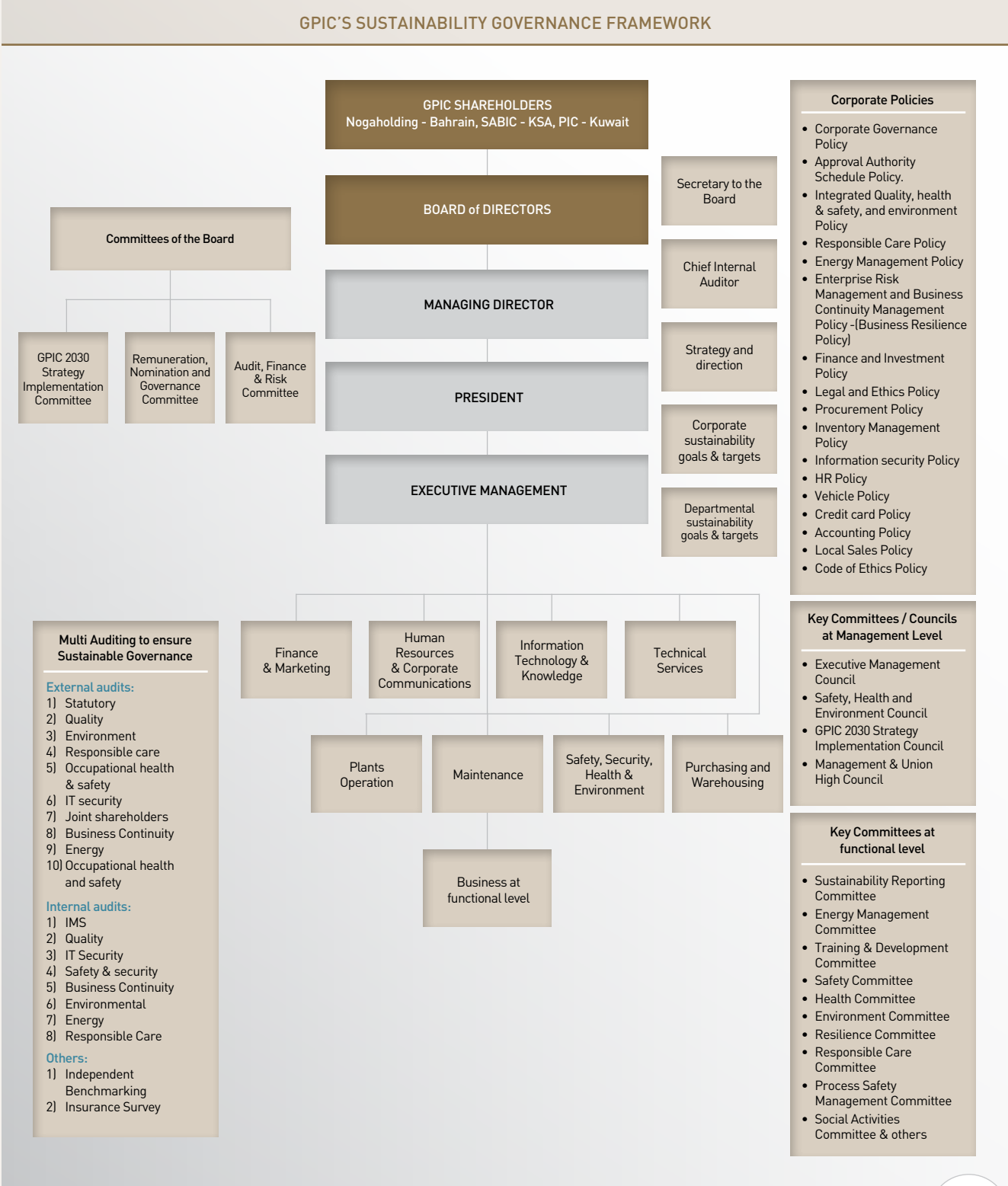
In September 2015, 193 Member States of the United Nations adopted 17 new Sustainable Development Goals (SDGs) to make our world more prosperous, inclusive, sustainable and resilient. These SDGs represent an unprecedented opportunity for companies such as ours, to align their own sustainability goals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

**GPIC'S SUSTAINABILITY GOVERNANCE FRAMEWORK**



## 40 Years of Excellence in Corporate Sustainability - Our Journey

1980



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

1985



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

1989



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

1995



GPIC certified for Quality Management System ISO 9000

2001



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

GPIC started its program of environment awareness lectures to school children

1999



GPIC becomes Environmental Management System ISO 14001 certified

1998



GPIC commissioned its 1700MT/D granular urea plant which also helped in reducing about 0.5 million tonnes of CO<sub>2</sub> emissions annually

1996



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

2004



GPIC becomes OHSAS 18001 Certified

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

2005



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

2006



GPIC becomes ISO 27001 certified

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

2008



GPIC wins HRH Princess Sabeeka award for Empowerment of Bahraini Women

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

2012



GPIC issues its first GRI 3.1 Sustainability Report

GPIC becomes a permanent member of UN Global Compact

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

GPIC wins the Arabia CSR Award

2011



GPIC installs its first solar heating unit

GPIC wins the Arabia CSR Award

HM Queen Margrethe II of Denmark olive oasis inaugurated

2010



GPIC becomes Responsible Care RC - 14001 certified

2009



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

HRH Princess Sabika bint Ibrahim Al Khalifa Aromatic garden inaugurated

2018



GPIC wins the King Hamad award of youth empowerment for achieving the SDGs.

A new Urea Formaldehyde (UF 85) plant was commissioned to make supply chain of our raw materials and chemicals more robust and sustainable.

GPIC wins MRM Business Excellence & Innovation Awards

GPIC issues its fourth GRI Sustainability Report

GPIC President awarded with NSC "CEO who gets it" Award

GPIC wins GPCA Responsible care Award in the Health and Safety

GPIC completes its transition to ISO 14001:2015 and ISO 9001:2015

2019



GPIC wins the Arabia CSR Award in Large Category for the fifth consecutive year

GPIC wins the Dubai Chamber of Commerce and Industry's Corporate Social Responsibility Award

A remarkable safety record with over 32 million man hours (+ 16 years) without a Lost Time Accident.

In 2019, GPIC achieved the highest ever cumulative production of 1,644,590 tons since inception

GPIC transitioned successfully from OHSAS 18001 to ISO 45001

2017



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 SR 2016 - GPIC underwent the GRI Benchmarking Service

2016



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.

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

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

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

2015



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 Shaikh Mohammed bin Rashid Al Maktoum (MRM) 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

Large Category & Partnership & Collaboration Category - 2015

2014



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

GPIC issues its Second GRI 3.1 Sustainability Report

GPIC becomes GRI 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



2013



GPIC becomes ISO 31000 and ISO 22301 certified

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

## Making the SDGs a Reality at GPIC



# PARTNERSHIPS: WHY IT MATTERS

### What's the goal here?

To revitalize the global partnership for sustainable development.

### Why?

In 2015, world leaders adopted the 2030 Agenda for Sustainable Development that aims to end poverty, tackle inequalities and combat climate change. We need everyone to come together - governments, civil society, scientists, academia and the private sector - to achieve the sustainable development goals.

### GPIC 's contribution towards SDG# 17

The Company engages with several international and regional organizations such as; UN Global Compact; National Safety Council (NSC - USA),

Royal Society for the Prevention of Accidents (RoSPA - UK), International Fertilizer Industry Association (IFA), Arab Fertilizer Association (AFA), Gulf Petrochemicals and Chemicals Association (GPCA), Global Reporting Initiative (GRI)

Why partnerships are important for GPIC

- 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

## 17 PARTNERSHIPS FOR THE GOALS



GPIC believes that the Global Goals can only be achieved through partnerships and collaboration.

We need strong, inclusive and integrated partnerships at all levels

- Dr. Abdulrahman Jawahery  
GPIC President



### **GPIC and the UN Sustainable Development Goals**

2018-2019 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 smart and forward looking business approach has embraced the shift from the classical three pillars of Sustainable Development to the 5 P's- People, Planet, Prosperity, Partnerships and Peace. By doing this GPIC has become part of the global transformation for a sustainable future.

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**

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**

**11 STEPS GPIC HAS TAKEN TO CONTRIBUTE TO THE SDGs**



**STEP 5 - GPIC aligned its Corporate sustainability goals with the SDGs**

GPIC has mainstreamed SDGs in its business and has shown alignment with its Corporate Goals since 2017.

**STEP 6 - GPIC aligned its Departmental sustainability goals with the SDGs**

GPIC has mainstreamed SDGs in its business and has shown alignment with its Departmental Goals since 2017.

**STEP 7 - GPIC aligned GRI disclosures with the SDGs in its GRI Sustainability Reports starting 2016**

GPIC aligned the Sustainable Development Goals (SDGs) to GRI standards relevant disclosures, UNGC principles and GPIC 's contribution. These linkages are based on a more detailed analysis available on the SDG Compass website ([www.sdgcompass.org](http://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 are conducting SDG related awareness presentations to Bahrain's School children and also arranging site visits with focus on different themes of SDGs.

**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 work flow for all the Capex and Modifications as part of the management of change system (MOC) system.




GPIC'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, UNGC principles

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

SDGs	UNGC PRINCIPLES	GRI DISCLOSURES	GPIC's CONTRIBUTION
 <p><b>1 NO POVERTY</b></p>	UNGC Principle #1,2,3,4,5,6	GRI 103-2, 202-1, 203-2, 413-2	<b>NO POVERTY:</b> Contributing to economic growth, job creation and trade; Producing fertilizer that increases income of farmers worldwide.
 <p><b>2 ZERO HUNGER</b></p>	UNGC Principle #1,2,7,8,9	GRI 201-1, 203-1, 203-2, 411-1, 413-2	<p><b>ZERO HUNGER:</b> GPIC has produced and exported more than 13.6 million tonnes of granular urea since 1998; a great contribution towards food security.</p> <p>GPIC works with global fertilizer organizations such as IFA and AFA on trainings and capacity building related to fertilizer use , innovative agriculture to increase food production and ensure food security.</p>
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	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	<p><b>GOOD HEALTH AND WELL BEING:</b> Health and Safety for employees, their families and contractors; Full health insurance and health campaigns; Health training and lectures.</p> <p><b>GPIC's First Aid training and Community outreach programme</b> 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.</p>
 <p><b>4 QUALITY EDUCATION</b></p>	UNGC Principle #1,2	GRI 102-27,404-1	<b>QUALITY EDUCATION:</b> 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.








## Linking the SDGs, UNGC, GRI and GPIC's Contribution





SDGs	UNGC PRINCIPLES	GRI DISCLOSURES	GPIC's CONTRIBUTION
 <p><b>5 GENDER EQUALITY</b></p>	<p>UNGC Principle #1,2,3,4,5,6</p>	<p>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</p>	<p><b>GENDER EQUALITY:</b> Women are represented in training, events, committees, audits, etc... GPIC is committed to UN Global Compact Women's Empowerment Principles WEPs since 2014. Our initiatives include showing support to Government's initiative of declaring 2017 as the year for Bahraini Women working in the Engineering field. To contribute to this initiative GPIC has included a number of women engineers in all the phases of its new project "the installation of a UF 85 plant". GPIC has elevated the Equal opportunities committee to the Equal opportunities council. Equal opportunities council mandate includes equal remuneration and promotion of women in the workplace.</p>
 <p><b>6 CLEAN WATER AND SANITATION</b></p>	<p>UNGC Principle #1,2,7,8,9</p>	<p>GRI 303-1, 303-2, 303-3, 304-1, 304-2, 304-3, 304-4, 306-1, 306-2, 306-3, 306-5</p>	<p><b>CLEAN WATER AND SANITATION:</b> GPIC's Long Term Sustainability Goals include water conservation; Energy efficiency (water+energy nexus); Campaigns to reduce water use.</p>
 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<p>UNGC Principle #1,2,7,8,9</p>	<p>GRI 201-1, 203-1, 302-1, 302-2, 302-3, 302-4, 302-5</p>	<p><b>AFFORDABLE CLEAN ENERGY:</b> GPIC's Long Term Sustainability Goals include increasing renewable energy and energy efficiency; ISO 50001 certification; Ongoing projects and campaigns to save energy;</p> <p>The project to replace conventional lights with LEDs started in 2013. So far 6604 LEDs have been installed with an energy saving of 1486.35 MWH/year and CO2 reduction of 741.66 Tons/year.</p>
 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<p>UNGC Principle #1,2,3,4,5,6</p>	<p>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 GRI 201-1, 203-1</p>	<p><b>DECENT WORK AND ECONOMIC GROWTH:</b> Providing jobs, contribution to Bahrain's economy and supporting local contractors; Sponsoring events in the community to boost economic growth. GPIC has injected since inception US\$ 5.067 billion in the national economy.</p>





SDGs	UNGC PRINCIPLES	GRI DISCLOSURES	GPIC's CONTRIBUTION
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	UNGC Principle #3,4,5,6,7,8,9	GRI201-1,203-1	<p><b>INDUSTRY, INNOVATION &amp; INFRASTRUCTURE:</b> Innovation Committee campaigns and activities; Support innovation in the community (e.g. university research, InJaz innovation camp). Suggestion and best practice programme.</p> <p>In acknowledgement of its great strides towards innovation, GPIC has won the Mohammed Rashid bin Maktoum Business Innovation Award in 2017 and 2019</p>
 <p>10 REDUCED INEQUALITIES</p>	UNGC Principle #1,2,3,4,5,6,10	GRI 203-2,405-2	<p><b>REDUCE INEQUALITIES:</b> Responsible Care protects wellbeing of all people involved with the company's business; Sharing expertise with all industry regardless of size or position; equal employment opportunities; Injaz – working with all schools to develop skills and knowledge. Since most of the world's poor are farmers, fertilizers help farmers to increase their incomes.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	UNGC Principle #1,2,7,8,9	GRI 203-1	<p><b>SUSTAINABLE CITIES AND COMMUNITIES:</b> GPIC's Long Term Sustainability Goals are in line with Bahrain's Vision 2030; Contributing to Bahrain's community and events (exhibitions, farmers' market, etc.).</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	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	<p><b>RESPONSIBLE CONSUMPTION &amp; PRODUCTION:</b> Resource efficiency; Energy conservation and efficiency, high on-stream factor resulting in less venting and flaring. Maintaining air and water quality. Continuously increasing recycling and reuse (e.g. cardboard recycling began in 2015); Ongoing campaigns to reduce waste and encourage recycling; currently underway with several optimization projects around sustainable resource efficiency. Sustainability Reporting and advocating it as part of target 12.6.</p>
 <p>13 CLIMATE ACTION</p>	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	<p><b>CLIMATE ACTION:</b> Bahrain has committed to reduce its CO<sub>2</sub> emissions at the UN COP 21 conference in Paris (2015).; GPIC shared its CO<sub>2</sub> 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 CO<sub>2</sub> emissions; GPIC issues annual reports on GHG inventory based on IPCC guidelines since 2016 . Carbon Dioxide Recovery (CDR) and Urea plants are main contributors to CO<sub>2</sub> emission reduction at GPIC.</p>








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

SDGs	UNGC PRINCIPLES	GRI DISCLOSURES	GPIC's CONTRIBUTION
 <p>14 LIFE BELOW WATER</p>	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	<p><b>LIFE BELOW WATER:</b> Seawater outfall monitoring to protect sea life; Ground water monitoring thru borewells Maintaining the Fish Farm; Following strict marine standards for shipping products internationally.</p> <p>Fish were released in GPIC's Fish Farm in 2018 in the presence of UN Environment Director and the school children, showing commitment to SDG 14.</p>
 <p>15 LIFE ON LAND</p>	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	<p><b>LIFE ON LAND:</b> Engaging with Supreme Council for Environment on developing Bahrain's Biodiversity Strategy and online biodiversity database; Increasing employee awareness on biodiversity.</p> <p>Biodiversity related projects at GPIC (Bird sanctuary, fish farm, mangroves plantation, date palm trees etc.).</p> <p>Participating in UN's Green Wave Campaign since 2015 and distributing 3,600 saplings in 90 schools.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	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	<p><b>PEACE, JUSTICE AND STRONG INSTITUTIONS:</b> Aligned with human rights and labour laws; Working with National Institute of Human Rights (NIHR) and Judicial Council on human rights training.</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	UNGC Principle #1,2,3,4,5,6,7,8,9,10	GRI 203-2	<p><b>PARTNERSHIPS FOR THE GOALS:</b> Ongoing partnerships (e.g. UN Environment, Ministry of Education, InJaz, universities); founding of GPCA; working with the National Institute of Human Rights NIHR), Judicial High Council, IFA, AFA and encouraging other companies to do the same.</p>

## GPIC's Long-Term Sustainability Goals - A Vision for the Long-Term

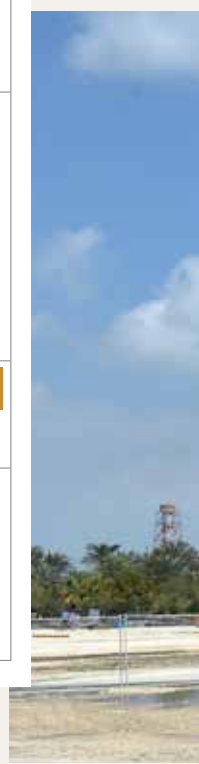
Over the past, we have set and implemented goals that were critical to improve our environmental, health, safety, economic and social performance and governance. However, now we aim to look beyond the horizons and incorporate significant long-term goals that will help us meet our ambitions around sustainability 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.

PERFORMANCE AREA	GOALS	TARGET	2018 PERFORMANCE	2019 PERFORMANCE	PROGRAMME(S)/REMARKS	SDG
Safety , Health & Security	To attain the target level of SHE incidents during the reporting period and maintain a high level of safety (personnel and environment) at GPIC site at all times.	Zero Lost Time Accidents	<b>Zero LTA</b>	<b>Zero LTA</b>	<ul style="list-style-type: none"> <li>Enhance SHE culture until it becomes an established natural behavior.</li> <li>Ensure Robust security and 100% readiness at all times</li> <li>Participate in international SHE awards, RoSPA and BSC awards.</li> <li>Enhance SHE by re-developing the BBS program and safety during the Turnaround.</li> <li>Further enhance Process Safety Management (PSM) by quarterly updates &amp; monitoring of PSM KPIs by PSM committee and yearly presentations on lessons learned.</li> <li>Support and contribute to local, regional and international SHE events.</li> <li>Participate in SHE activities through sponsorships, memberships and voluntary engagement &amp; bench marking.</li> </ul>	
	To ensure availability and readiness of security systems at %100 all the times	Security readiness (%100)	<b>100%</b>	<b>100%</b>	<ul style="list-style-type: none"> <li>Security readiness will be tried and tested through exercises held throughout the year.</li> <li>Communication with national bodies NSA, Police and Traffic Directorate.</li> <li>Carry out different activities</li> </ul>	
Corporate Social Responsibility	To ensure that local CSR initiatives and programmes are managed and conducted according to the set target.	<b>1. Strategic Philanthropy:</b> Sustained financial contributions to NGOs, Educational institutions, charity organizations etc.	<b>100%</b>	<b>100%</b>	Financial contributions and capacity building an important segment of our CSR activities.	
		<b>2. OutReach:</b> Achieve yearly target of schools environmental awareness lectures environmental awareness lectures	<b>39 School lectures delivered</b>	<b>32 School lectures delivered</b>	Through communication with the Ministry of Education, the lectures programme are coordinated and planned. List of schools to be visited with programme schedule are circulated to all GPIC graduates engineer to conduct the lectures as planned.	
		<b>3. Innovation:</b> Sustained support to GPIC/Ministry of Education Environmental Research Programme for schools	<b>2017/2018 cycle completed successfully. 2018/2019 In progress</b>	<b>2018/2019 cycle completed successfully. 2019/2020 In progress</b>	GPIC in collaboration with the Ministry of Education, Kingdom of Bahrain supports and manages the yearly Environmental Research Programme for the public and private schools in Bahrain.	
	To ensure 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	<b>GPIC UNGC COP/ SR 2018 issued in March 2018</b>	<b>GPIC UNGC report issued in March 2019</b>	<ul style="list-style-type: none"> <li>Making sustainability reporting as integral part of the business through ensuring the full engagement of the relevant stakeholders vis means such as surveys , meetings, presentations etc.</li> <li>We comply with requirements of the GRI Standards in terms of engaging with internal and external stakeholders in identifying and focusing on reporting the material topics from the stakeholders' point of view.</li> <li>Sustainability Committee to ensure the required data is gathered on time and in the correct format to meet GRI and UNGC requirement.</li> </ul>	 
Learning and Growth	To ensure the target percentage of hours of training is attained during the reporting period.	1. Achieve yearly target of qualifying local talent to take responsible positions within the Company	<b>20,230 training hours for local employees were achieved in 2018.</b>	<b>29,721 training hours for local employees were achieved in 2019.</b>	<ul style="list-style-type: none"> <li>Developing and execute the Competency based Training plan for all GPIC employees.</li> <li>Making effective use of e learning initiatives for training employees.</li> </ul>	

GPIC's Long-Term Sustainability Goals - A Vision for the Long-Term

PERFORMANCE AREA	GOALS	TARGET	2018 PERFORMANCE	2019 PERFORMANCE	PROGRAMME(S)/REMARKS	SDG	
PLANET	Environmental Sustainability	1. Provide Solar Energy to non-process area buildings	The project will be revisited once it becomes more viable commercially	A new 3 MW Solar energy project at GPIC has been approved and will be implemented in 2020/2021.	Implementation of the related Solar Energy Capex Projects in a phased manner.		
		To phase out Ozone depleting and global warming potential HCFC's including R-22 as refrigerants from GPIC	2. Replace R22-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.	Implementation of the related Capex Projects in a phased manner.  Replace R-22 Refrigerant AC units in 9 phases starting 2015 and completing by 2023.	
		To reduce Green House Gas (GHG) emission levels	3. Reduce GHG emissions below 2014 levels for the existing plants	In progress. Total GHG emissions for 2017 (IPCC guidelines) is 1.13 million tonnes of CO <sub>2</sub> e. 2018 GHG inventory will be ready by March 2019	In progress. Total GHG emissions for 2018 (IPCC guidelines) are 1.08 million tonnes of CO <sub>2</sub> e. 2019 GHG emissions are 1.12 million tonnes of CO <sub>2</sub> e	<ul style="list-style-type: none"> <li>Ensure efficient and continued operation of carbon dioxide recovery plant.</li> <li>Maintain the current greenery projects and explore further expansion.</li> <li>Maintain efficient and continued operation of all the plants to have minimum possible flaring and venting of GHGs mainly carbon dioxide and methane.</li> </ul>	
		Optimize energy consumption so that every saleable tonne of product is attained within the target level of energy consumption 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 project.	4. Energy consumption <= 7.99 Gcal/MT of combined product	7.58 Gcal /MT Target exceeded	7.37 Gcal /MT Target exceeded	<ul style="list-style-type: none"> <li>Maintain all equipment to operate efficiently and effectively.</li> <li>Carry out Desal units cleaning, inspection and maintenance.</li> <li>Carry out regular monitoring of energy and review and take actions to minimize losses.</li> </ul>	
				The energy saving projects of using excess steam from urea to CDR and integrating BFW pumps were successfully completed in May 2018	The Debottlenecking (DBNII) Project study revealed that the project was not feasible and been cancelled as per Board Resolution No. 2019/199/2.	Explore & implement projects with energy conservation potential with focus on significant energy uses. Including a probable debottlenecking project of the existing process plants and utilities.	
		To ensure Compliance to Environmental Legislation	5. 100% compliance to Bahrain Environmental Legislation	100% compliance	100% compliance	100% Compliance to Environmental legislation.	
		Reduce water consumption	6. Increase recycle / Reuse of waste water streams	Specific water consumption per ton of product has reduced in 2018 in particular after the Turnaround April 2018 due to efficient run of plants.	Specific process water consumption per ton of product has reduced in 2019 due to efficient run of plants.	Explore & implement projects with water conservation potential	





PERFORMANCE AREA	GOALS	TARGET	2018 PERFORMANCE	2019 PERFORMANCE	PROGRAMME(S)/REMARKS	SDG
<b>PROFIT</b>	Economic sustainability	To Maintain the financial Health of the Company	<b>1:3.5 Target exceeded</b>	<b>1:5 Target exceeded</b>	<ul style="list-style-type: none"> <li>Optimize costs, inventories, expenditures and resource utilisation to maintain financial health of the company.</li> <li>Reviewing the Statement of Financial Position (Balance sheet) reported thorough Monthly Management report every month.</li> </ul>	
	Implementation of GPIC Corporate Strategic plan 2030	1. Tap in potential areas of Growth	<b>Projects opportunities outside Bahrain being evaluated</b>	<b>Projects opportunities outside Bahrain being evaluated</b>	Implementation of GPIC Corporate Strategic plan 2030, tapping in potential areas of Growth including the debottlenecking of existing facilities for energy efficiency and production capacity enhancement	
		2. Debottlenecking of existing facilities for improved energy efficiency and enhanced production capacities	<b>Preliminary ""pre-feasibility"" report for a probable Debottlenecking Project received from all licensors/contractors.</b>	<b>The Debottlenecking (DBNII) Project study revealed that the project was not feasible and been cancelled .</b>	<p>Explore all opportunities to enhance production of all the production plants, improve efficiencies by adopting energy saving and conservation concepts throughout the complex, and also to explore major enhancement opportunities that aim at optimising production cost and improve efficiency.</p> <p>Engaging licensors, specialised consultants, and alternative Energy Suppliers to discuss and produce a comprehensive report to explore the following:</p> <ol style="list-style-type: none"> <li>1) Enhancement of Ammonia, Methanol and Urea production</li> <li>2) Explore efficient electricity production, by adopting co-generation</li> <li>3) Explore efficient &amp; enhanced water production &amp; management opportunities</li> <li>4) Explore energy efficient turbines &amp; compressors for main machines</li> <li>5) Investment in Solar Energy for Power generation</li> </ol>	
	Business Process Excellence	To optimize plants (Ammonia, Methanol and Urea) availability.	1. Actual on-stream factor $\geq$ budget on stream factor	<b>92.85 OSF was achieved in 2018 mainly due to turnaround 2018</b>	<b>100%</b>	<ul style="list-style-type: none"> <li>Carry out corrective and preventive maintenance rigorously to maintain the desired plant reliability.</li> <li>Enhance reliability and efficiency of plants and ensure Optimum Plants availability.</li> </ul>



# Strategy & Profile

of the Gulf Petrochemical  
Industries Company



## Strategy and Profile



### STATEMENT FROM THE CHAIRMAN Presenting Overall Vision GRI 102-14

Welcome to our fifth GRI Sustainability Report 2020 '40 Years of Sustainable Success' the theme of the report highlights the wonderful journey that began 40 years ago, when GPIC was born in December 1979 as a petrochemicals joint venture. With sustainability at the heart of its strategy, GPIC is actively involved in the creation of a better world for future generations by tackling pertinent sustainability issues and balancing environmental, social and economic value.

Welcome to our fifth GRI Sustainability Report 2020 '40 Years of Sustainable Success' the theme of the report highlights the wonderful journey that began 40 years ago, when GPIC was born in December 1979 as a petrochemicals joint venture. With sustainability at the heart of its strategy, GPIC is actively involved in the creation of a better world for future generations by tackling pertinent sustainability issues and balancing environmental, social and economic value.

GPIC's smart and forward-looking business approach has embraced the shift from the classical three pillars of Sustainable Development to the 5 P's - People, Planet, Prosperity, Partnerships and Peace.

By doing this GPIC has become part of the global transformation for a sustainable future.

To promote transparency, accountability and to share our sustainability performance globally we have prepared this report in accordance with the GRI Standards-Comprehensive and share our performance on social progress, environmental protection, economic growth and prosperity for 2018-2019.

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 Paris Climate Agreement Landscape. We also proudly support the 17 Sustainable Development Goals (SDGs) and have taken several actions 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 continue to strengthen our partnerships and collaboration at both the regional and international level. We maintained our membership since 2012 and further strengthened our commitment to the world's leading corporate sustainability initiative -The UN Global Compact (UNGC) and its ten principles.

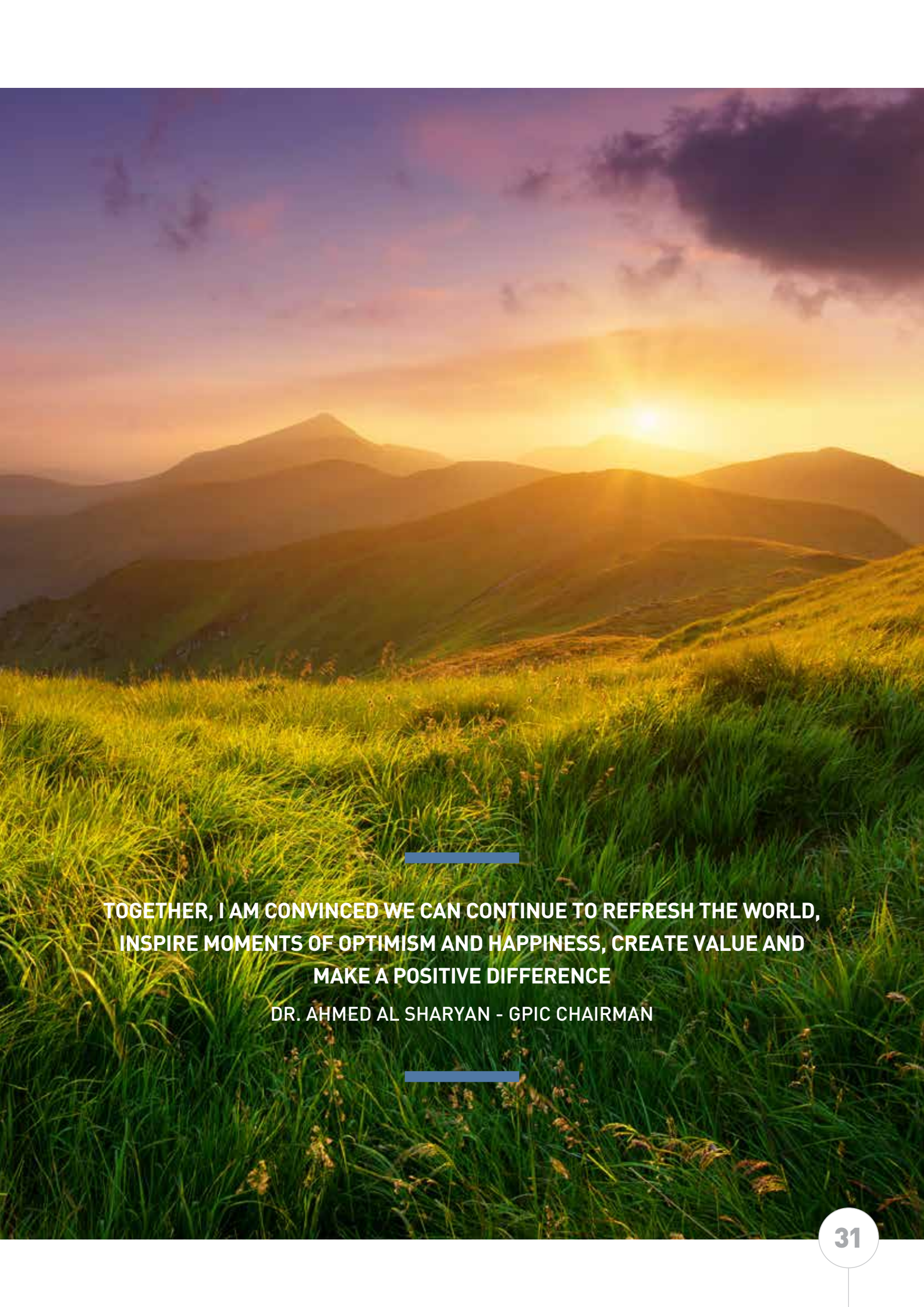
As a stakeholder of GPIC, we thank you for your continued support and interest in the strategic efforts of GPIC. We appreciate you taking the time to review this report which encompasses our material sustainability initiatives and invite you to share your thoughts with us.

With sustained focus on all aspects of our business including; Safety, Security, 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.

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





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**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**

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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.**

At GPIC, we have long believed that business has both the opportunity and an obligation to make the world a better place. Over the past 40 years of our existence, 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 optimisation. Financial optimisation 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 highlighted our performance and progress on other key signature platforms, such as; UNGC Food and Agriculture Business Principles, Women Empowerment Principles and Sustainable Development Goals.

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.

**Samir A. Al-Abdrabbuh**  
GPIC Managing Director



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**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**

**SAMIR A. AL-ABDRABBUH - MANAGING DIRECTOR**

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Strategy and Profile



**STATEMENT FROM THE PRESIDENT**  
Presenting Overall Vision **GRI 102-14**

Welcome to our fifth GRI Sustainability Report 2020 which shares our performance on social progress, environmental protection, prosperity and partnerships. It also provides details on our GRI Standards, 'Communication on Progress' for the UN Global Compact (UNGC) Principles, the Food and Agriculture Business (FAB 6) Principles, the Women's Empowerment Principles (WEPs) and our progress on integrating the 17 Sustainable Development Goals (SDGs) into our business practices.

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This year marks the 40<sup>th</sup> anniversary of GPIC's commitment to sustainability and our ongoing commitment to ensuring we remain a responsible company, endeavouring 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 a Community Member of GRI and, networking and collaborating with the public and private sectors, including NGO's, such as; UN Environment, UNGC, IFA, AFA, ROSPA and the National Safety Council.

2018 and 2019 were extremely challenging years for GPIC - despite extremely difficult market conditions and economic volatility underpinning our markets, we were able to overcome these challenges through our efficient and streamlined operations and cost optimisation initiatives. We completed the Turnaround 2018 in a safe and efficient manner and continued to operate reliably and efficiently, producing and exporting record volumes of products, which resulted in the year 2019 being the best and most productive operating year in the history of this great GCC JV Company.

In 2019, we achieved over 32 million man-hours without lost time hours and the Company's Safety, Health and Environmental (SHE) achievements continue to shape the industry's standards both regionally and globally. We continued to excel in many areas and received several global awards and recognitions.

As we usher in 2020, we know that our 'Optimise Cost to Survive' mind-set must remain focused; that we must deliver financial success and sustainable returns for our shareholders; that we must continue to innovate beyond the boundaries of standard practices; and, that we must build our people capability and deliver on the ambitious goals and targets we have set for the future. We must target and work to achieve a successful and safe Turnaround 2020. We can achieve this and more through the values, reliability, integrity, professionalism and team work of our work force

GPIC can maintain its position as a pioneer in best practice and sustainability- as it has done for the past 40 years, and contribute to the global transformation for a better tomorrow, by taking action on the 17 Sustainable Development Goals, through partnerships and collaboration.

**Dr. Abdulrahman Jawahery**  
President



**WE HAVE COMMISSIONED 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**

## General Disclosures

**GRI Standard Number: GRI 102**

**Disclosure Number: 102-15**

### Key Impacts, risks and opportunities

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

The company's operations is potentially affected by a range of risks, some of which are beyond its control. Corporate-level identification, monitoring and management of risk is systematically accomplished through the company's Enterprise Risk Management approach. The most significant risk factors that could affect our business are included in our Enterprise Risk Register. There are eleven key risks that are monitored and managed proactively that cover impact on the significant functional areas ranging from financial to operational, safety, health and environment, reputational, cyber security, marketing, shareholders, raw material availability, market volatility, human talent recruitment and retention, etc.

The Company assesses financial risk from many perspectives. Examples include the potential impact of weather-related events, access to credit, and volatility in purchased feedstock and energy costs. Risk management results are regularly communicated internally with a formal annual review with the Board of Directors and the Audit, Finance and Risk Committee. GPIC's Internal Audit Function plays a major role in monitoring, managing and enforcing ethics within all aspects of the business functions.

All the ERM risks are regularly reviewed and updated as deemed necessary. Risk of Economic uncertainty impacted every industry

and sector during the past couple of years. This provided an opportunity for GPIC to redefine and reshape its global marketing strategy and assertively continue to build its brand reputation and product quality within the international market. Despite a sharp drop in market prices and continued uncertainty, the company was able to sustain and streamline efficient operations through cost optimization initiatives.

GPIC's leadership and the corporate board are firmly committed to sustainable growth year on year. The company's expansion aspirations are based on organic growth in the petrochemical market by developing emergent operational capacity and nurturing the global customer base. The talented workforce combined with the supportive business environment will help in driving the growth in the company's global footprint. The company's competitive cost of doing business strategy supported by key stakeholder partnerships and relationships at a local, regional and international level, will also be some of the key success factors for the expansion plans in the near future.

During 2018/2019, despite of the challenging climatic conditions and the sea water temperature peaking to 39 C (at its sea water intake), GPIC was able to maintain all its plants at the highest level of safety, productivity and reliability.

The risk management portfolio has been reinforced through initiating the Business Continuity Management system ISO-22301. Post-combining the ERM and BCM under the umbrella of the Resilience committee, all the Business Impact analysis and the Business Continuity plans are reviewed and exercised regularly across the organization. The 13 ERM risks have been reviewed and updated as 11 ERM risks. Cyber Security has been added to the Risk profile and a dedicated Cyber Security committee has been formed.





Date palm trees at GPIC

Enterprise Risk Category	Risk No.	ERM Risk
Safety	1	Major Safety, Health and Environment Incident
Strategic	2	In ability to secure a successful investment
Operational	3	Reduction/ Interruption/Limitation of feedstock and supplies
	4	Failure to export products
Business	5	Increase in natural gas price above agreed tariff
	6	Reduction of product market prices to a level that equals the production cost per ton
	7	Loss of customer trust
	8	Digital business interruption due to cyber security
	9	Failure to attract or retain experienced and competent staff
	10	Unauthorised release of sensitive data
Financial	11	Financial crime or unexpected financial loss

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, totaling 1.6 million tonnes of cumulative production each year. The ammonia and methanol plants were commissioned in 1985 whereas the granular urea plant was set 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 set up 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, South Africa, India and Australia.

GRI Standard Number: **GRI 102**

Disclosure Number: **102-7**

**Scale of the Organization**

Personnel count was 425 on December 31, 2019  
 Net Sales 2018 - US\$ 341 million  
 Net Sales 2019 - US\$ 308 million  
 Total Capitalization - US \$159 million (100% equity)  
 Total Assets 2018 - US\$ 610 million  
 Total Assets 2019 - US \$ 557 million  
 Total number of operations- Single site operation at Sitra, Bahrain  
 Quantity of products produced - 2018 - 1,503,808 metric tonnes  
 Quantity of products produced -2019 - 1,644,590 metric tonnes



## General Disclosures

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
	Percentage	8.7 %	91.3%	100%
2015	Number of Employees	53	515	568
	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%
2018	Number of Employees	36	415	451
	Percentage	7.98%	92.02%	100%
2019	Number of Employees	35	390	425
	Percentage	8.24%	91.76%	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%
2018	451	386	85.5%
2019	425	376	88.4%

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 feeds the integrated production of the Company's three products is natural gas. The Company purchases natural gas from Tatweer Petroleum, mainly to produce ammonia and methanol and also to generate electricity and steam. GPIC also purchases electric power to supplement internal generation. The

products from ammonia production process which are mainly liquid ammonia and gaseous carbon dioxide are used as raw material for the manufacture of granular urea.

The three products are exported globally by our marketers who are also our shareholders SABIC, Saudi Arabia and PIC Kuwait. These products are transported by sea. Proper handling of these products is critical to avoid harm to people's health or to the environment and we are committed to quality, safety and sustainability throughout our operations. GPIC Purchasing collaborates with suppliers around the world to help our businesses meet their objectives for profitability, growth, innovation, diversity and sustainability. GPIC Purchasing looks for suppliers that demonstrate a commitment to reliable, high-







quality supply relationships embody highly responsible, ethical business practices, including sustainable labor practices. As an enhancement, in 2014, Responsible Care aspects related to minimum Safety, Health and Environment requirements have been added in the pre-qualification criteria of services contractors. This requires contractors to provide their SHE policies, training records, previous accident/ incident records, hazardous waste management license and certification etc.

GPIC has successfully transitioned to ISO 14001-2015 and 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 1875 and out of those, 727 are local suppliers (39%). During 2019 forty three (43) new suppliers were registered which includes 25 local suppliers (58%). Number of service vendors screened through Safety, Health and Environment (SHE) assessment criteria(2019): 25 (58 %). GPIC being a Responsible Care certified Company and IFA protect and Sustain product stewardship certified company puts great emphasis on maintaining safety, health, security and environmental excellence throughout the product life cycle. GPIC is rolling out a Gulf Sustainability & Quality Assessment System (SQAS) for its Logistics Service providers (LSPs) and chemical suppliers, which will further enhance safety and reliability throughout the supply chain. To start with GPIC is targeting a local business that is buying our Methanol as raw material. The Company has engaged a certified assessor and is moving forward with SQAS.

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

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 the period 2016-2019. 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's Debottlenecking & Energy Efficiency Committee worked with consultants for a detailed feasibility study of a Debottlenecking of the existing plants. The primary objective was 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. The study highlighted the project as not being viable. GPIC is also seriously exploring joint ventures in other countries.

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. The plant was commissioned in December 2019 and is catering for all the UF 85 requirements of its urea plant and hence no dependency on import of UF 85 from Saudi Arabia. In addition to this GPIC's export of methanol to downstream consumers in Bahrain has been ongoing since 2016.

On the organization side, after the appointment of the first female Human Resource and Corporate Communications Manager at GPIC, the Company employees selected the first female member of its Labour union during the recent elections in 2019, highlighting GPIC's strong commitments towards women empowerment.

GPIC also appointed a new Board and a new MD during the reporting period.

**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**

## General Disclosures

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 well-defined process for assessing and managing risks which is science-based, and ensures decision-making includes an appropriate evaluation of risk and benefits and is evidence based. 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 (WEPS) Principles:

In 2014 GPIC's President signed his support and commitment to the WEPS.

**(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 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)

##### Others

- 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 190-200. 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 issues could occur, both within and outside of the Company. Within the Company, the material issues

impact the entire organization. Outside of the Company, the material issues typically impact areas like the value chain (which includes our suppliers), transportation, distribution, customers satisfaction and the wider community.

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 in relation material topics were assigned to different members of the SRC who coordinated with the relevant sections/ divisions 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.

## General Disclosures

### GRI 102-46

#### Fundamental processes

Following complementary processes together form our picture of materiality, as defined in the 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 and on our stakeholders.

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:

- More than 20 media sources were targeted with an extensive keyword search for GPIC and its subsidiaries during 2016 and 2017, and additional years where issues were time/period sensitive.
- The use of 'search strings' in order to filter out sustainability related material issues.
- Prioritization of results based on 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 issues were for GPIC. To ensure that we recorded all issues that were deemed relevant, the media search was extended to provide a sectoral cover across the petrochemical sector and our stakeholders in the region.

#### Issues pertaining to International Standards and Benchmarking

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





### GRI 102-46

Sustainability strategy and our long-term sustainability goals: Our sustainability strategy and our long-term sustainability goals provide a basis for our report content. (Refer to our sustainability strategy and long-term sustainability goals)

Having prioritized the material issues, accounted for the externalities, and applied a lifecycle thinking where relevant, the materiality assessment at GPIC becomes a process that impact GPIC beyond just the content of GPIC's sustainability report, but also an important element for the Company to incorporate sustainability and risk assessment 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.

**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 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 area 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
- 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

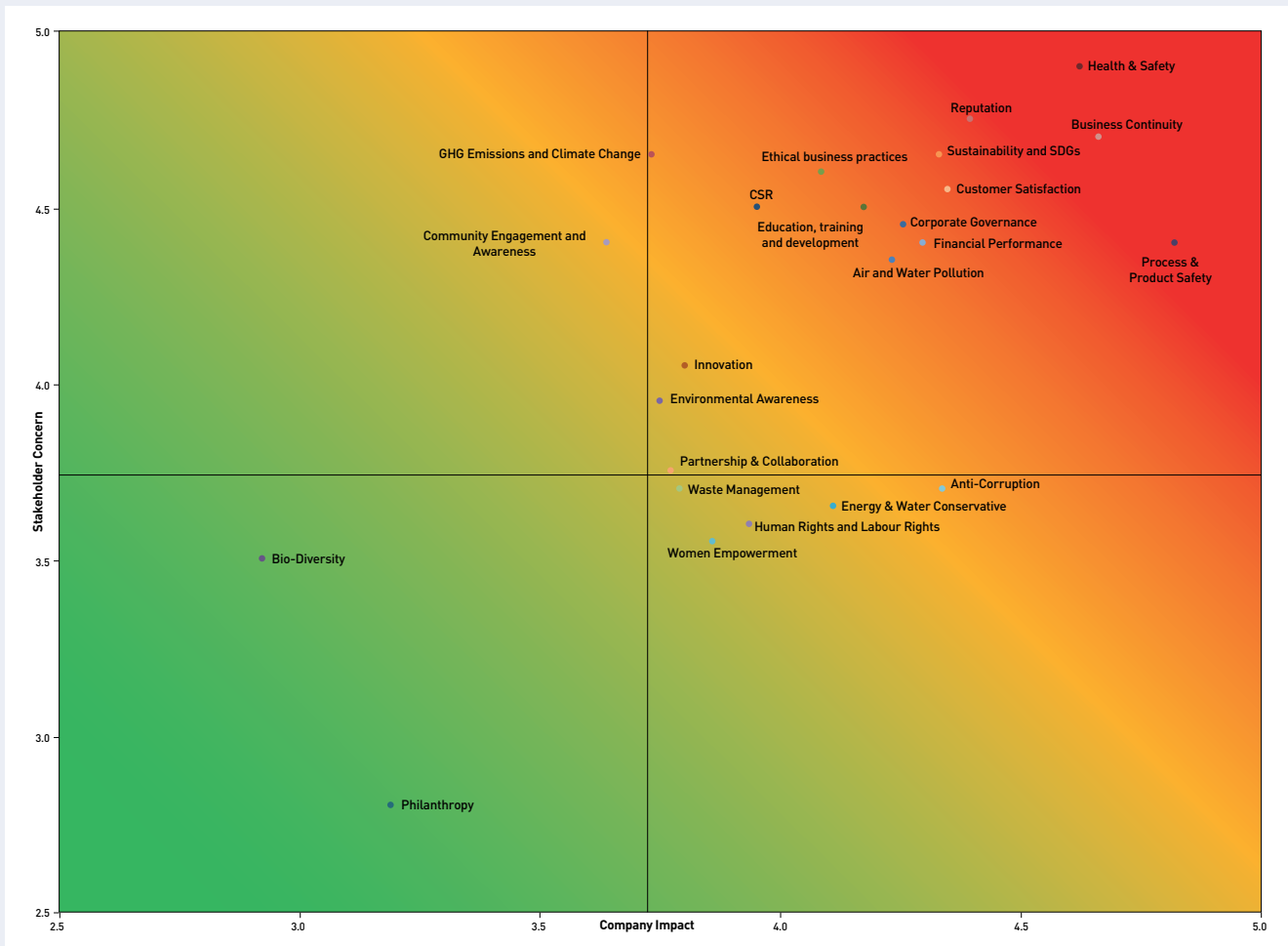
General Disclosures

**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**

There were no significant changes in reporting during the subject period.

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 the demands of a rapidly evolving marketplace while also managing the expectations of society effectively. For GPIC, engagement with our stakeholders is a continual process that helps 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 is 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 102-40**

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 impacted 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 with whom we should consider active engagement and ranked them 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 with whom to engage with directly and indirectly.

We assessed each stakeholder category comprehensively and decided to engage with six categories of stakeholders. During the brainstorming session, involving the GPIC Sustainability Reporting Committee and the external third party consultants (KPMG), proper validation was provided as to why each stakeholder was considered for engagement or otherwise. In 2015/2016 we carried out a detailed in depth stakeholder engagement process, both internal and external as part of our Materiality Exercise. As per international best practices we have conducted a High level Materiality Review every 2 years and a detailed review post 4 years.

As we have conducted a detailed exercise in 2015/2016, we conducted 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 considered them material.

This exercise started in October 2019 and concluded in December 2019. Questionnaires were sent to select managers, superintendents, supervisors and some staff at the shop floor level and was also shared with select external stakeholders as was done in 2016.





General Disclosures

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	The board of directors meet on quarterly basis and five meetings are held in a year. In addition, an Extraordinary General Meeting and an Annual General Meeting were convened in 2019. In addition to this the Committees of the Board also meet on regular basis. In 2019 the three Board committees met nine times.	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 5) Financial Statements 6) internal audit activities and reports 7) external audit reports.
2	Employees	<ul style="list-style-type: none"> <li>- 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)</li> <li>- Strategic executive management and management meeting during the first quarter to discuss and share company performance, future strategies and challenges.</li> </ul> <p>The attendees include managers, superintendents, current and potential employees, Labour Union members .</p> <ul style="list-style-type: none"> <li>- Regular meetings right from shop floor to top-tier management level</li> <li>- Involvement in functional committees and councils (meetings from daily to once a year)</li> <li>- Printed publications, such as the company magazine (at least once a quarter or special editions covering special occasions)</li> <li>- On-line communication tools such as e-mails, websites, intranet</li> <li>- Regular Labour Union meetings with employees and management</li> <li>- Open face to face discussions</li> <li>- Conferences, forums, presentations</li> <li>- Suggestion schemes</li> <li>- Regular sectional meetings</li> <li>- Regular shift talks</li> </ul>	<ul style="list-style-type: none"> <li>- Recruit the right people at the right time for the right position</li> <li>- Employee satisfaction and motivation</li> <li>- Employee development competency review and enhancement</li> <li>- Safety and Health care</li> <li>- Employee retention</li> <li>- Employee benefits</li> <li>- Work ethics</li> <li>- Engagement</li> </ul>





**GRI 102-43**

	Stakeholder	Mechanism for Engagement / Typical frequency	Key topics of Interest
3	<b>Local Community</b>	<ul style="list-style-type: none"> <li>- Open to visits by community members to our industrial areas (minimum of 45 visits per year)</li> <li>- Environmental awareness lectures delivered by GPIC employees to Bahrain schools at various levels (minimum 30 lectures per year)</li> <li>- Media - electronic and press (throughout the year)</li> <li>- Social investment (financial support)</li> </ul>	<ul style="list-style-type: none"> <li>- Support for their community needs</li> <li>- Education and awareness on environmental issues</li> </ul>
	<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>- Conferences and speaking engagements (periodic)</li> <li>- Presence at various business leader forums and policy advisory groups (as and when invited)</li> <li>- Working closely with local authorities during the planning and implementation of new projects (as and when invited)</li> <li>- Working closely with regulators related to environment, safety and health to ensure legal compliance (according to the committee charter with minimum once per year)</li> <li>- Regular audits by government officials (minimum one visit per year)</li> <li>- GPIC representation and participation in governmental entities, committees and task groups (periodic)</li> <li>- GPIC President's representation in different governmental entities (periodic)</li> </ul>	<ul style="list-style-type: none"> <li>- Legal, legislative and regulatory compliance</li> <li>- Information sharing</li> <li>- Skills, economic development and employment opportunities</li> <li>- Labour standards and employee rights</li> <li>- Minimising environmental impact</li> <li>- Alignment with Kingdom of Bahrain's vision 2030</li> <li>- Sustainability of raw materials</li> <li>- Waste management, effluents and recycling activities</li> <li>- Security</li> </ul>
5	<b>Suppliers and contractors</b>	<ul style="list-style-type: none"> <li>- Supplier conferences, forums and workshops</li> <li>- Day to day communications between suppliers, vendors, buying teams and technologists</li> <li>- Meetings with suppliers (minimum one kick off meeting)</li> <li>- Formal feedback from contractors, vendors. (after major activities such as biennial turnarounds)</li> </ul>	<ul style="list-style-type: none"> <li>- Long term relationships</li> <li>- Equal opportunity, fair treatment and competitive pricing</li> <li>- Sustainability of their products and services</li> <li>- Sustainability of raw materials</li> <li>- Social responsibility with a focus on human rights for the work force</li> </ul>

## General Disclosures

## GRI 102-43

	Stakeholder	Mechanism for Engagement / Typical frequency	Key topics of Interest
6	Distributors	<ul style="list-style-type: none"> <li>- Day to day communication,</li> <li>- Meetings</li> <li>- Phone calls</li> <li>- Contracts</li> <li>- Written communication(e-mails, faxes)</li> </ul>	<ul style="list-style-type: none"> <li>- Reputation</li> <li>- Sustainability of Products/Services</li> </ul>
7	Media	<ul style="list-style-type: none"> <li>- Responses to media requests for information and interviews (as and when requested)</li> <li>- Conferences and speaking engagements (periodic) - GPIC's official website (available 24 hours)</li> <li>- GPIC's engagement of media to cover most of its official events held internally and externally (as and when required)</li> <li>- GPIC's publications and newsletters (periodic - minimum one release every quarter)</li> <li>- Press releases in key newspapers (as and when required)</li> <li>- TV and Radio interviews of GPIC's President (as and when required or requested)</li> </ul>	<ul style="list-style-type: none"> <li>- Our progress on sustainability and CSR</li> <li>- Share GPIC's achievements and best practices regionally and internationally</li> <li>- Enhance GPIC's reputation</li> <li>- Value addition to promote unity amongst the people of Bahrain</li> </ul>
8	Non-Profit Organizations and Academia	<ul style="list-style-type: none"> <li>- Conferences and speaking engagements (periodic)</li> <li>- Correspondence (as and when required)</li> <li>- Face to face discussions (as and when required)</li> <li>- Communicating our position on a range of social and environmental issues (as and when requested/required)</li> <li>- Responding to information requests and surveys (as and when requested)</li> <li>- Bench marking surveys (periodic/ as and when requested)</li> <li>- Financial support towards capacity building the organisations</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental protection, social and economic development</li> <li>- Establishment of mutually beneficial relationships</li> <li>- Collaboration and partnership opportunities</li> </ul>



**GRI 102-43**

	Stakeholder	Mechanism for Engagement / Typical frequency	Key topics of Interest
9	<b>Regional / International Organizations</b>	<p>Conferences and speaking engagements (periodic)</p> <ul style="list-style-type: none"> <li>- Correspondence (as and when required)</li> <li>- Face to face discussions (as and when required)</li> <li>- Communicating our position on a range of social and environmental issues (as and when requested/required)</li> <li>- Responding to information requests and surveys (as and when requested)</li> <li>- Bench marking surveys (periodic/ as and when requested)</li> <li>- Financial support towards capacity building the organisations</li> <li>- Being part of working/ advocacy committees</li> <li>- Being part of their board</li> </ul>	<ul style="list-style-type: none"> <li>- Add value to the organization by obtaining best practices and know-how in house</li> <li>- Establish international network of associate that can be tapped into when required</li> <li>- Provide GPIC workforce opportunities to work with and interact with international expertise</li> <li>- Further solidify the goodwill and reputation of GPIC</li> </ul>
10	<b>Customers</b>	<ul style="list-style-type: none"> <li>- Feedback through marketing and online feedback forms (online feedback is dynamic (GPIC website) and with every product shipment there is a customer feedback form)</li> <li>- Audits via buyer surveys (annual meetings with surveyors)</li> <li>- Customer feedback evaluation forms (as and when required-for every consignment)</li> <li>- Customer invitational and group meetings (quarterly meetings with marketers Sabic and PIC) stakeholder engagement (continued)</li> </ul> <p>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 stakeholders of GPIC inviting them to become members of UNGC.</p>	<ul style="list-style-type: none"> <li>- Customer satisfaction</li> <li>- Quality and competitive benefits</li> <li>- Sustainable products</li> </ul>
11	<b>Banks</b>	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Written Communication (emails, faxes), - Phone Calls</li> </ul>	<ul style="list-style-type: none"> <li>- Financing,</li> <li>- Providing Competitive Rates,</li> <li>- Sustainability of Financial Institution (to secure financing over long periods)</li> <li>- Ability to Pay Back Loans</li> <li>- Financial Performance</li> <li>- Timeline of Projects</li> <li>- Reputation of Company</li> </ul>





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
Shareholders	Revamp GPIC Corporate strategic plan ranging till 2020 to GPIC Corporate Strategy 2030 and explore future growth opportunities including overseas investments and debottlenecking of existing plants	<p>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.</p> <p>We are looking ahead to Secure growth and expansion projects through implementing GPIC's 2030 Corporate Strategy.</p> <p>We carried out feasibility of a debottlenecking project of our existing facilities for improved energy efficiency and enhanced production capacities, however was not viable and hence canceled.</p>
	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 projects have been implemented in 2016-2019. One of the focus areas 2020 and beyond is to continue with the "Cost optimization mindset"
	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 to include female employees also to contest for the labour union elections.	The first female employee was elected as a board member of the Labour union.
	Issue sustainability reports (SR)in soft version only	GPIC has been issuing Sustainability reports in soft version only since 2018
NGOs & local community	UN Environment requests GPIC to participate in the Green wave Campaign	Since the launch of the program in 2015, 90 local schools have benefited from the program with the distribution of 3600 sapling trees in total by GPIC
	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.
	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.

General Disclosures

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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 (WEPs).	GPIC embraced the WEPs in 2014.
	Arabia CSR Network recommended GPIC to scale up their GRI reports from Core to Comprehensive	GPIC have scaled up their GRI reports from Core to Comprehensive since 2018
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.
	Arabian Gulf University of Bahrain requested financial assistance to carry out Biodiversity related research.	GPIC took an active role in the environmental stewardship and in July 2018 has provided financial support to Arabian Gulf University to carry out research on the subject of “ Resilience Assessment of Sub-tidal Habitat- Sea grass and Coral Reef area using very high and moderate resolution satellite data, GIS and Survey Data.

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

Reporting Period

Based on 2018-2019 corporate data for the year ended December 31, 2019.

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

Date of most recent Report

This is GPIC’s fifth GRI Sustainability Report. The previous report covered 2016-2017 and can be found on our website [www.gpic.com](http://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**  
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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 has been prepared in accordance with the GRI Standards: Comprehensive option.

For ease of navigation, see the GRI Content Index available at the end of this report on pages 190-200

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

**GRI Content Index**  
The content index is on pages 190-200.

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 2020, however due to time constraint, we decided not to go for the assurance this time, however we intend getting our next GRI Report, targeted for 2022, 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. 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





**GRI 102-18**

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 a chain of command. Generally, this occurs from Managing Director to President, to General Manager Manufacturing, to Departmental Managers and then to section heads.

**GRI Standard Number: GRI 102**

**Disclosure Number: 102-20**

**Executive Level responsibility for economic, environmental and social topics**

Mr. Yasser Al Abbasi , General Manager Manufacturing is the chair of Safety, Health and Environment Council. The safety, Security, Health and Environment Department is headed by Mr. Jamal Al Shawoosh, Safety, Security, Health and Environment Manager who reports directly to Mr. Yasser Al Abbasi.

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

**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 any of several methods. These methods of communication include e-mails, face to face meetings, formal meetings, executive and functional committee meetings and town hall meetings (such as general employee meeting).

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

**Please refer to the section on stakeholder engagement for details.**

**GRI Standard Number: GRI 102**

**Disclosure Number: 102-22**

**Composition of the highest governance body and its committee's**

GPIC BOARD COMPOSITION 2019					
SR. NO.	NAME	POSITION	AGE	QUALIFICATION	COUNTRY
1	H.E. Dr. Ahmed Ali Ahmed Alsharyan	Chairman	63	Economics	Bahrain
2	H.E. Mr. Hamad D A Baddah	Deputy Chairman	53	Engineering	Kuwait
3	H.E. Mr. Samir Ali M Alabdrabbuh	Managing Director	58	Engineering	Saudi Arabia
4	H.E. Shaikh Fahad bin Salman Al Khalifa	Board Member	-	Business Management	Bahrain
5	H.E. Mr. Ahmed Mohammed K Alumar	Board Member	55	Business Management	Saudi Arabia
6	H.E. Mr. Shafi T F TH Alajmi	Board Member	46	Engineering	Kuwait
7	H.E. Mr. Salem A M S Alazemi	Board Member	54	Engineering	Kuwait
8	H.E. Mr. Ali Ahmed A Alghamdi	Board Member	43	HR	Saudi Arabia

## 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 Board members 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](http://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 meet 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 board of directors meet on quarterly basis and five meetings are held in a year. In addition, an Extraordinary General Meeting and an Annual General Meeting were convened in 2019. In addition to this the Committees of the Board also meet on regular basis. In 2019 the three Board committees met nine 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 5) Financial Statements 6) internal audit activities and reports 7) external audit reports.

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. The chair of the Committee, Mr. Fadhel Al Ansari, General Manager Corporate Support formally reviews the organization's sustainability report and then seeks the final approval from GPIC President Dr. Abdulrahman Jawahery. Policy and performance Statements in the report are from the senior most decision makers such as the Managing Director under GRI 102 General Disclosure 102-14.

## 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
- Embrace new technologies for improving energy efficiency and performance enhancement of plants
- Maintaining safety performance & adherence to environmental legislation
- To have a safe and successful turnaround 2020
- Increase in price of raw materials such as gas and electricity.
- Market instability and low Products price.
- Geopolitics and security challenges
- Improve cyber security measures.

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.





 <b>GPIC VISION, MISSION AND CORPORATE VALUES</b>										
<b>VISION</b>	<b>To be a world-class petrochemical and fertilizer company of choice, recognized for excellence</b>									
<b>MISSION</b>	<ul style="list-style-type: none"> <li>• To produce high quality petrochemical and fertilizer products</li> <li>• To grow through successful partnerships and joint ventures</li> <li>• To optimize the business in a safe, sustainable and cost effective manner</li> <li>• To embrace knowledge, harness innovation and utilize best applicable technologies and practices</li> <li>• To boost Stakeholders share value</li> <li>• To train and develop the Human Capital to realize their full potential</li> </ul>									
<b>VALUES</b>	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>EXCELLENCE</td> <td>RESPECT</td> <td>SAFETY</td> </tr> <tr> <td>INTEGRITY</td> <td>TRANSPARENCY</td> <td>PROFESSIONALISM</td> </tr> <tr> <td>SOCIAL RESPONSIBILITY</td> <td>CREATIVITY</td> <td>TEAM WORK</td> </tr> </table>	EXCELLENCE	RESPECT	SAFETY	INTEGRITY	TRANSPARENCY	PROFESSIONALISM	SOCIAL RESPONSIBILITY	CREATIVITY	TEAM WORK
EXCELLENCE	RESPECT	SAFETY								
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](http://www.gpic.com) and the Company's intranet.

# The Economic Impact of Sustainability



## Economic Summary

### OUR PERFORMANCE HIGHLIGHTS

**US\$ 34 MILLION**



Profit in 2019

**US\$ 308 MILLION**



sales in 2019 and US\$ 341 million sales in 2018

**1,614 MT**



of Methanol exported to local market in 2019- a new market

**+32.25 MILLION**



man-hours without LTA till 31 Dec.2019

**US\$5.067 BILLION**



injected to Bahrain economy since inception

**+US\$2.2 BILLION**



paid to shareholders as dividend

**1,644,590 TONS**



of combined annual production, achieved in 2019

**US\$ 8.7 MILLION**



saved through in-house spare part manufacturing since 2004

**727,244 TONS**



highest ever Urea production in a year 2019





**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 2018 and 2019. 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\$82 million in 2018 to US\$ 34 million in 2019.

We had a total sales of US\$ 308 million and a production of 1,644,590 metric tonnes the highest in the history of the Company in 2019. 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 2017-2019 consolidated and prioritized its capex investment accordingly. However as GPIC embarked on a major planned turnaround in April 2018, hence capex investment in the enhancement of

our entire facility was significant. With the increase in costs for natural gas, electricity and fuel , coupled with volatile product prices, we foresee 2020 and beyond as challenging times. Based on the above mentioned challenges and to remain sustainable our 2020 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 commissioned 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.

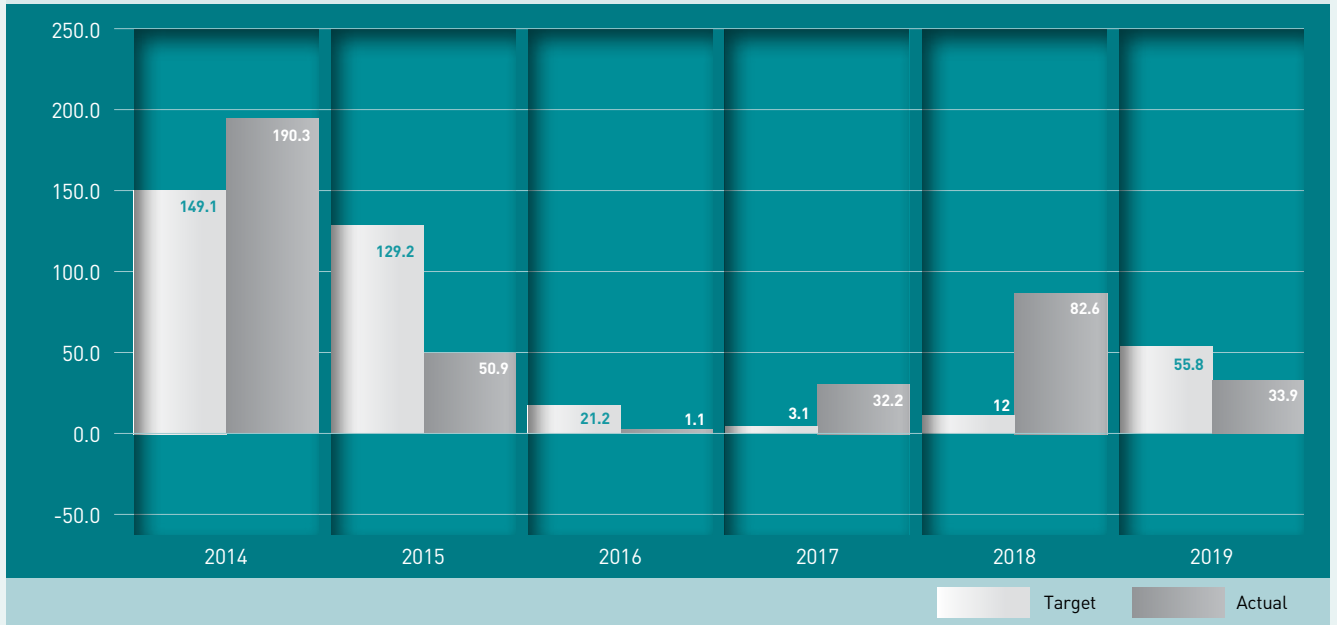
In addition, GPIC is continuing to export methanol to downstream industry in Bahrain since December 2016. A total of 1600 tons of methanol is exported annually to the local market.

### Our Economic Performance 2018-2019

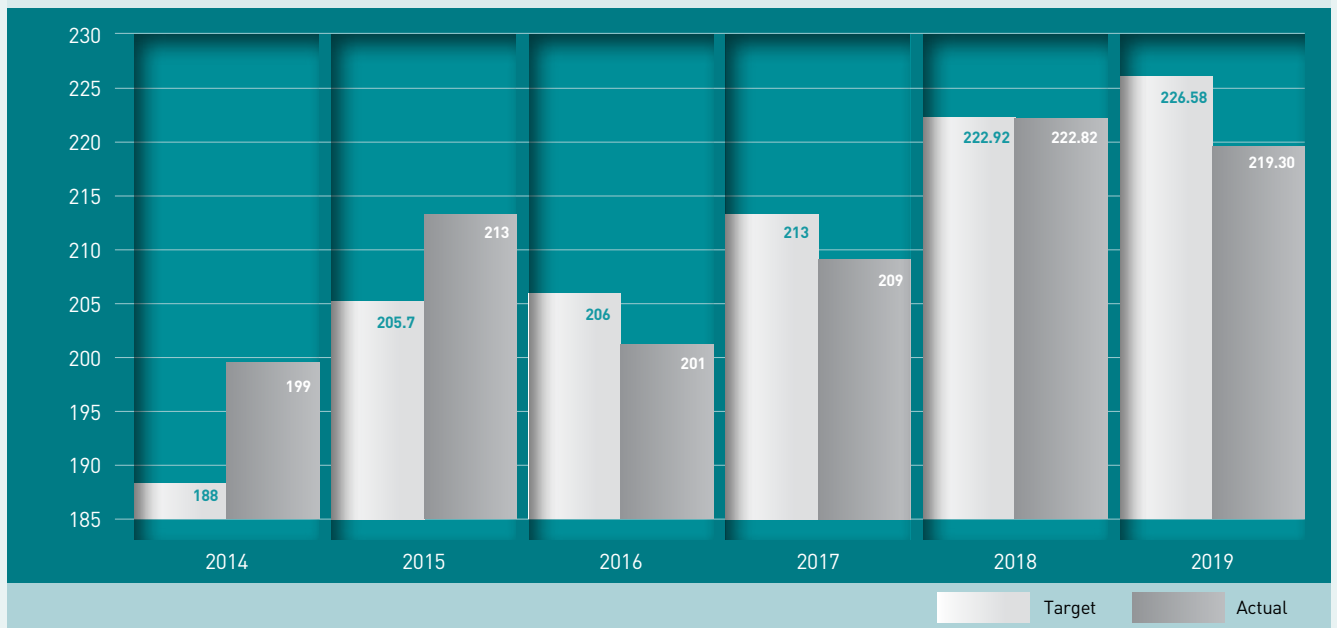
Every industry and every sector felt the impact of economic uncertainty during 2016 and the period thereafter. This provided GPIC with an opportunity to redefine and reshape its global marketing strategy and assertively continued to build its brand reputation and product quality within the international market. Therefore, despite a slump in the market and continuing volatility, we were able to sustain our profitability due to our efficient and streamlined operations and various cost optimization and control measures. We were also successful in lowering the cost of production by 3 per cent compared to what was targetted in 2019.



### Net Profit in Millions US\$



### Production Cost US\$/MT



## 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	2019 Data	2018 Data	2017 Data	2016 Data	2015 Data	2014 Data
<b>Direct economic value generated US\$</b>						
Revenues US\$	308,285,950	341,072,150	298,959,750	242,331,900	293,707,450	441,421,100
<b>Economic value distributed US\$</b>						
Major operating costs	78,008,143	88,635,120	109,950,640	83,677,383	63,441,000	67,628,000
Employee wages and benefits	44,646,087	46,482,600	47,427,450	46,460,446	56,669,007	55,875,636
Payment to providers of capital	-	60,000,000	30,000,000	-	-	105,000,000
Payment to Government	145,362,937	126,237,780	201,770,000	179,329,000	96,051,261	97,787,483
Community Investments	10,530,066	10,223,365	9,830,158	8,673,213	8,386,023	9,836,916
<b>Economic value retained US\$</b>						
Retained earnings	288,135	253,295	263,270	143,672	142,538	94,979

### Financial statement Ratios

Ratios	2019	2018	2017	2016	2015	2014	2013
Current Ratio	2.84	3.66	4.28	1.82	3.19	8.17	7.28
Debt / Equity Ratio	0.002	0.03	0.15	0.44	0.36	0.08	0.09
Debt Ratio	0.002	0.03	0.13	0.15	0.10	0.07	0.09
Operating Cash Flow / Assets	9.55%	18.31%	%14.73	%2.36	%25.27	%36.42	%34.98
Net operating margin percentage	10.02%	23.83%	%13.66	%1.13	%17.54	%44.08	%44.85
Net Profit margin	9.93%	24.15%	%12.02	%0.30-	%17.50	%44.00	%45.00
Return on Total Assets (ROA)	5.81%	13.95%	%6.24	%0.50	%9.92	%34.45	%34.15
Return on Equity ( ROE)	6.29%	15.67%	%7.16	%0.72	%13.50	%37.24	%36.40
Receivable Turnover	5.68	7.69	6.42	5.05	4.41	5.18	5.43
Inventory Turnover	15.85	17.28	9.61	10.54	12.71	12.79	11.17

Economic Performance:  
Balance Sheets  
(Expressed in thousands of US\$)

**Note:** The financial figures for 2019 are audited however will undergo AGM approval in third week of March 2020.



## GRI 201-1

Assets	2019	2018	2017	2016	2015	2014	2013
<b>Non-Current Assets</b>							
Property, plant & equipment	437,714	455,920	424,201	434,501	455,066	418,454	406,441
<b>Total Non-Current Assets</b>	<b>437,714</b>	<b>455,920</b>	<b>424,201</b>	<b>434,501</b>	<b>455,066</b>	<b>418,454</b>	<b>406,441</b>
<b>Current Assets</b>							
Inventories	19,448	19,395	20,076	20,172	15,495	12,635	15,492
Trade and other receivables	60,367	48,076	40,632	52,499	43,455	89,663	80,727
Cash and cash equivalents	39,821	86,191	86,381	41,353	4,428	43,044	65,373
<b>Total Current Assets</b>	<b>119,636</b>	<b>153,662</b>	<b>147,091</b>	<b>114,024</b>	<b>63,377</b>	<b>145,342</b>	<b>161,592</b>
<b>Total Assets</b>	<b>557,350</b>	<b>609,582</b>	<b>571,292</b>	<b>548,526</b>	<b>518,443</b>	<b>563,795</b>	<b>568,033</b>
<b>Equity</b>							
<b>Capital and Reserves</b>							
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	288,945	253,296	230,940	143,672	142,538	94,979	94,886
Proposed Dividends	0	60,000	30,000	85,200	85,200	190,201	186,001
<b>Total Equity</b>	<b>527,445</b>	<b>551,796</b>	<b>499,440</b>	<b>467,372</b>	<b>466,238</b>	<b>523,680</b>	<b>519,387</b>
<b>Liabilities</b>							
<b>Non-current Liabilities</b>							
Employee Benefits	409	15,821	37,491	18,346	25,032	22,329	26,455
<b>Current Liabilities</b>							
Trade and Other Payables	29,496	41,965	34,360	62,808	19,901	17,787	22,191
<b>Total Liabilities</b>	<b>29,906</b>	<b>57,786</b>	<b>71,851</b>	<b>81,154</b>	<b>52,205</b>	<b>40,116</b>	<b>48,646</b>
<b>Total Equity and Liabilities</b>	<b>557,350</b>	<b>609,582</b>	<b>571,292</b>	<b>548,526</b>	<b>518,443</b>	<b>563,795</b>	<b>568,033</b>

# US\$ 2.2 BILLION

DIVIDEND TO SHAREHOLDERS SINCE 1998

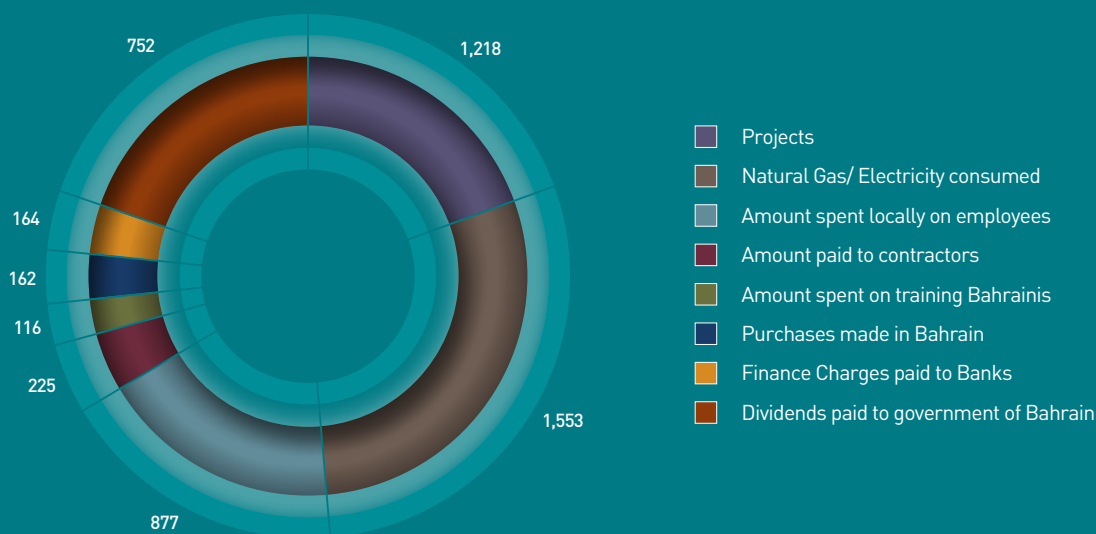
Economic Performance

GRI 201-1

What has GPIC contributed to the economy of Bahrain

Cash injected into the economy of Bahrain up to December 2019  
US\$ million

Total Cash injected since inception: **US\$ 5.067 Billion**  
Average Annual Contribution for last 10 years: **US\$ 242.00 million**



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	300,000,000
2009	105,014,200	105,000,000
2010	138,200,150	138,000,000
2011	265,002,650	265,000,000
2012	211,750,900	211,700,000
2013	186,202,250	186,000,000
2014	190,293,850	105,000,000
2015	47,559,550	0
2016	1,134,200	0
2017	32,070,000	30,000,000
2018	82,635,800	60,000,000
2019	33,978,572	0





## 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 2019 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 2018-2019, 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 2019.

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 to 2019 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 overseas investments.



## 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 appointed its first Female Manager as the Human Resources Manager which was scaled up to Human Resources and Corporate Communications 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.

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

Since inception, GPIC has injected US\$ 5.067 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.

**INDIRECT ECONOMIC IMPACT**

**Infrastructure investments and services supported GRI 203-1**

Through financial contributions and the volunteer efforts of our

Initiatives during the year 2016-2017	
Initiatives	Brief
Supporting local technical institutions (includes vocational, technical, educational):	<ul style="list-style-type: none"> <li>• Crown Prince Education program, Ministry of Education, Bahrain Technical institute (BTI), Bahrain Polytechnic, University of Bahrain, Injaz, Tamkeen.</li> <li>• US\$ 100,000 every year to Crown prince education program, US\$ 19,000 every year to Ministry of education, Bahrain.</li> <li>• GPIC supports Bahrain youth development by providing 50 employees each year as volunteers for teaching and coaching students at INJAZ, Bahrain.</li> </ul>
Involvement with Schools in Bahrain	<p>Number of schools engaged per year: <b>32</b></p> <p>Type of engagement: Environmental awareness lectures, Coaching to secondary school students, Environmental Research Program</p>
Scholarships for children of employees and community	<ul style="list-style-type: none"> <li>• Number of scholarships bestowed to employees children in 2014: <b>60</b> 2015: <b>104</b> 2016: <b>101</b> 2017: <b>101</b> 2018: <b>104</b> 2019: <b>96</b></li> <li>• Level of scholarships: university level</li> <li>• Number of scholarships for community children (not employees of the company): 2014: 1 2015: 0 2016 :0 2017: 0 2018: 0 2019: 0</li> <li>• Approximate monetary value: US\$ 2645 per semester for the employees children sponsorship &amp; US\$ 530 monthly stipend for the University of Bahrain Scholarship students plus the university fees and books expenses.</li> </ul>

Economic Performance

GRI 203-1

Initiatives during the year 2018-2019	
Initiatives	Brief
<p>Key Social Contributions 2018/2019 GPIC’s leadership believes that corporate social responsibility goes beyond the traditional Philanthropy. It is about building bridges and partnerships to make the difference.</p>	<p>Donations and Sponsorships (The following are some of the recent examples, for a detailed outlook visit our website <a href="http://www.gpic.com">www.gpic.com</a> and browse the section press releases and media).</p> <ul style="list-style-type: none"> <li>• Ministry of Social Development</li> <li>• AlRahma Centre for disabled</li> <li>• Bahrain Cancer Society</li> <li>• Royal Charity Organization</li> <li>• Supreme Council for Women</li> <li>• inJAz, Bahrain</li> <li>• Ministry of Education, Bahrain</li> <li>• Crown Prince’s Scholarship Programme</li> <li>• King Hamad Hospital Campus</li> <li>• Second West Asian Federation for Ladies</li> <li>• Bahrain Women’s Union</li> <li>• Bahrain Football Association</li> <li>• Bahrain Athletics Association</li> <li>• Bahrain Golf Association</li> <li>• Bahrain Tennis Association</li> <li>• Bahrain Table Tennis Association</li> <li>• Bahrain Special Olympics for people with intellectual disabilities</li> <li>• Bahrain Handicapped sports federation</li> <li>• Bahrain Society for child development</li> <li>• UNEP for supporting environmental sustainability</li> <li>• Arabian Gulf University for supporting research on biodiversity</li> </ul>
<p>Please refer to social disclosures section for details</p>	

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. The total number of suppliers registered with the Company are 1875 and out of those, 727 are local suppliers (39%). During 2019 forty three new suppliers were registered which includes 25 local suppliers (58%).



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**STRONG CORPORATE GOVERNANCE IS AN INTEGRAL PART  
OF THE GPIC'S CORE VALUES, SUPPORTING OUR  
SUSTAINABLE GROWTH MISSION**

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## Production Performance

**GPIC saw a stellar year in 2019, surpassing its own production and export targets while lowering costs. For 2019, the Company had set a 6.7 per cent higher production target than 2018. However, GPIC not only met the target, it surpassed by a good 4 per cent. The total production of 1.644, 590 metric tons in 2019 was not only higher than the previous year but it has been the highest ever production achieved since inception.**

The Company met several milestones in 2018 and 2019 including lowering the cost of production by 3 per cent compared to what was targeted.

We completed our major turnaround 2018, safely and efficiently and the performance of the plants post – turnaround period has been very reliable and efficient.

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 reliability and efficiency. The specific energy consumption per ton of saleable product was the lowest in 2019 comparing to the previous five years.

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. Our on stream factor has been 100% during 2019 without any Process Safety Incident.

GPIC has a total production capacity of 1.5 million metric tons (MT), with roughly 40 per cent of this being urea, followed by ammonia and methanol, at more or less the same amount. Our 2018 production breakdown reflects the percentages mentioned above, where urea reached 657,929 MT, followed by ammonia at 421,200 MT and methanol at 424,679 MT.

Our major turnaround was completed in the first quarter of 2018 and therefore our capacity output in 2018 highlights these lower production figures. Our 2019 production breakdown reflects the percentages mentioned above where urea reached 727,244 MT followed by ammonia at 465,917 MT and methanol at 451,429 MT.

**(For details please refer to the production performance table in this section)**

### 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, India had the highest share of the company's exports in 2019 with 31 per cent followed by Taiwan and Thailand at 17 per cent and 11 per cent respectively. All this, has been achieved smoothly and in accordance with the marketing plan and contractual obligations.

GPIC had produced 1.6 million tons and exported a total of 1.25 million tons of ammonia, urea and methanol in 2019. GPIC's exports included 459,164 tons of methanol, 728,407 tons of urea, and 43,599 tons of ammonia, which is 4.2 per cent more than budgeted and 13 per cent higher than 2018.

In 2018, GPIC carried out a major plant turnaround after being in operation for almost three years. Hence, the production and exports as expected were less as compared to 2019. The total actual production of ammonia, urea and methanol in 2018 was 1.5 million tons, out of which 1.12 million tons was exported.

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). The subject license was renewed successfully in 2019. 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 gained momentum. To maintain the operations of our plants at the optimum, we further reviewed and enhanced our staff training and development programs. Throughout 2019, GPIC invested extensively into building the capabilities of the Kingdom's future generations through its various educational programmes and partnerships.





Maintenance during turnaround 2018.

#### Major achievements in 2018/2019:

A safe and successful turnaround 2018 was achieved.

In 2019, Urea Plant completed 21 years of operation, producing 13.6 million tons of granular Urea.

In 2019, GPIC achieved the highest ever cumulative production of 1,644,590 tons, the highest ever annual urea production of 727,244 tons, the highest ever annual urea exports of 735,647 tons, the highest ever daily urea production of 2108 tons and the highest ever monthly urea production of 300,64 tons.

A new Urea Formaldehyde( UF 85) plant was commissioned to make supply chain of our raw materials and chemicals more robust and sustainable.

New modified nozzles of urea granulator enabled longer runs of granulation section without the need of washing and hence more production and lesser CO2 emissions.

#### Our Challenges:

Significant challenges experienced during the reporting period include the following;

- 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.
- Ammonia plant waste heat boiler E-0801 channel cover leak, that was safely contained and diverted to the flare without the need to shut down the plant.
- Oil leaks in Syn gas compressor turbine MT 0701 contained and mitigated through nitrogen snuffing
- Minor ammonia/ carbamate leaks in Urea plant safely contained





## Production Performance

Yearly Production and Export Performance Figures	Units	2018*			2019		
		Budget	Actual	Deviation	Budget	Actual	Deviation
Ammonia Production	MT	425,000	421,200	-3,800	454,860	465,917	11,057
Methanol Production	MT	418,460	424,679	6,219	444,030	451,429	7,399
Urea Production	MT	640,300	657,929	17,629	684,000	727,244	43,244
<b>Total Cumulative Production</b>	<b>MT</b>	<b>1,483,760</b>	<b>1,503,808</b>	<b>20,048</b>	<b>1,582,890</b>	<b>1,644,590</b>	<b>61,700</b>
Ammonia Exports	MT	59,970	49,325	-10,645	64,980	43,599	-21,381
Methanol Exports	MT	418,460	409,712	-8,748	439,548	459,166	19,618
Urea Exports	MT	640,300	668,569	28,269	684,000	735,647	51,647
<b>Total Exports</b>	<b>MT</b>	<b>1,118,730</b>	<b>1,127,606</b>	<b>8,876</b>	<b>1,188,528</b>	<b>1,238,412</b>	<b>49,884</b>
<b>On stream Factor (2)</b>							
Ammonia	%	93.15	91.26	-1.89	98.90	100.00	1.10
Methanol	%	93.97	94.62	0.65	98.90	100.00	1.10
Urea	%	92.33	92.66	0.33	98.63	99.88	1.25
<b>Utilization Factor (3)</b>							
Ammonia	%	104.17	105.38	1.21	105.00	106.37	1.37
Methanol	%	101.67	102.47	0.80	102.50	103.07	0.57
Urea	%	111.76	114.43	2.67	111.76	117.34	5.57
<b>Capacity Utilization (1)</b>							
Ammonia	%	97.03	96.16	-0.87	103.85	106.37	2.52
Methanol	%	95.54	96.96	1.42	101.38	103.07	1.69
Urea	%	103.19	106.03	2.84	110.23	117.20	6.97
<b>Plant outages</b>							
Ammonia	Days	25	31.91	6.91	4	0	-4
Methanol	Days	22	19.62	-2.38	4	0	-4
Urea	Days	28	26.79	-1.21	5	0.42	-4.58

Notes:

- 1) Capacity utilization is the percentage of design capacity utilized based on calendar days
- 2) On stream factor is the Operating days as percentage of calendar days
- 3) Utilization factor is the percentage of the design capacity utilized based on operating days
- 4) \*2018 is a turnaround year



## Our exports

Yearly Production and Export Performance Figures	Units	2018		dev	2019		dev
		Budget	Actual	%	Budget	Actual	%
Ammonia Exports	MT	59,970	49,325	(17.8)	64,980	43,599	(32.9)
Methanol Exports	MT	418,460	409,712	(2.1)	439,548	459,164	4.5
Urea Exports	MT	640,300	668,569	4.4	684,000	735,647	7.5
<b>Total Exports</b>	MT	<b>1,118,730</b>	<b>1,127,606</b>	<b>0.8</b>	<b>1,188,528</b>	<b>1,238,412</b>	<b>4.1</b>



Production Performance

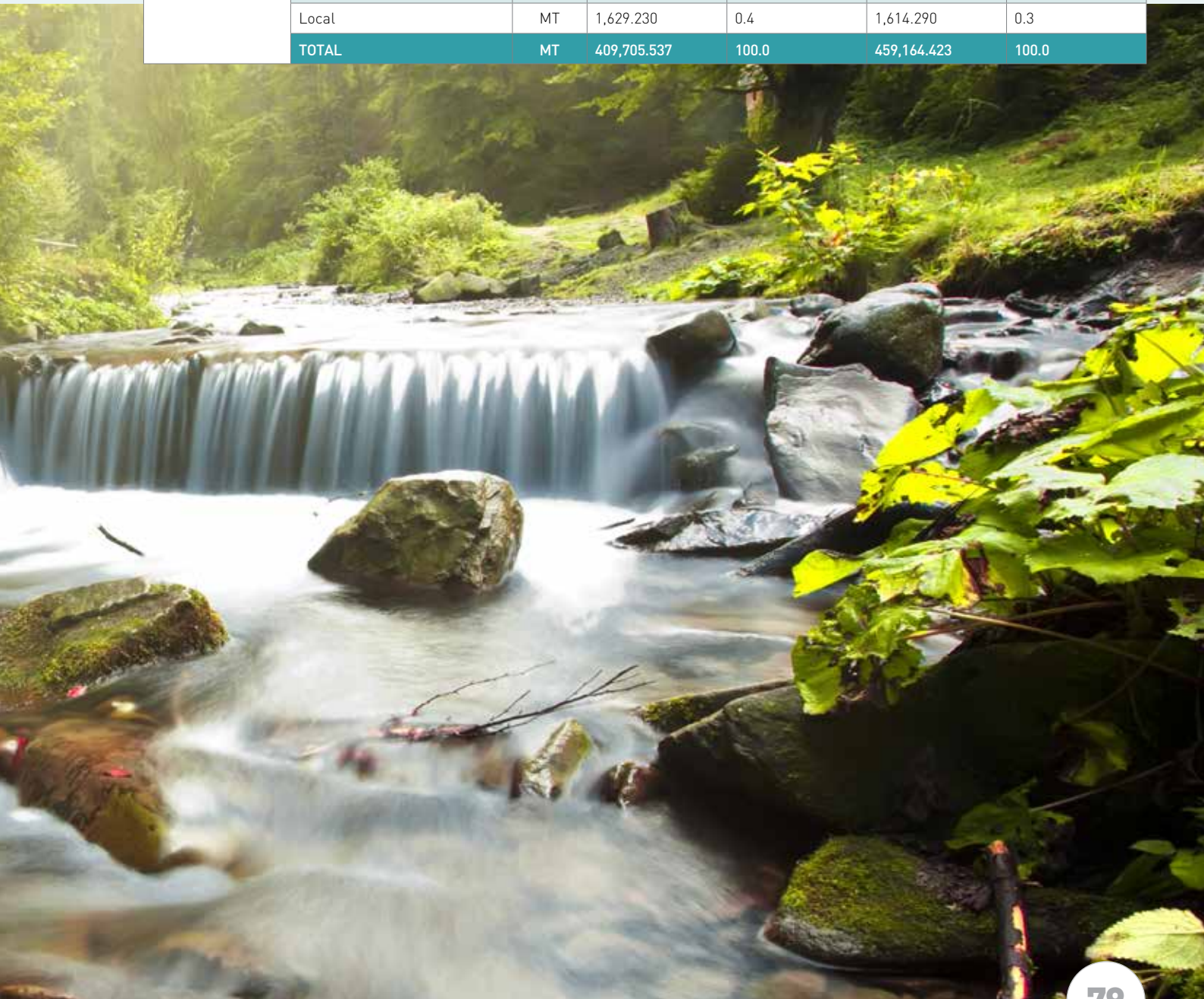
		Unit	2018		2019	
			Tonnes	Percentage	Tonnes	Percentage
<b>Ammonia export by region</b>	China	MT	16,201.364	32.8	18,400.856	42.2
	India	MT	23,123.212	46.9	25,197.772	57.8
	Korea	MT	10,000.000	20.3		
	<b>TOTAL</b>	<b>MT</b>	<b>49,324.576</b>	<b>100.0</b>	<b>43,598.628</b>	<b>100.0</b>
<b>Urea export by region</b>	Australia	MT	92,986.035	13.9	34,327.687	4.7
	Brazil	MT	34,327.687	4.7		
	China	MT	43,704.176	6.5		
	Ethiopia	MT			48,499.959	6.7
	India	MT	159,795.181	23.9	354,580.687	48.7
	Korea	MT	10,958.199	1.6		
	Mexico	MT			71,447.926	9.8
	South Africa	MT	27,498.805	4.1	84,125.107	11.5
	Sudan	MT			63,141.811	8.7
	Thailand	MT	83,850.770	12.6	71,493.123	9.8
	USA	MT	43,998.210	6.6		
	Local	MT	798	0.1	791	0.1
	<b>TOTAL</b>	<b>MT</b>	<b>668,518.983</b>	<b>100.0</b>	<b>735,647</b>	<b>100.0</b>

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





		Unit	2018		2019	
			Tonnes	Percentage	Tonnes	Percentage
Methanol export by region	USA	MT	11,365.849	2.8	3,149.353	0.7
	Italy	MT	8,399.962	2.0		
	UAE	MT	11,000.148	2.7	24,138.958	5.3
	China	MT	146,213.278	2.0	39,075.993	8.5
	Korea	MT	37,861.844	9.2	121,563.553	26.5
	Thailand	MT	31,507.498	7.7	61,052.315	13.3
	Taiwan	MT	161,727.728	39.5	208,569.961	45.4
	Local	MT	1,629.230	0.4	1,614.290	0.3
	<b>TOTAL</b>	<b>MT</b>	<b>409,705.537</b>	<b>100.0</b>	<b>459,164.423</b>	<b>100.0</b>



## 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

In 2018, our biggest achievement was to have a safe and successful turnaround without any lost time accident and in 2019 we continued forward with that momentum, maintaining our excellent HSE achievements through visible safety leadership, focused risk management, enhanced safety and emergency response training, audits and benchmarking. Some of the noteworthy initiatives and programs of 2019 include the weekly safety summary highlighting the incidents, root cause analysis, positives and focus areas. Fire plans for high risk scenarios were also prepared enhancing the emergency response preparedness. OHSAS 18001 was successfully transitioned to ISO 45001. In 2019 we rolled out a comprehensive Safety related training plan for 2019-2021 focusing on Emergency Response. Specialized training including Fire Fighter and Hazmat training, certified training courses such as NFPA Fire code and NFPA 101 living safety code and Authorised gas tester and Radiation awareness courses were also provided.

These continual improvement efforts culminated in achieving a record +32 million working hours for its workforce and contractors without any lost time accident, exceeding 16 years of safe work. Moreover, we did not have any Tier 1 and Tier 2 process safety incidents, zero reportable environmental incidents and zero security breaches and incidents.



#### OUR SAFETY, HEALTH, ENVIRONMENT AND SECURITY PERFORMANCE

S. No	METRIC NAME	METRIC FORMULA / DEFINITION	2014	2015	2016	2017	2018	2019
<b>A Occupational Health &amp; Safety</b>								
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	(# of Injuries X 200,000) / Employee man-hours worked	0.17	0	0	0.36	0	0
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	0	0	0	0	0
6	OSHA Recordable Cases Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man-hours worked	0.56	0	0	0	0	0.206
7	First Aid Injuries (Contract+ employees)	# of Injuries	27	31	13	8	23* (11 injuries in TA 2018)	8
<b>B Process Safety</b>								
1	Process Safety Incidents (Tier 1 and Tier 2)	(# of Incidents that meet the Process safety Incident Criteria	0	0	0	0	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
<b>C Environment</b>								
	Reportable Environmental Incidents	Tier 1 and Tier 2 Incidents	0	0	0	0	0	0
<b>D Security</b>								
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

- Think Pink campaign: 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 Art of Living
  - o Nutrition for Health
  - o Confident & Healthy Smile
  - o Combat Obesity

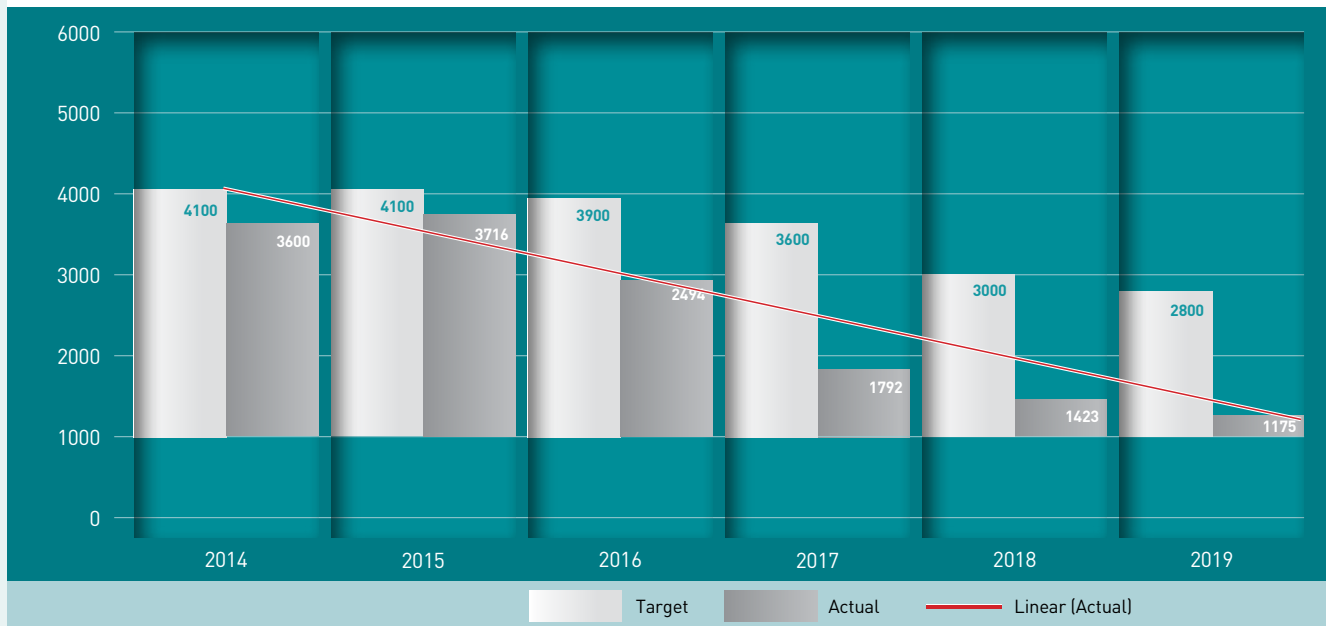
Sick Leaves Statistics (with surgeries)

Year	No. of sick leave days (with surgeries)	% sick leave days	% sick leaves by gender		% sick leave days by age					
			Male	Female	<20	20-29	30-39	40-49	50-59	60+
2010	5969	2.8	2.6	5.7	1.5	1.5	2.5	3.9	2.4	1.8
2011	4729	2.4	2.3	2.2	1.4	2.1	2.4	2.9	1.8	1.0
2012	5486	2.6	2.76	2.4	1.92	3.08	2.83	3.03	1.97	1.51
2013	4963	2.4	2.39	2.24	0	2.65	2.57	2.65	1.59	1.05
2014	4694	2.28	2.3	2.17	0.00	2.66	2.06	2.64	1.98	0.46
2015	5040	2.44	2.37	2.69	0.00	2.71	2.24	2.84	1.93	0.84
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
2018	2454	1.44	1.48	1.73	0.00	2.32	1.74	1.32	0.86	1.13
2019	2324	1.36	1.32	1.51	0.00	2.11	1.56	1.11	1.05	0.89

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

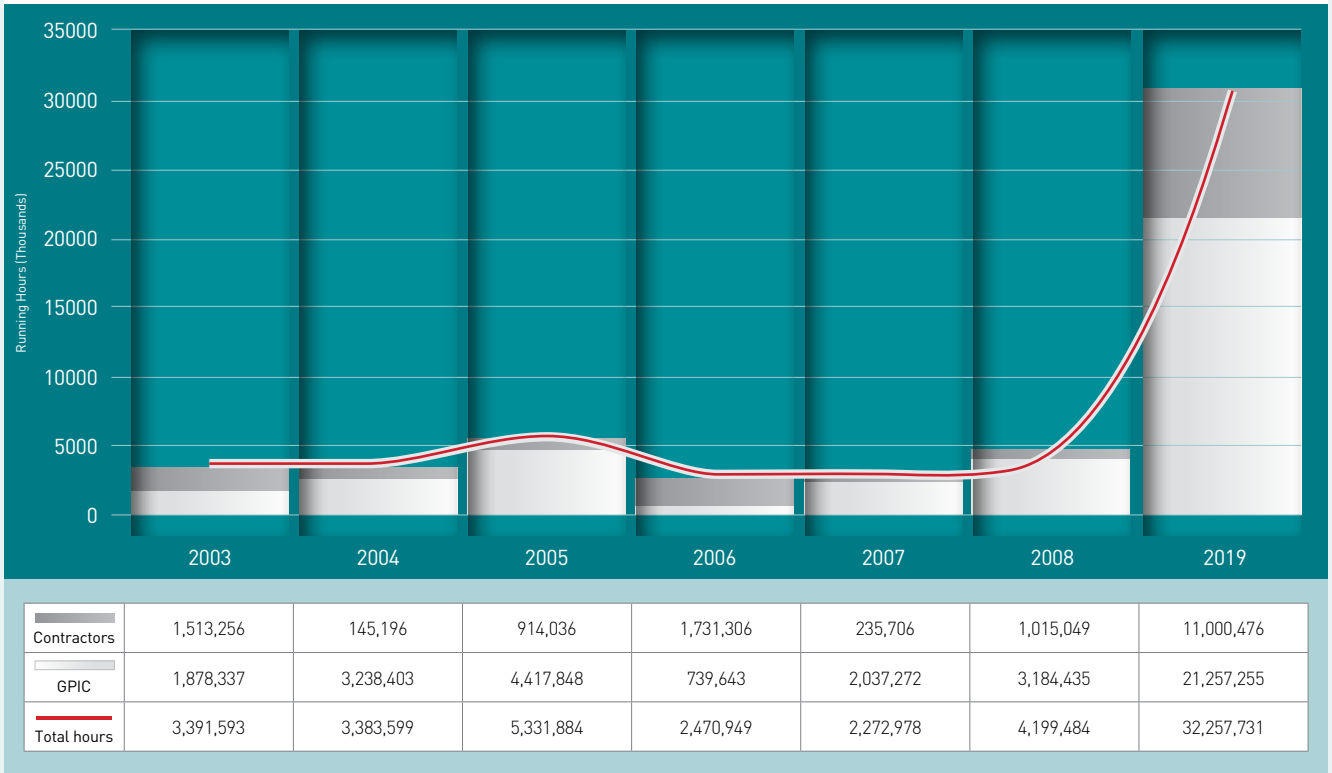
$$\text{Sick Leave \%} = \frac{\text{(No. S.L days X 100)}}{\text{Total No. of Emp. X No. Calendar days / year}}$$

Sick Leave Statistics (without surgeries)





### GPIC Safety Performance - LTA free hours



**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



## Environmental Sustainability

### OUR PERFORMANCE HIGHLIGHTS

**ZERO**



Reportable Environmental Incidents in 2018-2019

**37% REDUCTION**



in Paper consumption in 2019 as compared to a target of 30%

**33.5%**



GPIC land is converted to green areas

**+1.3 MILLION**



tons CO<sub>2</sub> emissions reduced through the carbon dioxide recovery plant since 2009

**49.8% INCREASE**



in recycling in 2019 as compared to a target of 30%

**6,604 LEDs**



since 2013 resulting in energy saving of 1486.35 MWH/Y and CO<sub>2</sub> emission reduction of 741.66 tons/year

**5.5%**



lower specific energy consumption at 7.37Gcal/ MTof product as compared to 2019 target of 7.8 Gcal/MT of product

**1.12 MILLION**




tons CO<sub>2</sub>e (scope 1+ scope 2)GHG emissions in 2019

**ZERO**



incidents of non-compliance to environmental legislation in 2018-2019





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**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**

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## Environmental Sustainability



### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We believe that by operating GPIC plants in an efficient and reliable manner with minimum production interruptions and down-time, the environmental impacts from our operations will be minimized

- **Dr. Abdulrahman Jawahery**  
GPIC President

## RESPONSIBLE CONSUMPTION & PRODUCTION: WHY IT MATTERS

### What's the goal?

To ensure sustainable consumption and production patterns.

### Why?

Economic and social progress over the last century has been accompanied by environmental degradation that is endangering the very systems on which our future development and very survival depends.

If we don't act to change our consumption and production patterns, we will cause irreversible damage to our environment.

### How GPIC Contributes to SDG # 12

We ensure responsible consumption and production through 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.



### **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.

## Environmental Sustainability

### 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 2009, captures 450 MT/Day of CO<sub>2</sub> 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.

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

#### 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 2018-2019

Our Environmental performance during 2018-2019 was par excellence. We achieved our environmental targets including the energy targets. Our emissions, effluents and wastes were in compliance to the Bahrain Environmental Standards and we did not experience any reportable environmental incidents, even during the turnaround 2018. We enhanced our waste recycling, introduced card board recycling for the first time in GPIC and also implemented recycling at the GPIC Club. We continued our drive towards energy efficiency and energy efficiency projects such as the introduction of energy efficient lighting. We participated in a number of environmental benchmarking studies including IFA benchmarking for effluents and emissions. We continue to maintain our biodiversity projects within GPIC and also outside and established a new Neem tree garden in 2019 with 150 trees. We are in the process of establishing a 3MW solar energy project at GPIC.

### Our Salient achievements

More recently the Company received the Best Partnership award for its Schools Environmental Research programme from UAE based Arabia CSR Network. 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 advice 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. 2312 LED light fittings were installed in 2019 with an energy saving of 366 MWH/year and a total reduction in carbon emissions by 183 tons per year.

Since 2013 we have installed 6604 LEDs within our complex, replacing conventional lights, resulting in an energy saving of 1486.35MWH/Year, a cost saving of US\$ 111765/Year and a CO<sub>2</sub> emission reduction of 742 tons/ year.





## Environmental Sustainability

- As part of Post COP 21 requirements, GPIC provided certified training to its Climate Change Committee members on the use of IPCC GHG Inventory software and issued its GHG Inventory Report 2018 in March 2019.
- 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. Since the launch of the program in 2015, 90 schools have benefited from the program with the distribution of 3600 sapling trees in total.
- To date we have recycled 150 tonnes of plastic, paper, metal cans and card board. Additional waste recycling points were introduced in employees car park and the GPIC Club. During turnaround 2018 effective recycling program was rolled out. All these initiatives have resulted in reduction of our carbon emissions by 200 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 40,000 since 2001. From 2015 Responsible Care awareness is also being imparted in addition to environmental awareness
- For the fifteenth consecutive academic year, GPIC sponsored the Ministry of Education/GPIC Environmental Research Program for the GPIC Environment Award for secondary school students.

- GPIC took part in the National Oil Spill Emergency Response Exercise in October 2019.

### 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.

### 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.

### Materials used by weight or volume GRI 301-1

Material	Unit	Quantity 2018	Quantity 2019
Natural gas	MMSCF	43,114	45,691
Chemicals	Kg	7,245,484	7,192,852
Catalyst	Kg	208,333	179,587
Paper	Kg	5207	5097
Diesel	liter	110000	115000
Petrol	liter	230000	190000

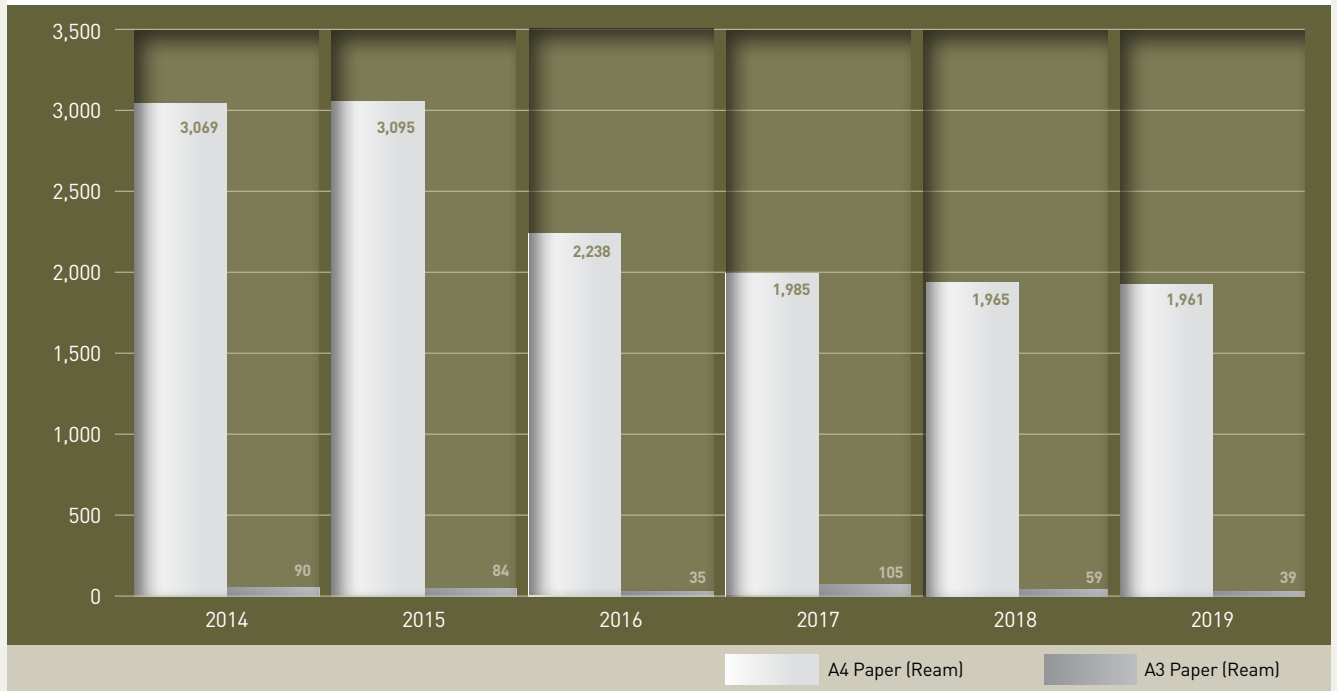


**GRI 301-1**

As part of our corporate drive, we have reduced our paper consumption significantly over the past five years mainly due

to enhanced awareness and use of electronic platforms. We achieved our paper reduction targets for both 2018 and 2019.

**Paper Consumption Reduction**



**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 7.37 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 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 CO<sub>2</sub> 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

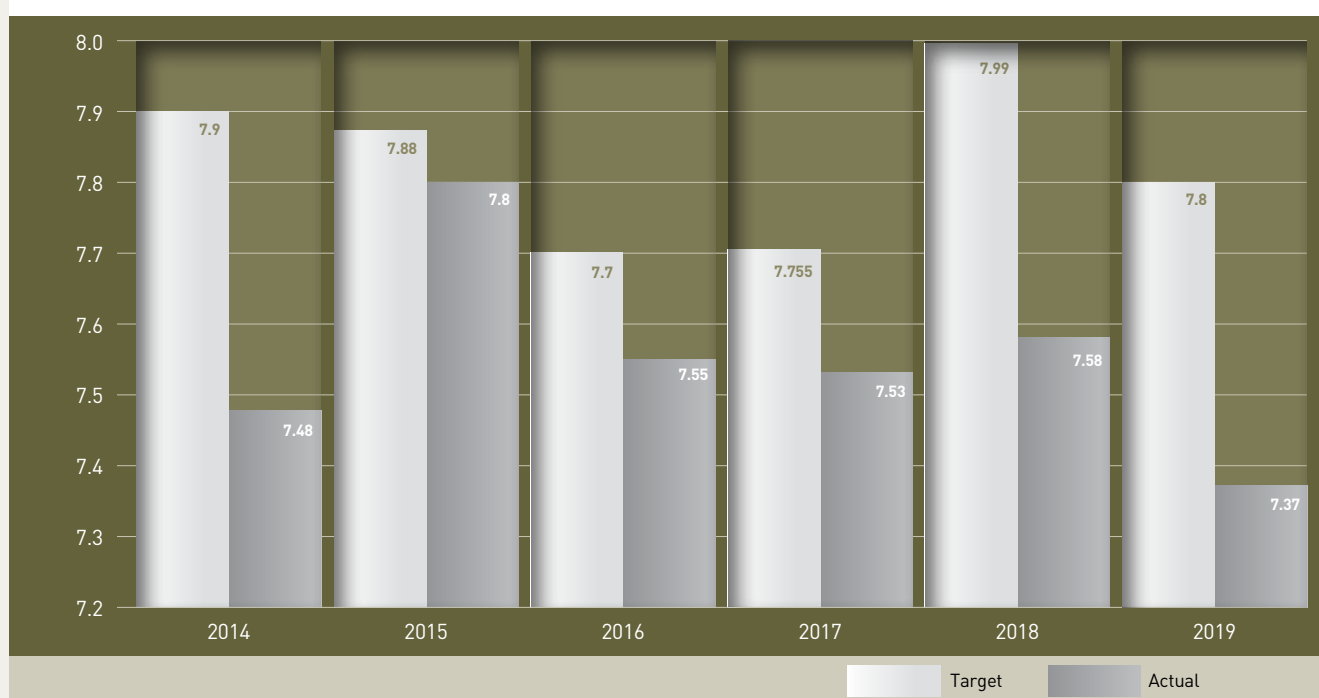
### Our latest initiative 2018/ 2019

A 3 MW Solar energy project to be installed at GPIC has been approved and will be installed and commissioned in 2020/2021.

A Debottlenecking & Energy Efficiency initiative was considered 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. However the detailed feasibility study highlighted the project as not being viable and hence was cancelled.

Energy consumption Gcal/MT of saleable product



### Energy consumption within the organization GRI 302-1

Component	Unit	2019	2018	2017	2016	2015	2014
Total energy consumption as Natural Gas (Feed and fuel)	GJ	36,887,288	34,861,736	37,153,352	37,277,395	34,754,906	36,760,203
Total imported electricity	MWH	139,386	121,265	135,764	148,341	127,186	128,215
Total imported electricity in terms of natural gas	GJ	1,611,524	1,402,014	1,629,068	1,779,981	1,526,134	1,538,477

### 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.





### Energy intensity **GRI 302-3**

		2019	2018	2017	2016	2015	2014
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Energy Intensity	Gcal/MT of Combined product	7.37	7.58	7.53	7.55	7.80	7.36

1) Energy intensity in 2019 has been the second lowest since 2013 mainly due to higher production and efficient operations whereas the energy intensity in 2018 is higher as it was a turnaround year.

### 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%.
  - o Reformer Tubes Replacement in Ammonia Plant and Methanol plant to take advantage of reduced specific energy consumption. An energy saving of 0.4% i.e. 0.04 Gcal/MT of Methanol was realised.
- **2009-2010:**
  - o Carbon dioxide recovery unit and Urea Stripper Replacement to take advantage of reduced specific energy consumption. The overall specific energy consumption after CDR and Urea Stripper has reduced by around 3.4%.
- **2012:**
  - o Replacement of Converter Basket in Ammonia Synthesis Converter resulted in a reduction in the synthesis loop pressure and a net energy saving of 0.17 Gcal/MT of ammonia produced.
- **2014-2017:**
  - o An 11 KV capacitor bank was installed and commissioned in April 2015 to improve the power factor. The improved power factor above 0.9 shall ensure optimum consumption of electricity without much reactive power loss to both GPIC and Electricity and Water Authority. This has resulted in substantial cost saving for the Company and the net saving as a result of this project has been US\$ 1.6 million till December 2015.
  - o As part of ISO 50001 GPIC has identified its significant energy uses which is primarily natural gas as fuel and steam. In this context a couple of energy saving opportunities have been identified and modifications are being processed for implementation in Urea plant and CDR unit.
- **2018-2019:**
  - o GPIC's focus on energy efficiency continued and in 2019 the energy target for the year was 7.80 Gcal/MT and we actually achieved 7.37 Gcal/MT.
  - o The project to replace conventional lights with LEDs is progressing. The project started in 2013. So far 6604 LEDs installed with an energy saving of 1486.35 MWH/yr and CO<sub>2</sub> reduction of 741.66 T/yr.
  - o Reduction of fuel natural gas in CDR unit by using surplus LSU in Urea Plant to CDR unit resulting a saving in natural gas by 990 NM<sup>3</sup>/h and GHG reduction of 7831 T/yr of CO<sub>2</sub>
  - o Interconnection of discharge of Boiler Feed Water pumps of Auxiliary Boilers that will resulted in a saving of 8T/H of medium pressure steam. GHG reduction of 8224 T/yr of CO<sub>2</sub>.
- **2020-2021:**
  - o A 3 MW Solar project at GPIC has been approved.

**Environmental Sustainability**

**GRI 302-4**

**GPIC Energy Efficient LED lights project**

Period	Qty of LEDs installed	Procurement cost (BHD)	Energy Saved MWH/ Yr	Cost of Energy Saved / Yr (BHD/Yr)	CO <sub>2</sub> emissions reduction tons/ year
year- 2013 to 2015	1041	120,020	285.65	7427.026	142.25
year- 2016	235	37,393	188.73	5473.170	93.98
year- 2017	455	59,099	272.12	7891.480	135.51
year- 2018	2561	105,711	373.88	10,842.52	186.94
year- 2019	2312	56,128	365.97	10,613.13	182.98
total	6604	378,351	1,486.35	42,247.326	741.66

- o 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, the detailed feasibility report highlighted the project as not being viable.
- o 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 were successfully implemented in 2018.

**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 and 2018 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 2018 -2019 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(BES).

The GPIC complex is certified as per environmental standard ISO-14001:2004 and RC-14001 and has been transited successfully to 2015 version. 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. During the turnaround 2018, all our effluents, emissions and wastes were managed in an eco-friendly manner.

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 Withdrawal by Source GRI 303-1**

		2019	2018	2017	2016	2015	2014
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Sea Water	M <sup>3</sup>	338,689,000	328,252,000	352,596,000.0	353,946,000.0	325,403,991	351,620,462
Purchased Water	M <sup>3</sup>	80,733	104,235	100,977	117,976	95,444	70,001

**Water sources significantly affected by withdrawal of water GRI 303-2**

No water sources are significantly affected by withdrawal of water

**Water recycled and reused GRI 303-3**

Description	2016	2017	2018	2019
Desal water to Demin	1,219,146	1,161,653	1,108,724	1,119,014
Process condensate recovery from Ammonia and Methanol Plants	1,214,673	1,254,462	1,397,86	1,061,606
Process condensate recovery from Urea Plant	249,908	253,701	228,837	251,601
Total water recycled/reused	1,464,581	1,508,163	1,626,702	1,313,207
Percentage of recycled/reused water	54%	56%	60%	54%

**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**

## Environmental Summary

### 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 CO<sub>2</sub> emissions by 58%. This has been achieved through reliable operations and several energy-saving projects, starting with the de-bottleneck 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions are reduced. Since 2009 around 1.3 million tonnes of CO<sub>2</sub> emissions have been reduced through our CDR unit.

#### Direct (Scope 1) GHG Emissions GRI 305-1

	2019	2018	2017	2016
<b>Energy</b>	<b>metric tons of CO<sub>2</sub> equivalent</b>			
Boilers and Gas turbine	504369	477801	489333	480082
Transport	756	838	1245.2	862
Fugitive Emissions (Flare)	8594	7908	58.2	58
Total Energy	513720	496547	490636	481002
<b>Industrial Processes and Product Use (IPPU)</b>				
Ammonia	272821	259077	278294	284251
Methanol	240969	253484	270048	268473
Total IPPU	513790	512561	548342	552724
<b>Waste</b>				
Waste water treatment	25.20	23.35	50.2	42
<b>Refrigerants</b>				
HCFC	271	394	730	511
HFC	633	852	2275	778
Total Refrigerants	904	1246	3005.37	1289
<b>Total Scope 1</b>	<b>1028439</b>	<b>1000377</b>	<b>1042044</b>	<b>1035057</b>



### 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	2019	2018	2017	2016
<b>Scope 2</b>	<b>tons of CO<sub>2</sub> equivalent</b>			
	98248	85566	95770	105700

### 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**

	2019	2018	2017	2016
<b>tons of CO<sub>2</sub> equivalent emitted / tons of saleable production</b>				
	0.91	0.96	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 2019 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 1,300,000 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

### Ozone Depleters as CFC-11 equivalent **GRI 305-6**

		2019	2018	2017	2016	2015	2014
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Ozone Depleters	tonnes CFC -11 equivalent	0.007	0.010	0.024	0.015	0.005	0.021

### EMISSIONS

#### Nitrogen oxides (NO<sub>x</sub>, Sulphur oxides) SO<sub>x</sub>, 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 (NO<sub>x</sub> and SO<sub>x</sub>) 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 NO<sub>x</sub> burners in the new HP steam boiler and the CDR boiler.

The SO<sub>x</sub> emissions from the flue gas stacks is dictated by the content of H<sub>2</sub>S in supply natural gas as fuel. During 2019 the content of H<sub>2</sub>S in supply natural gas has been higher, resulting in increased SO<sub>x</sub> levels however still within the contractual and legislative limits.

### NO<sub>x</sub>, SO<sub>x</sub> and other significant emissions **GRI 305-7**

			2019	2018	2017	2016	2015	2014
Component	Source	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
SO <sub>x</sub>	HP steam boilers, gas turbine, reformer stacks	Metric tonnes	4,384	3,787	4,101	3,764	3317	3389
NO <sub>x</sub>	HP steam boilers, gas turbine, reformer stacks	Metric tonnes	1,053	1,012	893.3	958.4	938.6	952.9
VOC	Urea Granulation stack	Metric tonnes	17	18	22	48	72	62
PM <sub>10</sub>	Urea Granulation stack	Metric tonnes	91,746	93,294	99,660	111,712	122,071	130,546
NH <sub>3</sub>	Urea Granulation stack	Metric tonnes	61,145	60,575	69,730	80,307	100,258	127,261



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**THE PROJECT TO REPLACE CONVENTIONAL LIGHTS WITH LEDS  
STARTED IN 2013. SO FAR 6604 LEDS INSTALLED WITH AN  
ANNUAL ENERGY SAVING OF 1486 MWH AND CO2 REDUCTION  
OF 741 TONS**

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**Environmental Summary**

**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

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.

**Total water discharge by quality and destination GRI 306-1**

		2019	2018	2017	2016	2015	2014
Component	Unit	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Sea water	Millions of M <sup>3</sup>	338.7	328.3	352.6	353.9	325.4	351.6

- 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 discharge 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 2018-2019. 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 incrementally to 30% and was also achieved in 2019.



**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**





**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 2019 we exported 385 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 140 tonnes of hazardous solid waste in 2018 to the government monitored landfill site at a total fee of US\$15,000.

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 turnarounds in 2015 and 2018

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

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

			2019	2018	2017	2016	2015	2013	
Component	Unit	Type	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	Not quantified	
The total amount of waste (hazardous & non-hazardous) in tonnes by type for recycling.	tonnes	Hazardous Waste							
		Spent Catalyst to overseas recycling agencies.	385	nil	nil	267.5	103	nil	
		Gas condensate to Bapco refinery	147	381	234	259	272	176	
		Waste oil to recycling agencies	69	182.5	28	28	Not quantified	Not quantified	
		Non-Hazardous Waste							
		Metal Scrap	0	86	0	387	357	0	
		Plastic & Aluminum cans	1.2	1.9	1.76	1.89	4.3	3.5	
		Paper & card board	16.3	19.5	13.32	11.7	14.8	8.2	
The total amount of waste (hazardous & non-hazardous) in tonnes by type for landfill.	tonnes	Hazardous waste (spent catalyst & Resins etc.) [M <sup>3</sup> ]	nil	140	116.2	35.68	101	171	
		Non-Hazardous General Waste [M <sup>3</sup> ]	9350	10216	9068	6846	9846	7381	

**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 7m<sup>3</sup> (2018= 65 ton, 2019= 55 ton)

Non Hazardous waste 2019 = 9350 m<sup>3</sup> general waste, 77 m<sup>3</sup> urea scrap

Non Hazardous waste 2018 = 10216 m<sup>3</sup> general waste, 105 m<sup>3</sup> urea scrap,

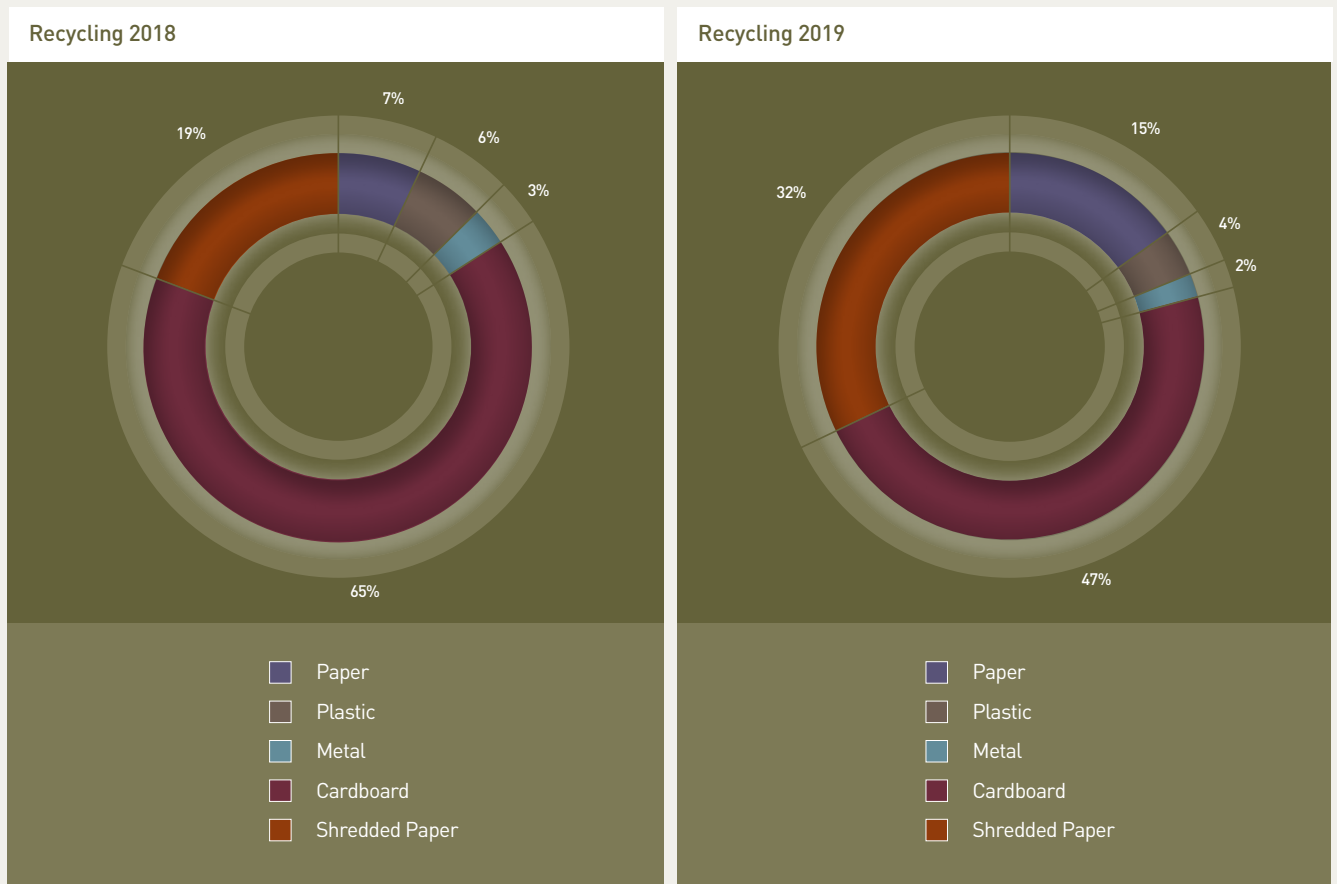


### GPIC Recycling Statistics

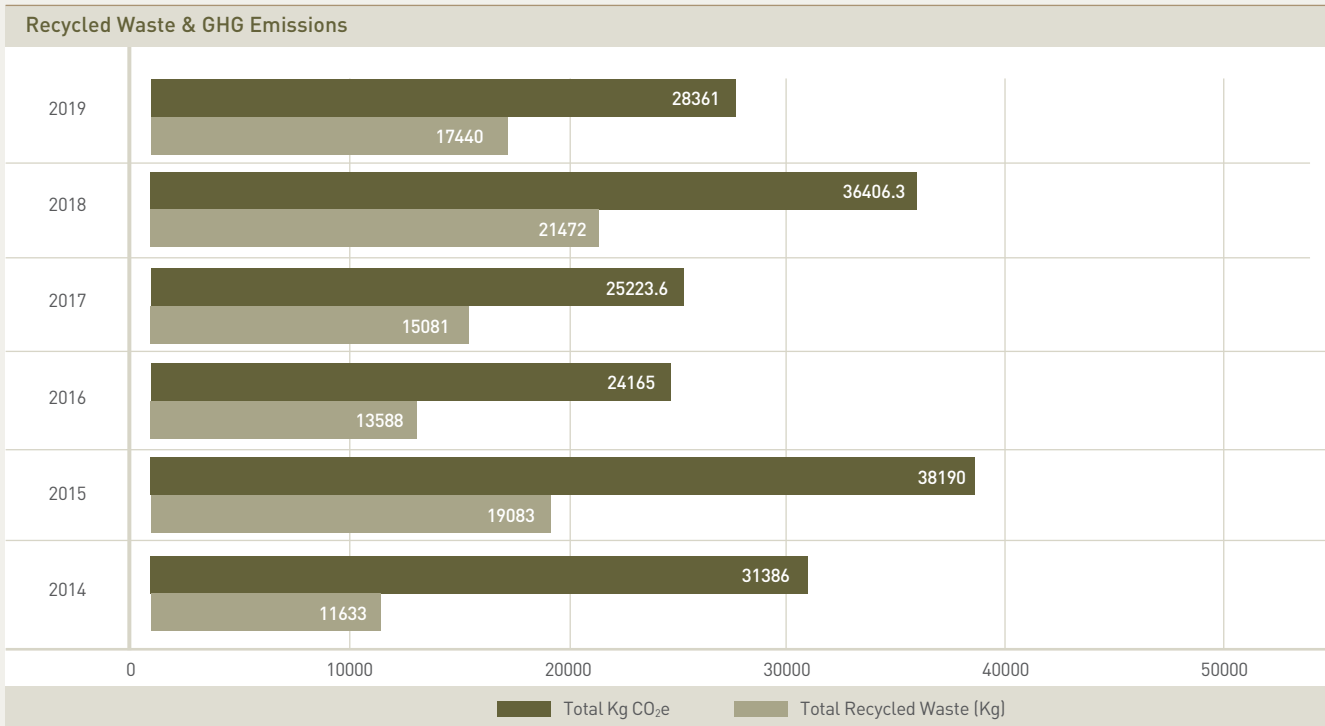
Year	Recycled Waste (Kg)	CO <sub>2</sub> emission reduction (Kg)	Landfill Space saved (m3)
2014	11633	31386	15
2015	19083	38190	18.3
2016	13588	24165	17.9
2017	15081	25224	19.3
2018	21472	36406	27.6
2019	17440	28135	22.4
<b>Total</b>	<b>98297</b>	<b>183506</b>	<b>120.5</b>

Recycled waste includes paper, cardboard, plastic and aluminum cans

### GRI 201-1



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 2018-2019 we did not experience any reportable environmental incidents involving significant spills.

**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 , oily rags are sent for incineration.

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 Tatweer Petroleum in Bahrain

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

**Water bodies affected by water discharges and/ or runoff 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 2018-2019 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.

### Non-compliance with environmental laws and regulations

#### GRI 307-1

GPIC was fully compliant to all environmental laws and regulations during the reporting period 2018-2019 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 has transitioned from ISO 14001: 2004 to ISO 14001:2015 hence we have included life cycle perspective in the scope of supplier environmental assessment

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

Number of new suppliers screened through Safety, Health and Environment (SHE) assessment criteria (2018): 8 (25 percent), 2019: 25 (58 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

### OUR PERFORMANCE HIGHLIGHTS

**63 & 93**



Male and Female average training hours per year per employee in 2019

**216**



students trained at GPIC in 2019 & 1219 in the past 6 years

**32**



environment awareness lectures to schools in 2019

**85%**



reduction in First Aid injuries in 2019 as compared to 2014

**98.6%**



employee retention level in 2019

**444**



e-Learning users in 2019 and a total of 2903 since 2010

**1,175**



sick leave days in 2019 the lowest in 10 years

**8%**



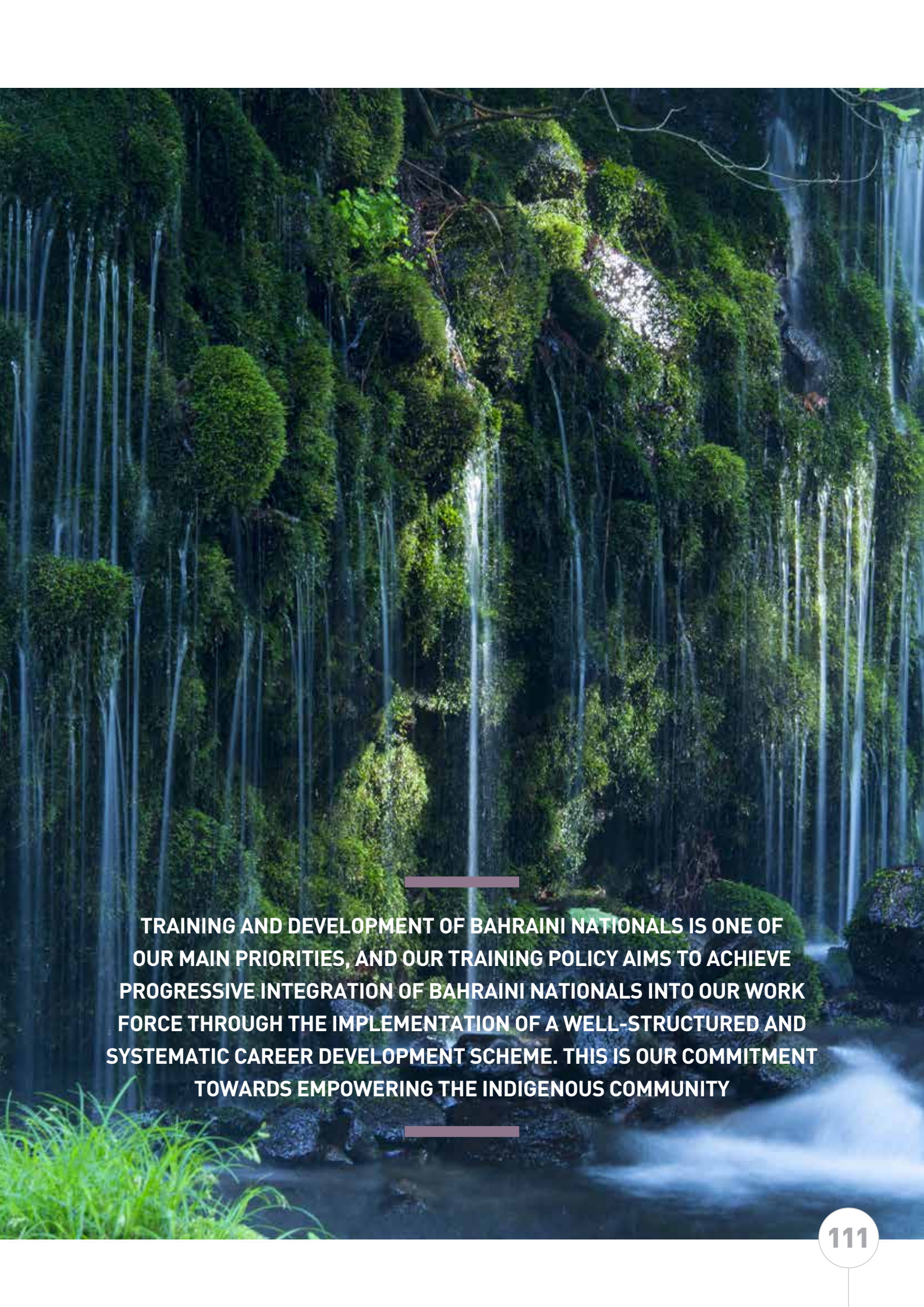
female employees at GPIC

**29,721**



total training hours for GPIC employees in 2019





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**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**

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## Our People

### 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 2018-2019, 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:





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.

## Our People

GPIC employee wins the best suggestion award on implementation of SDGs



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

During 2018-2019, 19 of our potential future leaders attended the GPIC leadership program, two attended the Darden University, USA program and 17 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. 8% of our employees are female employees. Our Ladies Working Committee is actively involved in promoting the role of women in the company and society.

Ladies working committee 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 & COMMITTEES 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 performance-based awards across departments and divisions, as well as acknowledgement of best safety practices.

We also have an incentivized scheme to reward our people during an annual awards ceremony. Some of the awards 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.

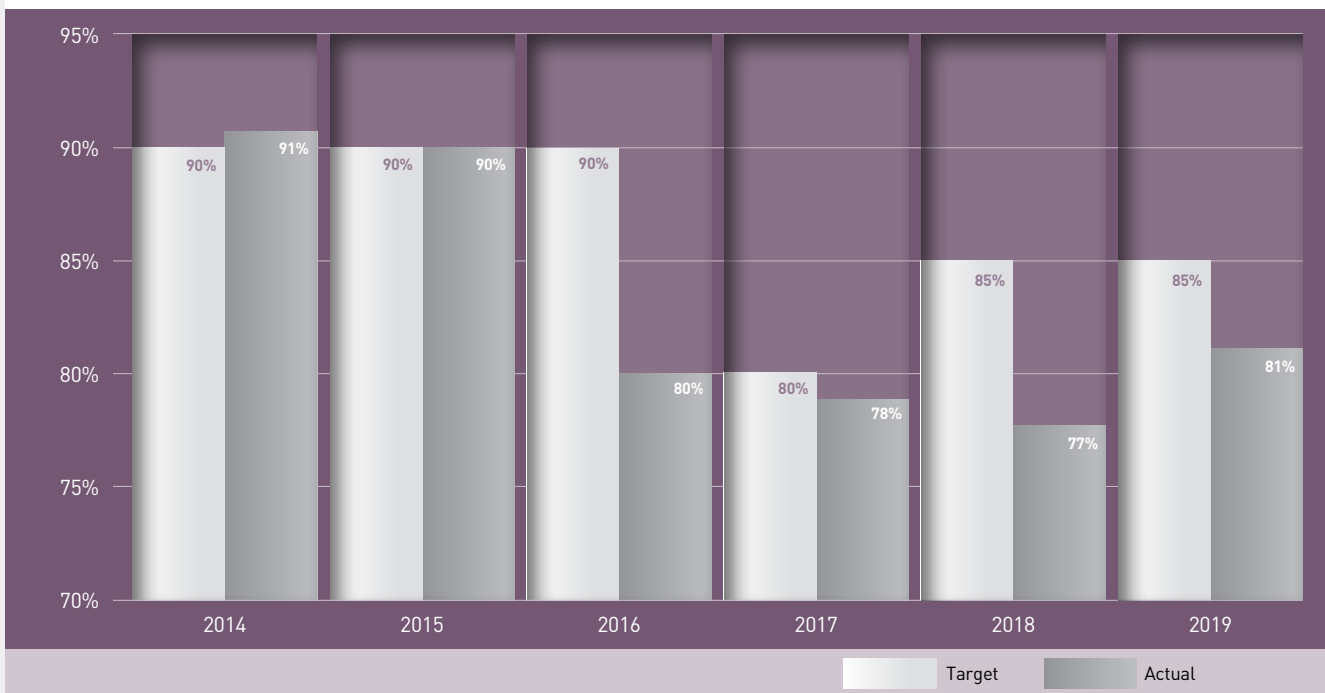
**OUR HUMAN RESOURCES PERFORMANCE 2018-2019**

GPIC achieved most of its objectives with regard to training and development of Bahraini employees during 2018-2019. 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 have improved in 2019 as compared to 2017. The previous lower trends were due to the early retirement of Bahraini employees and not being able to find suitable candidates.

**Bahrainisation Levels**



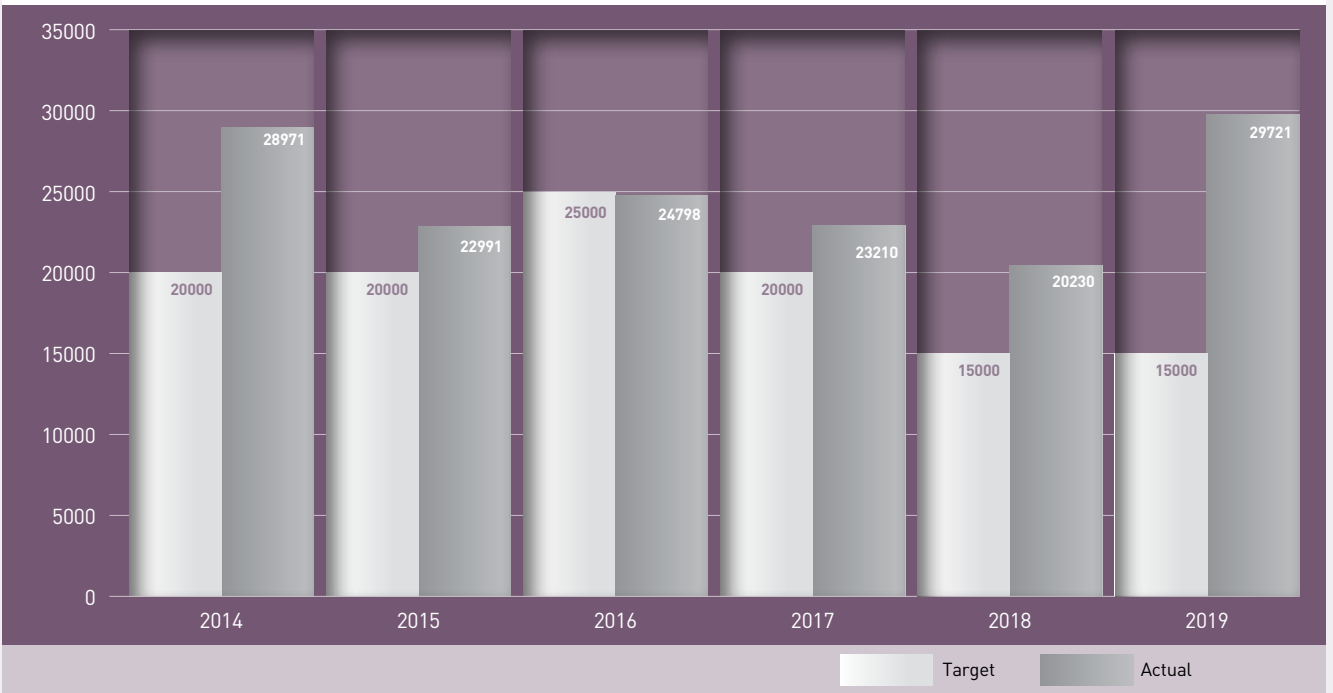


**Total training hours**

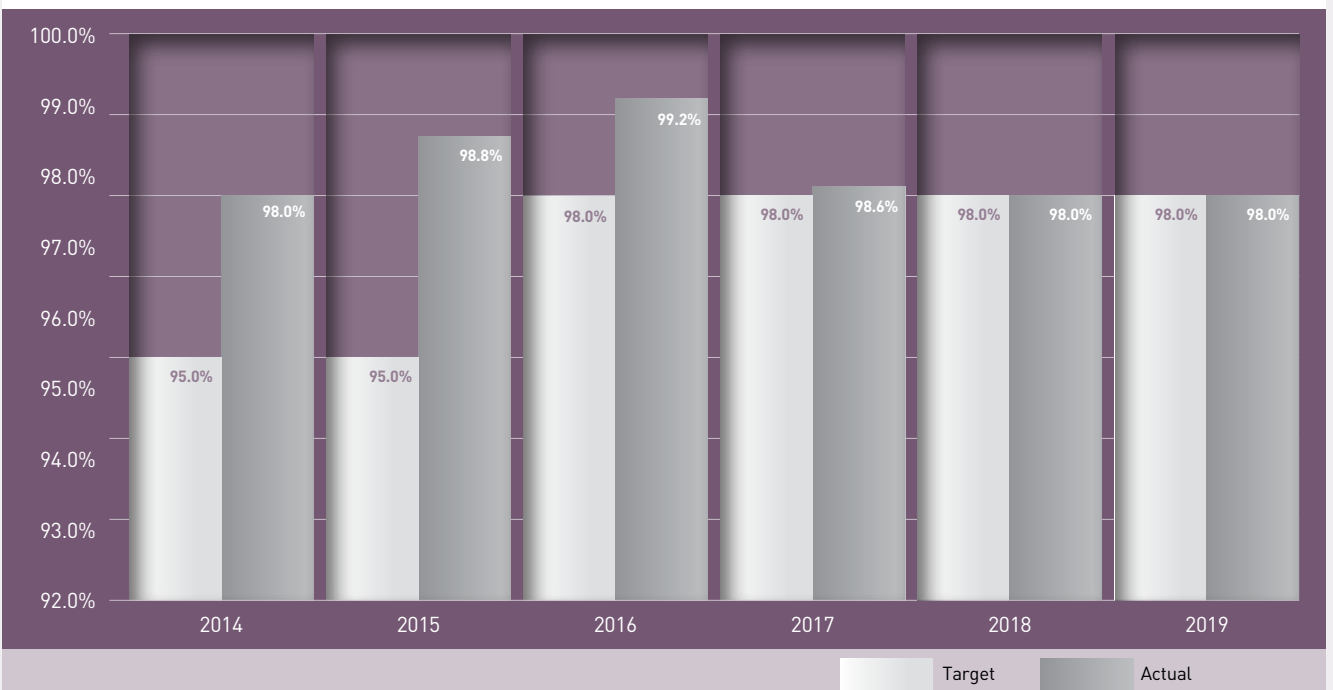
In 2019, the actual training hours exceeded the budgeted

training hours by 49%. This was achieved due to enhanced HSE related training.

**Total Training Hours**

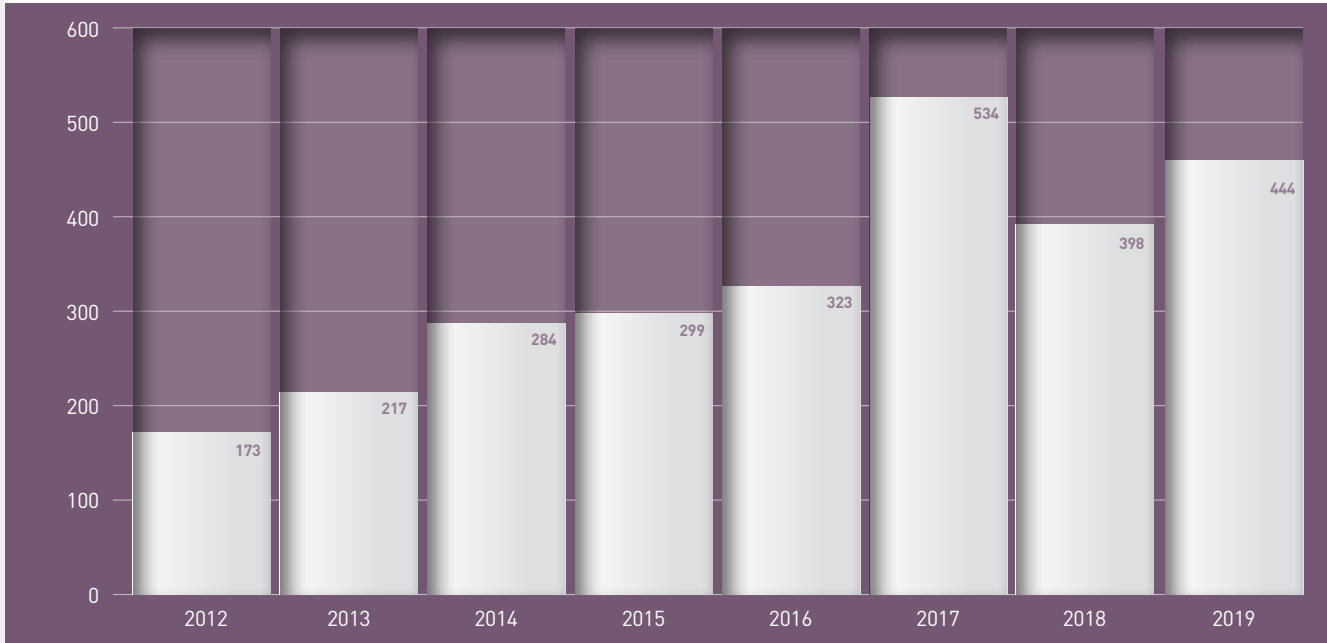


**Employee Retention**

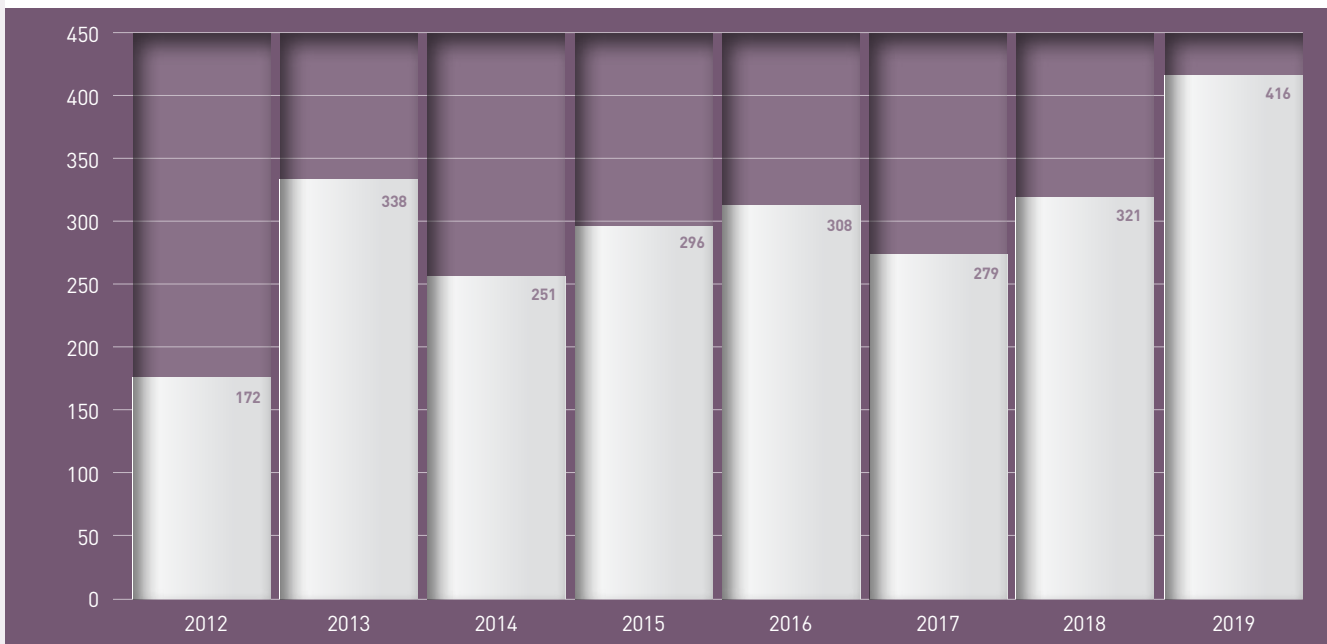


Our People

Number of E-learning users at GPIC



Total Training Events







**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 'complacency'. 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 2020 is, improving Employees' productivity.



## Labour Performance Indicators

### ASPECT: EMPLOYMENT

New Employee Hires and Employee turnover **GRI 401-1**

RETIRED EMPLOYEES DURING 2018 / 2019						
JOB FAMILY	2018 (AS OF 31/12/2018)			2019 (AS OF 31/12/2019)		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
ADMINISTRATIVE EMPLOYEES (MANAGERS & SUPERINTENDENTS EXCLUDED)						
NUMBERS	1	9	10	3	1	4
PERCENTAGE	4.545%	40.909%	45.455%	11.111%	3.704%	14.815%
TECHNICAL EMPLOYEES (MANAGERS, SUPERINTENDENTS, SENIOR SECRETARIES & SECRETARIES EXCLUDED)						
NUMBERS	7	0	7	22	0	22
PERCENTAGE	31.818%	0.000%	31.818%	81.481%	0.000%	81.481%
SUPERINTENDENTS						
NUMBERS	2	0	2	1	0	1
PERCENTAGE	9.091%	0.000%	9.091%	3.704%	0.000%	3.704%
MANAGERS						
NUMBERS	3	0	3	0	0	0
PERCENTAGE	13.636%	0.000%	13.636%	0.000%	0.000%	0.000%
TOTAL COUNT NO.						
NUMBERS	13	9	22	26	1	27
PERCENTAGE	59%	41%	100%	96%	4%	100%

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 2018 / 2019					
DIVERSITY INDICATORS	2018				
	ADMINISTRATIVE	TECHNICAL	SUPERINDEPENDENTS	MANAGERS	TOTAL
BAHRAINI EMPLOYEES	10	5	0	3	18
NON-BAHRAINI	0	2	2	0	4
TOTAL	10	7	2	3	22
≤ 30 YEARS OLD	2	1	0	0	3
BETWEEN 31-50 YEARS	7	0	0	0	7
≥ 51 YEARS OLD	1	6	2	3	12
TOTAL	10	7	2	3	22

DIVERSITY INDICATORS	2019				
	ADMINISTRATIVE	TECHNICAL	SUPERINDEPENDENTS	MANAGERS	TOTAL
BAHRAINI EMPLOYEES	3	13	0	0	16
NON-BAHRAINI	1	9	1	0	11
TOTAL	4	22	1	0	27
≤ 30 YEARS OLD	0	0	0	0	0
BETWEEN 31-50 YEARS	2	2	0	0	4
≥ 51 YEARS OLD	2	20	1	0	23
TOTAL	4	22	1	0	27

### New Employee Hires

8 new employees were recruited in 2018 and 15 in 2019

### 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.

### LABOR/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 non-negotiable 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.

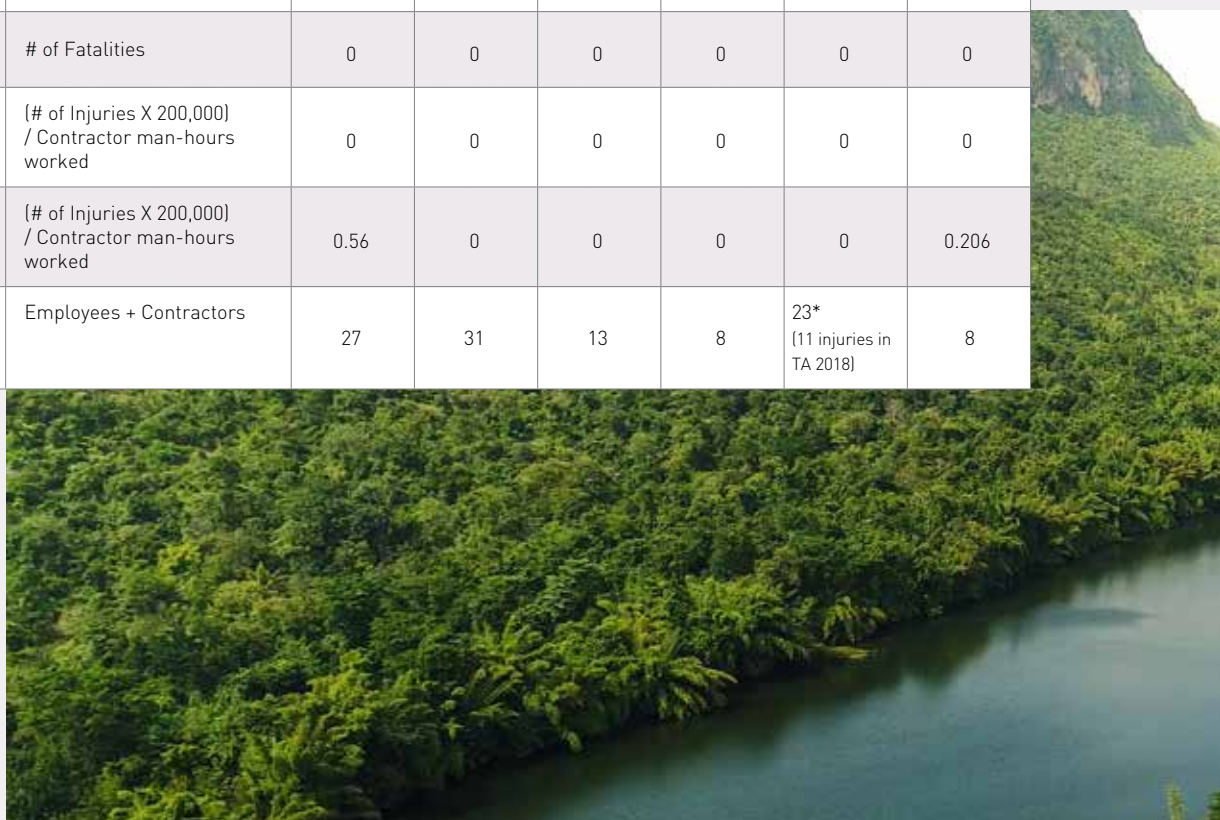
Refer to details on Safety and Health in the Economic impact section on page 86-89.

By the end of December 2019, we achieved more than 32 million accident free working hours for our workforce and contractors. 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.

### 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		2014	2015	2016	2017	2018	2019
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	0.17	0	0	0.36	0	0
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	0	0	0	0	0
Recordable Cases Incidence Rate for Contract Employees	(# of Injuries X 200,000) / Contractor man-hours worked	0.56	0	0	0	0	0.206
First Aid Injuries	Employees + Contractors	27	31	13	8	23* (11 injuries in TA 2018)	8





**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

### 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.

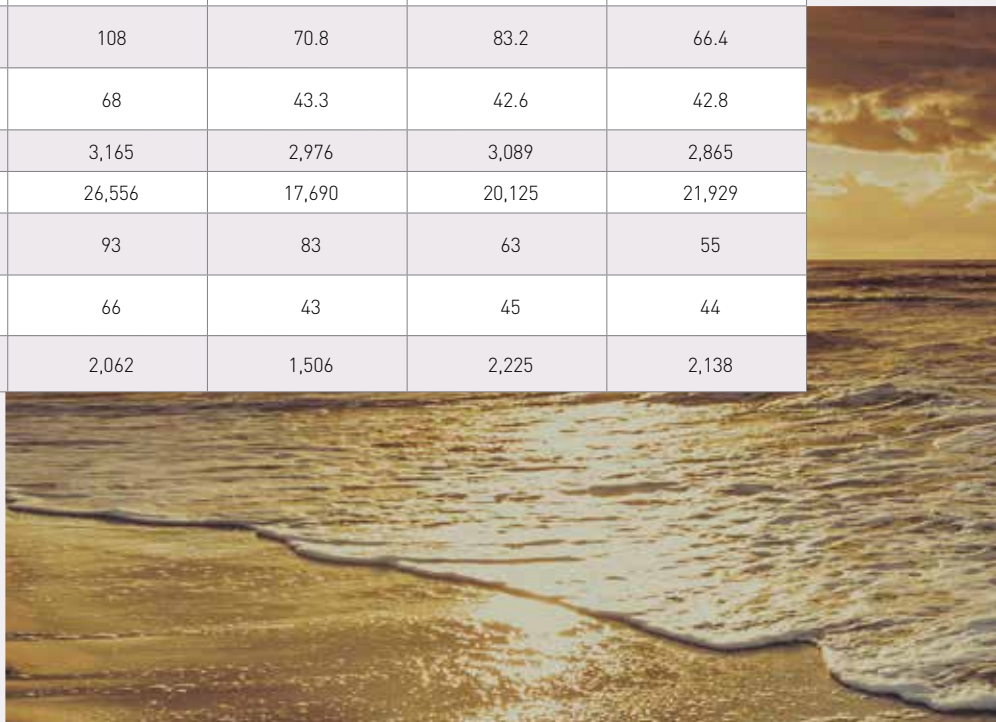
GPIC encourages continuous learning – in classrooms, on assignment and through mentoring and networking, thereby

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 55 hours of training per employee in 2018/2019.

GRI 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE				
CLASSIFICATION	2019	2018	2017	2016
Total training hours	29,721	20,666	23,214	24,794
Total training events	416	321	320	308
Total number of employees undergone training	412 out of 433	433 out of 452	482 out of 497	511 out of 549
Total training hours for management staff	4,432	2,832	4,160	3,650
Total number of staff who attended management courses	213	258	262	302
Total number of staff who attended non-management courses	394	366	459	471
Total training hours for non-management staff	25,289	17,834	19,054	21,144
Total management staff trained	41	35	48	52
Total non-management staff trained	371	398	417	459
Average hours of training per year per employee for management staff	108	70.8	83.2	66.4
Average hours of training per year per employee for non-management staff	68	43.3	42.6	42.8
Total training hours for females	3,165	2,976	3,089	2,865
Total training hours for males	26,556	17,690	20,125	21,929
Average hours of training per year per employee for female	93	83	63	55
Average hours of training per year per employee for male	66	43	45	44
Total participants in all training events	2,062	1,506	2,225	2,138





**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**



## Diversity and Equal Opportunities

### Diversity of Governance bodies and employees **GRI 405-1**

GPIC has made a commitment of support to the UN Women's Empowerment Principles (WEPs), signed in 2014 by our President. The WEPs is a partnership initiative supporting the mission to promote gender equality and women's empowerment globally. Signing these principles

has complemented GPIC's internal efforts around women's advancement. As a result of the WEPs, GPIC is reporting 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

JOB FAMILY	2018 (AS OF 31/12/2018)			2019 (AS OF 31/12/2019)		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
<b>ADMINISTRATIVE EMPLOYEES (MANAGERS &amp; SUPERINTENDENTS EXCLUDED)</b>						
NUMBERS	39	27	66	35	26	61
PERCENTAGE	8.647%	5.987%	14.634%	8.235%	6.118%	14.353%
<b>TECHNICAL EMPLOYEES (MANAGERS, SUPERINTENDENTS, SENIOR SECRETARIES &amp; SECRETARIES EXCLUDED)</b>						
NUMBERS	338	6	344	318	6	324
PERCENTAGE	74.94%	1.33%	76.27%	74.82%	1.41%	76.24%
<b>SUPERINTENDENTS</b>						
NUMBERS	27	2	29	26	2	28
PERCENTAGE	5.99%	0.44%	6.43%	6.12%	0.47%	6.59%
<b>MANAGERS</b>						
NUMBERS	11	1	12	11	1	12
PERCENTAGE	2.44%	0.22%	2.66%	2.59%	0.24%	2.82%
<b>TOTAL COUNT NO.</b>						
NUMBERS	415	36	451	390	35	425
PERCENTAGE	92.02%	7.98%	100.00%	91.76%	8.24%	100.00%

DIVERSITY INDICATORS	2018				
	ADMINISTRATIVE	TECHNICAL	SUPERINTENDENTS	MANAGERS	TOTAL
BAHRAINI	56	258	23	12	349
NON-BAHRAINI	10	86	6	0	102
TOTAL	66	344	29	12	451
≤ 30 YEARS OLD	11	74	0	0	85
BETWEEN 31-50 YEARS	51	206	22	4	283
≥ 51 YEARS OLD	4	64	7	8	83
TOTAL	66	344	29	12	451





**GRI 405-1**

DIVERSITY INDICATORS	2019				
	ADMINISTRATIVE	TECHNICAL	SUPERINDENDENTS	MANAGERS	TOTAL
BAHRAINI EMPLOYEES	54	252	24	12	342
NON-BAHRAINI	7	72	4	0	83
TOTAL	61	324	28	12	425
≤ 30 YEARS OLD	7	73	0	0	80
BETWEEN 31-50 YEARS	51	193	20	4	268
≤ 51 YEARS OLD	3	58	8	8	77
TOTAL	61	324	28	12	425

GOVERNING BODY							
GOVERNING BODY	GENDER		MINORITY GROUP		AGE GROUP		
	MALE	FEMALE	MUSLIM	NON-MUSLIM	<30	35 - 50	>50
BOARD OF DIRECTORS	8	0	8	0	0	3	5

**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 2019: 43
- Out of 43 vendors, the number of local vendors is 25, i.e. 58 percent
- Number of service vendors screened through Safety, Health and Environment (SHE) assessment criteria(2019): 25 (58 percent)
- No rejection of any recommended vendor due to SHE aspects
- Total number of vendors in GPIC Approved supplier list (ASL): 1875, Local suppliers in the list: 727.
- Percentage of local vendors in the total list: 39

**Negative Social impacts in 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 2018 and 2019.

## Human Rights

### 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**

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



## Human Rights

### 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 2018-2019 the Company has carried out specific training for its security personnel on UN Human Rights and etiquette. In addition to this recently a number of GPIC employees have undergone training on etiquette by National Institute of Human Rights(NIHR) and also on Bahrain labor law. In all 109 employees attended various training 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 2018-2019 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. 85.5 percent of GPIC's workforce was covered by formal collective bargaining agreements in 2018 and 88.4 percent in 2019. 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 labor **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 2018/2019 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 2018/2019.

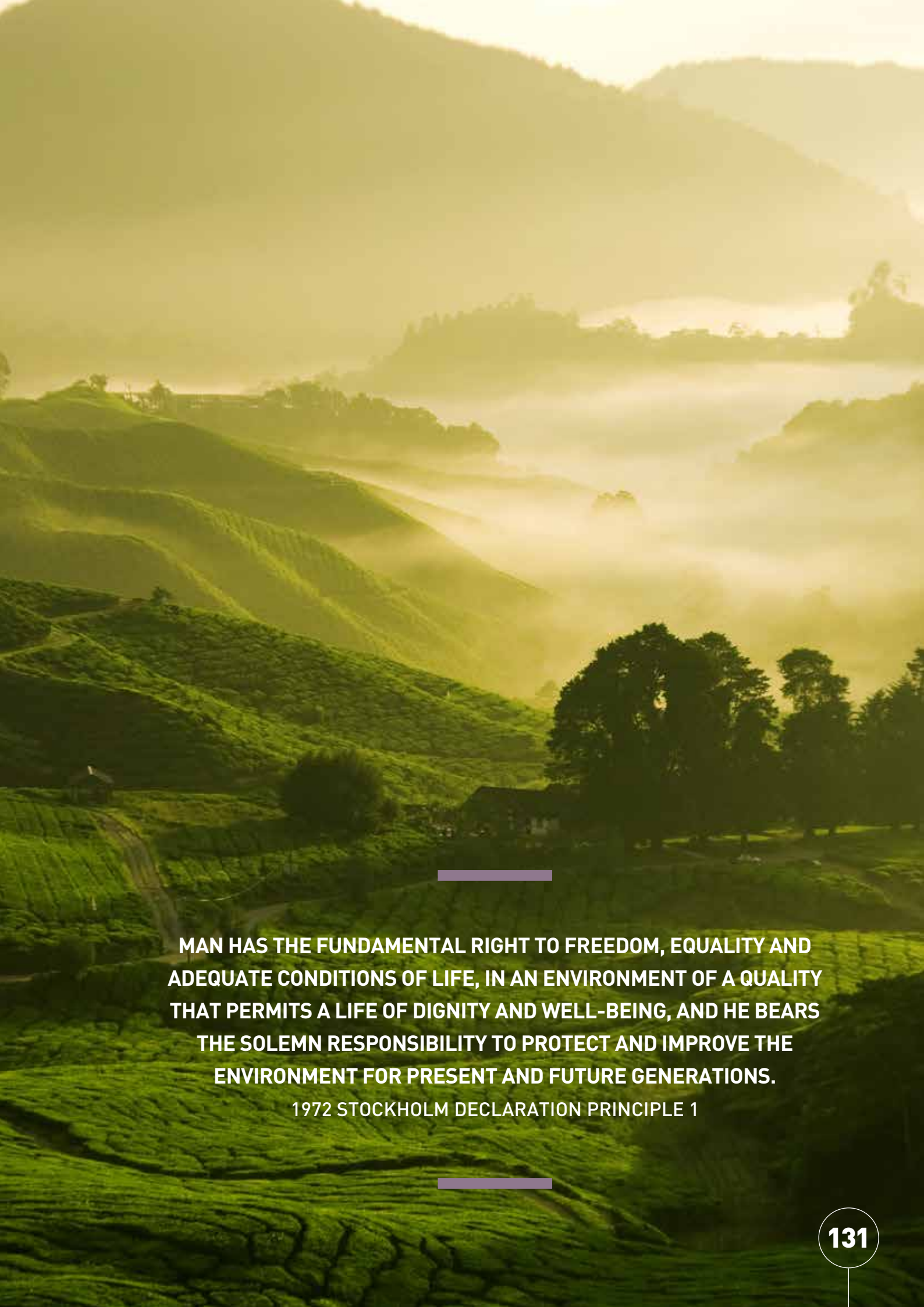
### SUPPLIER SOCIAL ASSESSMENT

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

All our suppliers undergo a strict screening and our pre-qualification 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 2018/2019.



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**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

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## Society

### 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\$ 5.067 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 has served as the Chairman of the International Fertilizer Association (IFA) and is also the Chairman of the Arab Fertilizer Industry Association(AFA).

We are also represented in the University of Bahrain, Bahrain Training Institute, Bahrain Polytechnic, Bahrain's National Committee for Safety, The Royal Society for the Prevention of Accidents (RoSPA, UK), National Safety Council (USA), Gulf Petrochemical and Chemicals Association (GPCA), International Fertilizer Industry Association (IFA), Arab Fertilizer Association (AFA), Global Reporting Initiative (GRI) to name but few. This allows us to positively influence decision making in issues such as health, safety environment, education, sport, and the

like. We have always leveraged this presence to bring in up-to-date legislations, enhanced quality and tighten up rules and procedures.

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

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

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

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

We have partnered with inJaz Bahrain (a non-profit organization led by Her Highness, Shaikha 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, 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 2018-2019**

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 have won the Arabia CSR Award for the fifth consecutive year in 2019. 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 2018-2019**

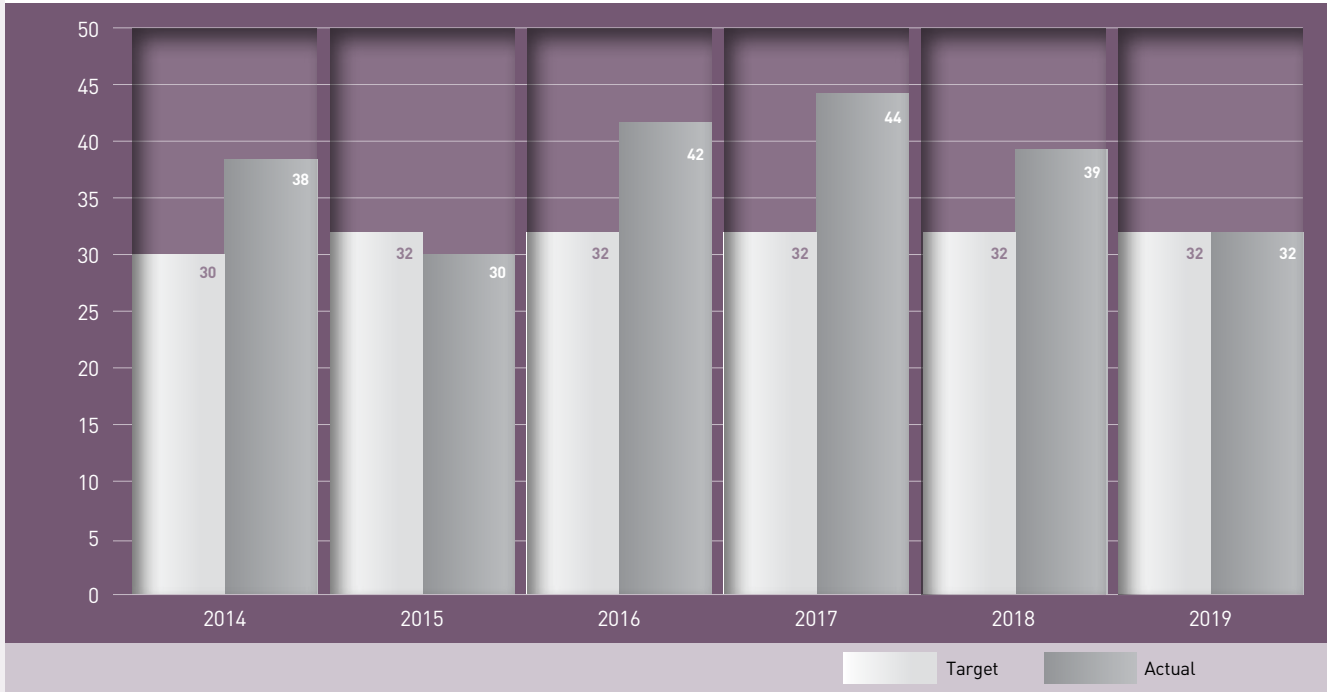
GPIC achieved most of its objectives with regards to CSR during 2018-2019. This includes environmental awareness lectures to school children, Social and educational visits, contributions and sponsorship to charities, NGOs and other worthy causes.



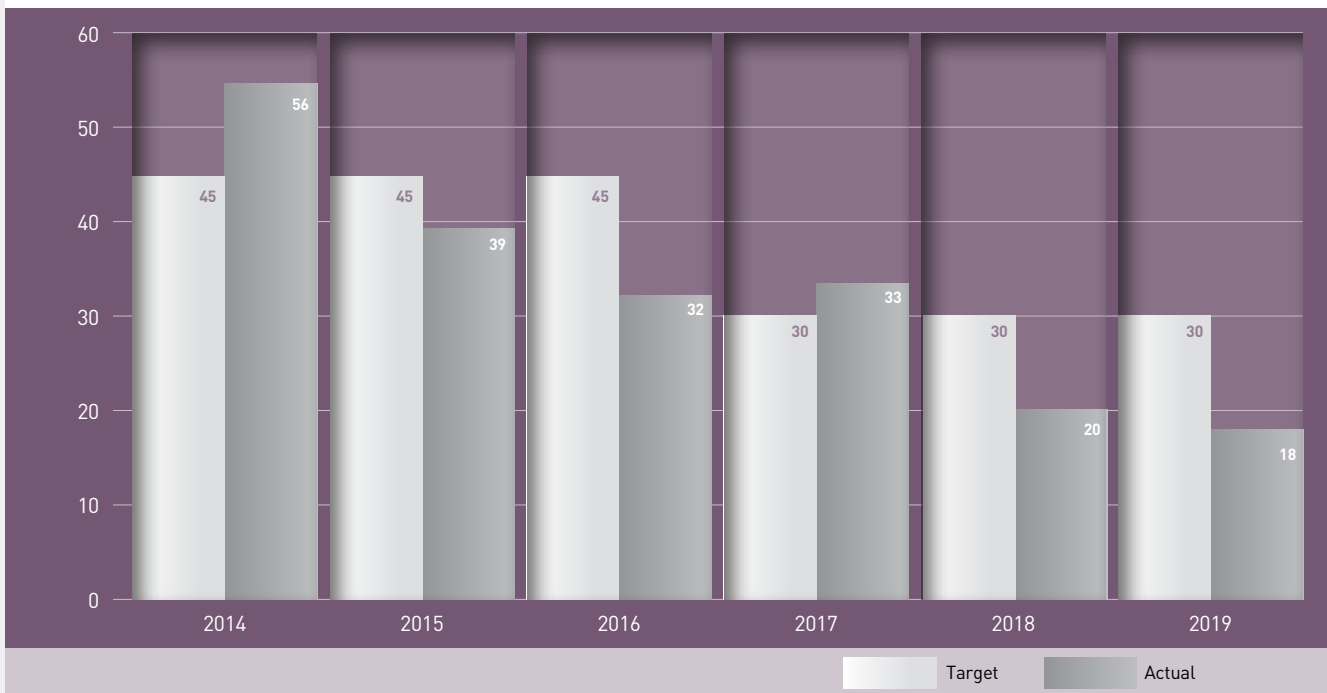
GPIC shows national unity by celebrating the Kingdom's Football Gulf Cup Win

Society

Environmental Awareness Lectures to Schools



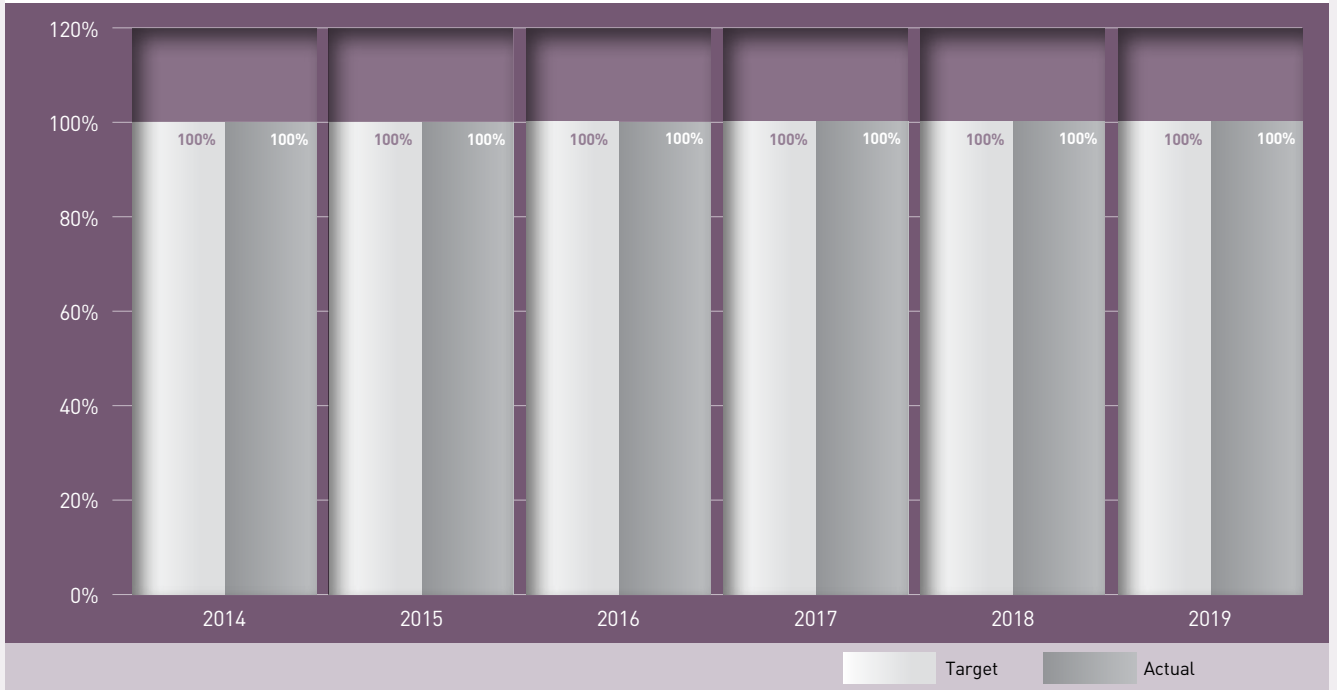
Social and Educational Visits to GPIC







### Contributions and sponsorship to charities, NGOs and other worthy causes



Society

**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.





**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 voluntarily aligned its corporate governance to the Bahraini law requirement, to ensure best practices.

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

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

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

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

Furthermore, our governance framework allows for a stringent, frequent and thorough audit of every department where financial transactions are scrutinized and system compliance audits are conducted. Each department is regularly audited and issued audit reports. Additionally an independent external auditor would also further audit the control system to ensure its effectiveness and elevate any potential wrongdoing or cases involving anti-corruption. We have always obtained an opinion from an independent external auditor. 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 2016, 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 anti-corruption 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

### 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 rolled out a comprehensive awareness campaign for Code of Ethics in 2018.

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

- New Guidelines on segregation of duties have been issued and an audit has been conducted.
- The corporate governance framework was reviewed by the 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 anti-corruption recently, a number of our employees attended specific training and conferences related to corruption, bribery, fraud etc.

### Confirmed incidents of corruption GRI 205-3

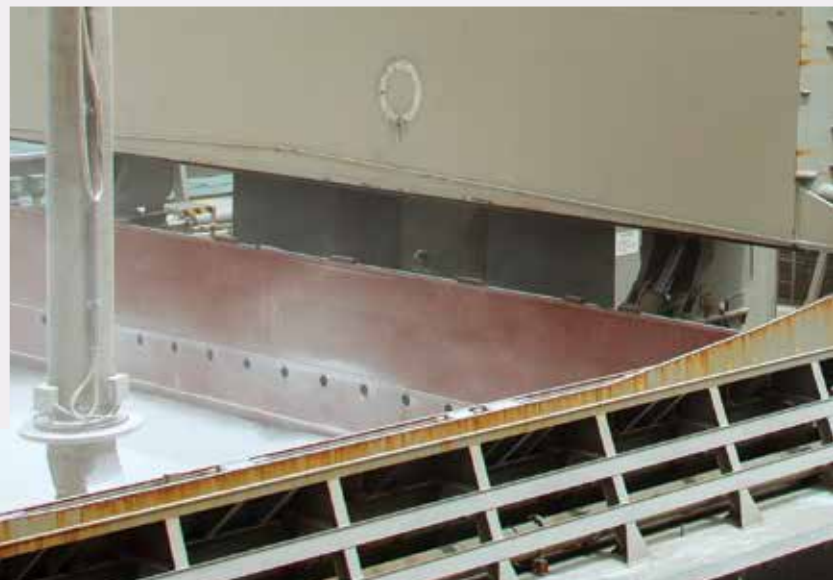
A review of the complaints and completed investigations in 2018/2019 revealed that:

- 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.



## Product Stewardship



### 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 2018 and 2019.

### 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

### 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. The subject license was again renewed in August 2019.

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
<p>- 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</p>	Development of product concept	The Company's products are in two categories 1) Urea and ammonia are additive for enhancing agricultural produce and due care had been given to health and safety. 2) Methanol can be used as fuel additive to households, pharmaceuticals, etc and hence due care has been given to health and safety. Our industry's basic raw material is fossil fuel (natural gas) and we are not exploring alternate raw material for our process however we are investing in solar energy for our non-process buildings.
	Research and Development	Products are already developed and the Company does not conduct any in- house research and development.
	Certification	No certification is required. However, the Company has obtained all the key certifications and one of the few Companies who are certified to ISO9001; ISO14001; ISO:45001; PAS99; RC14001; ISO27001; ISO31000; ISO22301; ISO50001; Halal Methanol; IFA Protect & Sustain Product Stewardship
	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.

**Note:** 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 urea 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 product and service information and labeling.

### Incidents of non-compliance concerning marketing communications **GRI 417-3**

We did not experience any incidents related to non-compliance concerning marketing communications.

### Customer Privacy

#### Substantiated complaints 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.







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**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**

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# 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

40  
عاشاً من التميز  
Years of Excellence

Office of the President

جيبك  
GPIC

شركة الخليج لصناعة البتروكيماويات (ش.م.ب)  
Gulf Petrochemical Industries Co. (BSC)

مكتب الرئيس

P/E001/101//20

1 January 2020

**H.E. António Guterres**  
**Secretary General**  
**United Nations**  
New York, NY 10017  
United States of America

Your Excellency,

**Subject: GPIC's Letter of Commitment to United Nations Global Compact**

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

This year is very special for GPIC as **we celebrate 40 years of sustainable success** and it also marks the **8<sup>th</sup> Anniversary of our Commitment to the United Nations Global Compact (UNGC)**. Whilst much has changed in the world and in our Company over the past few years, **our commitment to the UNGC's Ten Principles remains firm.**

We are also proud of **GPIC's Commitment to the UNGC's Six Food and Agriculture Business Principles (THE FAB 6 Principles)**, Women's Empowerment Principles (WEPs) and the Sustainable Development Goals (SDGs). In our 2020 Communication on Progress Report to the UNGC, which is part of our GRI Sustainability Report 2020 **'40 years of Sustainable Success'** GPIC reports according to the UN Global Compact **'Advanced Level'** and describes how we meet the 21 criteria's of this level. We have also covered our progress on the FAB 6 principles, WEPs and our alignment to the SDGs in addition to the UNGC Ten Principles.

Our Company is an avid supporter and promoter of the UNGC's ethical tenet and our commitment to this global alliance is worn as a badge of honor. **It therefore gives me great pride to confirm our Commitment and Membership of the UNGC.**

Yours sincerely,

Dr. Abdulrahman Jawahery  
President GPIC



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Dr. Jawahery attends UNGC session in New York.

### 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.

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 DISCLOSURES
<p><b>Scope:</b> Implementing the Ten Principles into Strategies &amp; Operations</p>	<p><b>Criterion 1:</b> The COP describes mainstreaming into corporate functions and business units</p>	<p>Our commitment to responsible business is embedded into our business agenda through our vision, 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 by engaging our employees, customers and suppliers, and forging new partnerships within the marketplace. We have integrated our commitment into our organizational framework and our management structure to ensure accountability, and success in terms of achieving our goals.</p> <p>GPIC adopted the United Nations pillars of Sustainable Development: People, Planet, Prosperity and drive engagement through Partnerships in a peaceful environment; in which our success factors are measured based on our performance in these key areas. The UNGC 10 Principles are part of our goals and governance and we have already aligned our business priorities with the 17 UN SDGs.</p> <p>Our Strategy spans across our entire portfolio of products, and it specifically focuses on ammonia, methanol and granular urea which we produce and supply to many countries. We also ensure that the focus applies across the whole value chain – right from the stage of sourcing of raw materials to our production, storage and export activities</p>	<ul style="list-style-type: none"> <li>- GPIC Corporate Governance <a href="https://www.gpic.com/media/Publication/other/CorporateGovernance.aspx">https://www.gpic.com/media/Publication/other/CorporateGovernance.aspx</a></li> <li>- Code of Ethics <a href="https://www.gpic.com/media/Publication/other/CodeofEthics2016.aspx">https://www.gpic.com/media/Publication/other/CodeofEthics2016.aspx</a></li> <li>- Sustainability framework (GPIC SR 2018 and SR 2020)</li> <li>- GPIC ISO and other certifications <a href="https://www.gpic.com/company/OURPOLICIES/">https://www.gpic.com/company/OURPOLICIES/</a></li> <li>- GPIC policies on HSE and Responsible Care <a href="https://www.gpic.com/company/OURPOLICIES/">https://www.gpic.com/company/OURPOLICIES/</a></li> <li>- GPIC Annual Reports <a href="https://www.gpic.com/media/Publication/?c=12">https://www.gpic.com/media/Publication/?c=12</a></li> <li>- GPIC's Vision, Mission and Corporate Values <a href="https://www.gpic.com/company/VisionMissionValues/">https://www.gpic.com/company/VisionMissionValues/</a></li> </ul>	

Our Commitment

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 DISCLOSURES
<p><b>Scope:</b> Implementing the Ten Principles into Strategies &amp; Operations</p>	<p><b>Criterion 2:</b> The COP describes value chain implementation.</p>	<p>Our responsible business ethics embodies our commitment to conduct business with integrity, openness, and respect for universal human rights and core labour principles throughout our operations. It advocates a "beyond compliance approach to our supply chain".</p> <p>Our pre-qualification criteria for suppliers include certifications such as ISO 14001 and Responsible Care and our IFA P&amp;S product stewardship addresses the above.</p> <p>Our Risk Framework includes the key sustainability issues pertaining to our operations and overall organizations and includes a range of communication channels for gathering stakeholder feedback.</p>	<ul style="list-style-type: none"> <li>- Sustainability Report 2018 &amp; 2020</li> <li>- Our policies on HSSE and Responsible Care <a href="https://www.gpic.com/company/OURPOLICIES/">https://www.gpic.com/company/OURPOLICIES/</a></li> <li>- Code of Ethics <a href="https://www.gpic.com/media/Publication/other/CodeofEthics2016.aspx">https://www.gpic.com/media/Publication/other/CodeofEthics2016.aspx</a></li> <li>- GPIC Annual Reports <a href="https://www.gpic.com/media/Publication/?c=12">https://www.gpic.com/media/Publication/?c=12</a></li> </ul>	

HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES				
GC SCOPE OR PRINCIPLE	CRITERIA FOR GC ADVANCED LEVEL	GPIC APPROACH	WHERE TO FIND OUT MORE	REFERENCE TO GRI DISCLOSURES
<p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p><b>Principle 2:</b> Businesses should make sure that they are not complicit in human rights abuses</p>	<p><b>Criterion 3:</b> The COP describes robust commitments, strategies or policies in the area of human rights.</p>	<p>We are committed to driving fairness by further building human rights across our operations, and advancing human rights in our supply chain, continuously improving and promoting best practice. Our approach is to uphold and promote human rights in three ways:</p> <ol style="list-style-type: none"> <li>1. in our operations by upholding our values and standards. This is also communicated through our 'People First' approach that aims to drive key values like ESPECT, EXCELLENCE, SAFETY, SOCIAL RESPONSIBILITY, PROFESSIONALISM, INTEGRITY AND FAIRNESS, CREATIVITY, TEAMWORK AND TRANSPARENCY across the organization.</li> <li>2. in our relationships with our suppliers, customers and other business partners.</li> <li>3. by working through external initiatives, such as the UNGC</li> </ol> <p>We remain committed towards developing 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 has made a public commitment towards the UNGC 10 principles. We are committed to respecting all internationally recognised human rights as relevant to our operations</p> <p>Our legal section keeps updates on regulations and our new code of ethics document is aligned to UNGC's four areas and is publicly available on our website.</p>	<ul style="list-style-type: none"> <li>- GPIC Code of Ethics <a href="https://www.gpic.com/media/Publication/other/CodeofEthics2016.aspx">https://www.gpic.com/media/Publication/other/CodeofEthics2016.aspx</a></li> <li>- GPIC People First - <a href="https://www.gpic.com/people/peoplefirst/">https://www.gpic.com/people/peoplefirst/</a></li> </ul>	<p>GRI 412-3 GRI 412-2 GRI 406-1 GRI 407-1 GRI 408-1 GRI409-1 GRI 103-</p>



HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES				
GC SCOPE OR PRINCIPLE	CRITERIA FOR GC ADVANCED LEVEL	GPIC APPROACH	WHERE TO FIND OUT MORE	REFERENCE TO GRI DISCLOSURES
	<p><b>Criterion 4:</b> The COP describes effective management systems to integrate the human rights principles</p>	<p>Human right principles are embedded within the principle of our corporate governance policy which is regularly updated. Our employees also undergo regular trainings related to human rights, labour rights and women’s rights. Our governance and policies set mandatory requirements on human and labour rights for our suppliers and includes a continuous improvement ladder. Mandatory requirements are applicable at an entry level for doing business, which then advances to good/best practice over time – with the idea that our suppliers need to transition from ‘doing no harm’ to ‘doing good’.</p> <p>The Board of GPIC is responsible for ensuring adherence to these commitments and our senior management has responsibility for overseeing their implementation and ensuring that any breaches of our Code of Business Principles are investigated, and the appropriate actions are taken swiftly.</p>	<p>- GPIC Corporate Governance <a href="https://www.gpic.com/media/Publication/other/CorporateGovernance.aspx">https://www.gpic.com/media/Publication/other/CorporateGovernance.aspx</a></p>	
	<p><b>Criterion 5:</b> The COP describes effective monitoring and evaluation mechanisms of human rights integration</p>	<p>We have established a grievance mechanism internally (both individual and collective) including a SOP on Industrial relations. External stakeholders can raise their concerns, grievances through various channels provided for feedback.</p> <p>We recognize that we must take steps to identify and address any actual or potential adverse impacts, which we may be involved in whether directly or indirectly through our own activities or that of our business relationships.</p> <p>We also provide formal channels of communication for all our stakeholder by way of our stakeholder engagement process.</p> <p>All feedback, complaints, grievances and concerns recorded are effectively integrated with the relevant responses aligned to our due diligence and our policies/ internal systems, along with the actions taken in relation to the issues. Further, the relevant actions on the issues are also communicated with the respective stakeholders.</p>		

Our Commitment

LABOUR MANAGEMENT POLICIES & PROCEDURES				
GC SCOPE OR PRINCIPLE	CRITERIA FOR GC ADVANCED LEVEL	GPIC APPROACH	WHERE TO FIND OUT MORE	REFERENCE TO GRI DISCLOSURES
<p><b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p><b>Principle 4:</b> The elimination of all forms of forced and compulsory labour.</p> <p><b>Principle 5:</b> The effective abolition of child labour.</p> <p><b>Principle 6:</b> The elimination of discrimination in respect of employment and occupation</p>	<p><b>Criterion 6:</b> The COP describes robust commitments, strategies or policies in the area of labour</p>	<p>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 our employees' families and our community's well-being through guidance, structured programs and medical insurance.</p> <p>In addition to labour policies that strongly respect employee rights, we incorporate global best practices in HR development including well-being campaigns, benefits to labour, and the capacity building of employees/contractors. We have also been the proud recipient of numerous HR awards for our initiatives.</p>	<p>- Sustainability Report 2018 &amp; 2020</p>	<p>GRI404-1 GRI404-3 GRI407-1 GRI413-1 GRI413-2 GRI408-1 GRI406-1</p>
	<p><b>Criterion 7:</b> The COP describes effective management systems to integrate the labour principles</p>	<p>We live by the principles of diversity and inclusion and work to embed these firmly into our day-to-day business decisions via our talent management and people processes.</p> <p>All company goals are under the ownership of specific employees; the company's labour union is actively engaged in meetings/ activities; the grievance mechanism procedure is accessible to all.</p>		
	<p><b>Criterion 8:</b> The COP describes effective monitoring and evaluation mechanisms of labour principles integration</p>	<p>Employees can report concerns to their Line Manager /HR section or the Legal and Compliance Supervisor.</p> <p>Prior to approving suppliers, references and if necessary site visits are conducted to ensure their adherence to good labour practices and standards; labour standards are included in business contracts.</p>	<p>- GPIC Code of Ethics <a href="https://www.gpic.com/media/Publication/other/CodeofEthics2016.aspx">https://www.gpic.com/media/Publication/other/CodeofEthics2016.aspx</a></p>	



Partnering with UN  
Environment for Sustainability



ENVIRONMENTAL MANAGEMENT POLICIES & PROCEDURES				
GC SCOPE OR PRINCIPLE	CRITERIA FOR GC ADVANCED LEVEL	GPIC APPROACH	WHERE TO FIND OUT MORE	REFERENCE TO GRI DISCLOSURES
<p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges. .</p> <p><b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p><b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p><b>Criterion 9:</b> The COP describes robust commitments, strategies or policies in the area of environmental stewardship</p>	<p>GPIC views the Precautionary Principle as an application of the principles of risk assessment and risk management. Risk assessment includes hazard identification, characterization, exposure assessment and overall risk assessment.</p> <p>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.</p> <p>Sustainability and in particular environmental sustainability is strongly embedded in our Mission statement which is "to grow and add value to our customers and shareholders by meeting their expectations whilst; producing high quality products; focusing on customers; optimising business in a cost effective, safe, <b>environmentally friendly</b> and socially responsible way; embracing knowledge creativity and best practice."</p>	<ul style="list-style-type: none"> <li>- Environment section of GPIC SR 2018 &amp; 2020.</li> <li>- Environmental section of UNGC COP 2019.</li> </ul>	<ul style="list-style-type: none"> <li>GRI 302-4</li> <li>GRI302-3</li> <li>GRI304-1</li> <li>GRI305-1</li> <li>GRI305-2</li> <li>GRI305-4</li> <li>GRI306-2</li> <li>GRI306-3</li> <li>GRI307-1</li> </ul>
	<p><b>Criterion 10:</b> The COP describes effective management systems to integrate the environmental principles</p>	<p>Our environmental management system (EMS) underpins our environment strategy. GPIC employees must comply with all the policies, procedures, rules &amp; regulations for occupational safety, and health and environmental care (SHE). Based on ISO 14001, our environmental management systems are designed to achieve continuous improvement.</p>	<ul style="list-style-type: none"> <li>- Environment section of GPIC SR 2018 &amp; 2020</li> <li>- Environmental section of UNGC COP 2019</li> </ul>	
	<p><b>Criterion 11:</b> The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</p>	<p>We have developed a set of metrics to assess our environmental impacts across the value chain covering: greenhouse gas (GHG) emissions, water, waste and energy efficiency.</p> <p>We also deliver tools, techniques and awareness, and share best practice directly with the people responsible for reducing the environmental impact within our manufacturing operations.</p> <p>Environmental auditing programs have been implemented within each section to help sites achieve continuous improvement in environmental performance and the findings are inputs to our management review process to continually improve our performance.</p> <p>We have been reporting following the GRI framework since 2012. We have incorporated some of the key metrics within our organizational KPIs which are measured, monitored and managed as a part of our organizational due diligence.</p>	<ul style="list-style-type: none"> <li>- Environment section of GPIC SR 2018 &amp; 2020</li> <li>- Environmental section of UNGC COP 2019</li> </ul>	

Our Commitment

ANTI-CORRUPTION MANAGEMENT POLICIES & PROCEDURES				
GC SCOPE OR PRINCIPLE	CRITERIA FOR GC ADVANCED LEVEL	GPIC APPROACH	WHERE TO FIND OUT MORE	REFERENCE TO GRI DISCLOSURES
<p><b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p><b>Criterion 12:</b> The COP describes robust commitments, strategies or policies in the area of anti-corruption</p>	<p>GPIC has a 'Zero Tolerance' approach towards bribery in any form: it is committed to being a 'no-bribe' business &amp; eradicating any practices or behaviors in relation to corruption. This 'Zero Tolerance' policy extends to GPIC's employees, and even contractors and third parties with whom we engage as a part of our operational cycle. 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.</p> <p>Our Corporate Governance policy and our code of conduct includes anti-corruption; and our segregation of duties framework eliminates conflicts of interest.</p>	<p>- Anti-corruption section of GRIC SR 2018 &amp; SR 2020 and also UNGC COP 2019</p>	<p>GRI205-1 GRI205-2 GRI205-3</p>
	<p><b>Criterion 13:</b> The COP describes effective management systems to integrate the anti-corruption principle</p>	<p>Our systems are regularly audited internally quite extensively, and we also monitor our organization's processes and transactions independently as a part of our annual external audits. We train our employees in areas such as procurement fraud, anti-money laundering, procurement auditing, etc.</p> <p>Our Audit, Finance, Risk committee and the Internal Audit function plays a major role in ensuring ethical business practices.</p> <p>At GPIC we have established a Whistle Blower mechanism, and the process is managed and monitored by our Internal Audit team. The mechanism covers our employees and management, and provides our stakeholders with access to a communication channel which is independent, and conflict free to ensure they can support in preventing, protect and support the organization from issues pertaining to Corruption and Bribery.</p>	<p>- GPIC Internal Audit function charter (available on request)</p>	
	<p><b>Criterion 14:</b> The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</p>	<p>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 website. Our Audit, Finance, Risk committee and the Internal Audit function plays a major role in ensuring ethical business practices.</p> <p>There has been no reported cases regarding to corruption or bribery within the organization. Our external independent auditors also include an area of coverage as a part of their auditing process in relation to conflicts of interest, segregation of duties, anti-money laundering, etc.</p>		



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 DISCLOSURES
<p><b>Scope:</b> Taking Action in Support of Broader UN Goals and Issues</p>	<p><b>Criterion 15:</b> The COP describes core business contributions to UN goals and issues</p>	<p>We are a signatory to the Global Compact and are committed to upholding its Principles across our business. In 2014 we endorsed the Women’s Empowerment Principles, collaboration between the UN Global Compact and UN Women and are also committed to the FAB 6 principles. Our GRI Sustainability report 2018 which is also our previous COP highlights how our long term sustainability goals are aligned to the SDGs and what is GPIC’s current contribution to the 17 Global Goals. We endorse the SDGs on our website and on the tail of emails. In 2017 we have also aligned our annual corporate and departmental goals to the SDGs and have a system in place for linking our technical and non- technical projects with the SDGs.</p>	<p>GPIC and its alignment and contribution to the SDGs (UNGC COP 2019)</p> <p>UNGC SDG Industry matrix- GPIC examples</p>	
	<p><b>Criterion 16:</b> The COP describes strategic social investments and philanthropy</p> <p><b>Criterion 17:</b> The COP describes advocacy and public policy engagement</p>	<p>Our long term sustainability goals include strategic philanthropy such as the Bahrain Farmers’ market, the International garden show, our contributions towards INJAZ Bahrain, and we are open to new CSR opportunities as they arise. The GPIC’s President is involved with the UN Committee on World Food Security, the UN SD Summit and the UNEP GEO 6 HLG. We are also engaged in Bahrain’s activities in relation to the Paris Climate Agreement including carbon management.</p>		
	<p><b>Criterion 18:</b> The COP describes partnerships and collective action</p>	<p>Globally we are involved in Fertilizer Industry Associations’ leadership and working groups, and locally our latest partnership with the UNEP is for the Green Wave for Biodiversity tree planting campaign.</p>		



Our Commitment

CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP				
GC SCOPE OR PRINCIPLE	CRITERIA FOR GC ADVANCED LEVEL	GPIC APPROACH	WHERE TO FIND OUT MORE	REFERENCE TO GRI DISCLOSURES
<b>Scope:</b> Corporate Sustainability Governance and Leadership	<b>Criterion 19:</b> The COP describes CEO commitment and leadership	The GPIC's President endorses and is committed to the UNGC Principles and the UN SDGs and promotes sustainability (at international platforms and in correspondence) with stakeholders such as endorsing the 'International Year of Pulses' campaign.	- Letter of commitment from GPIC's president	
	<b>Criterion 20:</b> The COP describes Board adoption and oversight	The Board is aware of our long-term Sustainability goals and the annual sustainability goals. These are in fact one of the key inputs while developing and approving the capital expenditure projects within GPIC. Our Sustainability report is also approved by the Chairman, MD and the President.	- GPIC long term and annual corporate goals	
	<b>Criterion 21:</b> The COP describes stakeholder engagement	In 2015/2016 we embarked on our most extensive stakeholder engagement to date and invited them to highlight 'Material' issues from a list that included all UNGC areas of importance. In 2017/ 2018 & 2019 we carried out a high level review of our 'Material' issues by engaging with more than 100 internal and external stakeholders.	- GPIC GRI Sustainability Report 2018 & 2020	



A photograph of the United Nations Secretariat Building, a tall, modern skyscraper with a glass facade, set against a blue sky with light clouds. In the foreground, several national flags are flying on tall poles. The text is centered over the lower part of the building.

**THIS YEAR MARKS THE EIGHTH 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**

# 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

GPIC is proactively involved in promoting sustainable development and agriculture at both a local and global level. We continue to strengthen our partnerships and collaborate actively with the International Fertilizer Association and Arab Fertilizer Association. Locally, GPIC partners with the National Initiative for Agriculture Development, a local not-for profit focused on promoting

sustainable agriculture through training, financing and capacity building. As one of the world's premier companies within the petrochemical and fertilizer industry sector, our products help enable productivity, sustainability, food security and efficiency in the value chain they support.



**2 ZERO HUNGER**



### GPIC contribution towards SDG #2

GPIC produced and exported more than 13.5 million tons of granular urea fertilizer since 1998 and participated in several platforms globally, in particular with IFA and AFA to develop the agriculture sector and improve the food security

## ZERO HUNGER: WHY IT MATTERS

#### What's the goal here?

To end hunger, achieved food security and improved nutrition and promote sustainable agriculture.

#### Why?

Extreme hunger and malnutrition remains a barrier to sustainable development and creates a trap

from which people cannot easily escape. Hunger and malnutrition mean less productive individuals, who are more prone to disease and thus often unable to earn more and improve their livelihoods. There are nearly 800 million people who suffer from hunger worldwide, the vast majority in developing countries.

## Food and Agriculture (FAB 6) Principles

### 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 sponsor 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 1,500m<sup>2</sup>. 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 a healthier planet. In continuation of this initiative, we celebrated the Global Pulses Day on 18 January 2017. In addition to that, our Agri-nutrient Committee developed an information booklet on local trees to spread awareness on their value, and health benefits.

#### Our latest initiative for 2018 is as below;

During the Maintenance Turnaround, April 2018, fresh fruits and healthy drinks were served to over 4000 contractors as our commitment towards the well-being of our workers and contractors alike.

### 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

A fish farm was established in 1996 within the GPIC complex which was then further expanded in 2012 to release 80,000 fish of a local species of sea bream into the sea. This helps enhance the existing fish stock and increases the availability of fish within the local markets in Bahrain. Till date, we have released over a million fish into the sea, and the mangrove plantation surrounding the fish farm indirectly supports in sustaining a bird sanctuary and the overall ecosystem by the complementing each other.

#### Preserving Biodiversity

In recent years, the indigenous herbs that have played a large role in local culture (medicinally and culturally) have been threatened by fast paced urbanization. At GPIC, we preserve herbs and medicinal plants in two separate gardens that were created for both Herbal and Medicinal Plants Garden spanning across an area of 1,200 square meter. The production facility also houses 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 10 schools per year in order to promote green spaces and biodiversity, and encourage environmentalism amongst the younger generation. In 2016, we enhanced the initiative to increase the number of schools participating in the program by planting local trees in 20 schools. Total of 40 local saplings were distributed to 20 schools for the academic year 2018/2019 and the same for the academic year 2019/2020. 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 four years ago in 2015, GPIC has contributed more than 3600 saplings to over 90 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 the Supreme Council for Environment in Bahrain, and have engaged in workshops to provide extensive feedback on the strategy and its overall implementation.

#### Environmental Management

Environmental responsibility is integrated into all operations across the organization and is certified by the Environment and Responsible Care Management Systems and the IFA Protect and Sustain Product Stewardship certifications. In order to further promote efficient use of natural resource and streamline 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.

### Excellence in Safety, Health and Environment

As GPIC is one of the region's largest fertilizer producers and is working to establish a culture of clean industry and safe working environment, we were honored with the International Fertilizer Association SHE Excellence gold medal for Excellence in Health, Safety and Environmental Conservation in 2018.

#### 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. The 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. This 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.

### Community Engagement

GPIC's leadership is involved in promoting sustainable development and agriculture on both a local and global level. As of 2015, GPIC's President, also serves as the President of the International Fertilizer 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). By invitation from the UNEP, he is also involved with the Geo6 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.

With the aim to expand on the knowledge and capacity building opportunity, GPIC sponsored the external agriculture training program, which was attended by our employees and 15 representatives from local community organizations in 2016.

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.

GPIC took part in the second Agricultural Education Exhibition organized by the Bahrain Training institute where students, local farmers and several public and private sector companies attended the event. During the participation GPIC distributed educational brochures for raising community awareness that detailed the best ways to use urea and nutrient management.





## Food and Agriculture (FAB 6) Principles

### 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 our 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.

A delegation from GPIC attended AFA's food management conference in 2018, the theme of the conference was integrated management of Fertilizers in West Asia and North Africa. Representatives of Arab and global companies working in the field of fertilizers in the Arab world and beyond took part. In addition, a GPIC delegation also attended the AFA meeting, and their participation came as a part of the company's desire to be present in various AFA activities and gatherings and engage in discussions on important topics that support the Arab fertilizer industry as an active stakeholder.

Through the Agri-nutrient 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 plants to host awareness sessions internally in order to develop the capacity and capability of employees to participate in the culture of growing food that contributes towards food security.

#### Farmer Engagement

Although GPIC does not work directly with farmers, their needs are considered globally through our active participation in IFA, AFA and the 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 a number of 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 their critical market needs. GPIC provided urea fertilizer to the 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.

During 2018 and 2019, GPIC has provided 50 tonnes of Urea to support a number of Bahraini farmers, and this initiative is conducted annually. The initiative is to support the National initiative for the development of the agricultural sector, patronized by Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa. Furthermore, the aim of the initiative is to contribute to promoting a green culture while reinforcing the importance of the agricultural sector in achieving sustainable development across Bahrain.

#### Corporate Social Responsibility

CSR is at the heart of GPIC's organization culture. 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 the CSR leadership and fundamentals workshops in order to promote the conversation around CSR in the region.

(Please refer to our GRI sustainability report 2018 and 2020 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 our biennial sustainability reports and have so far published three reports since 2012. Our last report produced, was in compliance with the GRI standards and was issued in March 2018; and the current report SR 2020 is also based on the GRI Standards. In 2014, GPIC became an organizational stakeholder with GRI (this program is known as 'GRI Community') in order to further promote sustainability and transparency globally and more specifically to raise the level of awareness around organizational sustainability in Bahrain. 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 an active stakeholder with the National Oil and Gas Authority (NOGA),



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 a local, regional and international levels, i.e. 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 the execution of each sale. The booklet includes general information on soil health, fertilizers and farming best practices.

Recently GPIC took part in the 2018 Bahrain International Garden show themed "Food Safety and Human Health" where those booklets have been distributed as part of its policy towards supporting the environment and encouraging steps that will increase the country's green zones.

#### **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 general 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 by 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 that focuses on sharing and promoting effective practices and technologies amongst other topics.

#### **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 each area. GPIC has also been sponsoring an annual Environmental Research Program for schools in Bahrain since 2004, which sponsors 20 research programs and recognizes and celebrates the top three ideas submitted by the students. This year's participants submitted some great ideas including some projects in the field of agriculture that support 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 are developing a process internally by which our in-house experts can share their thoughts and ideas on key best practices based on our research with external stakeholders including critical communities across the world.



# UNGC Women's Empowerment Principles (WEPs)



## UNGC Women's Empowerment Principles

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)



## GENDER EQUALITY: WHY IT MATTERS

### What's the goal here?

To achieve gender equality and empower all women and girls.

### Why?

Women and girls represent half of the world's population and therefore also half of its potential. But, today gender inequality persists everywhere and stagnates social progress. Women continue to be

underrepresented at all levels of political leadership. Across the globe, women and girls perform a disproportionate share of unpaid domestic work.

Inequalities faced by girls can begin right at birth and follow them all their lives. In some countries, girls are deprived of access to health care or proper nutrition, leading to a higher mortality rate.

**5** GENDER EQUALITY



### GPIC contribution towards SDG 5

- First female HR & Corporate Communications manager at GPIC
- First female Labour union member at GPIC
- 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





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**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)**

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## UNGC Women's Empowerment Principles

GPIC aims to be a role model for other companies within the industrial sector, through our women empowerment strategies, i.e. recruiting, developing and retaining more women in various positions including top management roles. We ensure a zero-discrimination policy championed by our Equal Opportunities Council. We are the first organization within the Oil & Gas sector to set up and maintain an Equal Opportunities Council, and our council is headed by the President of GPIC.

We believe in our people and we know that, by developing the academic qualifications, skills and professional competencies of women within our organisation, we will be able to not just ensure our sustainable future in terms of Women Empowerment, but also contribute towards the talent pool in the Kingdom of Bahrain.

GPIC committed to the UN Global Compact's Women's Empowerment Principles (WEPs) and joined companies that publicly support equal opportunities in the workplace in the year 2014. Our company has one of the largest percentages of women in the workforce in Bahrain's industrial sector, which in turn drives more access to the competitive job opportunities within the sector for women. As a result of our continuous efforts, the company has won the Global Award for Women's Empowerment presented by the First Lady Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa, for both year 2008 and 2014 – making GPIC the only company that has won this prestigious award twice despite competing with companies from across different sectors.

During 2017, the First Lady and the President of the Supreme Council for Women (SCW) had honoured the GPIC's President, Dr. Abdulrahman Jawahery, as the Bahraini Women Empowerment Personality of the Year.

Women in GPIC have reached senior executive level and have earned their career success through dedication to the organization and demonstrating exemplary skills in their roles. Various international & regional awards have been presented to our employees including:

- Women in Leadership Award' from the Bilateral US-Arab Chamber of Commerce;
- 'Women's Award in Industry and Assets Management' from the Gulf Society for Maintenance and Reliability (GSMR); and
- 'Rising Star Award' from the Gulf Petrochemicals and Chemicals Association (GPCA).

At GPIC, we ensure continuous efforts towards attracting, recruiting and retaining women talent within the business and that we support a culture that fosters work-life balance within the workplace.

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 the social and professional committees we have developed has encouraged a greater level of autonomy in decision-making, which in turn has created a positive and engaging culture that has resulted in the de-layering and thereby the creation of an inclusive organisation.

### Principle 1 – Leadership Promotes Gender Equality

In 2014, the President of GPIC 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 our progress towards the principles using gender-specific data as illustrated below. An Equal Opportunities Committee within the company was established in 2013 as a result of an ongoing partnership with the Supreme Council for Women in the Kingdom of Bahrain. 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 appropriate implementation across the organization. GPIC also set up a 'Ladies Working Committee' which is focused on enhancing the social environment for women within the company by organizing events and activities, and coordinating with external organizations for women.

Overall, all the 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. While the Labour Law in Bahrain restricts women from working in shift jobs, women are represented in all departments where we proactively recruit and appoint them to managerial and executive positions. They are actively involved in internal audits, plant maintenance activities and are actively engaged in trainings, conferences and events. In order to engage women in the decision-making and governance related activities at all levels and across all business areas, they are appointed on various committees as members, coordinators, and chairpersons to ensure their representation.



**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%
2018	35	17%	7.7%
2019	35	17%	8.2%

**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%
2018	3	7%	14	14%
2019	2	7%	14	14%

Women within GPIC have the same access to benefits as their male counterparts, including insurance, loans, and access to the scholarship program that provides opportunities for employees' children. They are members of the Labour Union in which all members receive equal benefits. All women employees have access to the GPIC Club's fitness facilities and are also able to leverage the special sport activities and campaigns created for them. Since GPIC is a supporter of community sports, women are also encouraged to join the various community sports clubs and participate in competitions, some of which are even sponsored by GPIC. 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 Celebration, and Employee of the Month awards. All employees are honored for completing additional degrees/ certifications, winning competitions and other achievements. Some of the award categories include awards for male and female employees separately such as the sportsperson and Safety Personality for the year.

**Table 3 - Employee of the Month by Gender**

	Female	Male
2014	3	9
2015	2	10
2016	3	9
2017	2	10
2018	3	9
2019	3	11

**UNGC Women’s Empowerment Principles**

**Principle 3 – Health, Safety and Freedom from Violence**

As per the company’s policy, all our employees are entitled for 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 a majority of the common ailments, and all medical costs if not covered under the insurance policy are borne by the company, including maternity costs.

As per the Bahraini labour 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 women within the company include Breast Cancer Awareness and a range of other health & well-being 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
2018	9 (11% of total)	72
2019	2 (4% of total)	47

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 in 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). A female security officer is also available during the 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 the employee development we provide for all employees across all career levels. The general training program does not discriminate

against gender within the organization, and all our employees irrespective of gender will have access to training courses both in Bahrain and abroad.



**Table 5 - Training Hours Abroad (Outside Bahrain) by Gender**

	Female (training hours)	Male (training hours)
2014	1186	7750
2015	1401	4662
2016	629	3467
2017	911	4553
2018	1170	7575
2019	1395	7539

**Principle 5 – Enterprise Development, Supply Chain and Marketing Practices**

Although most of our suppliers are the original manufacturers of our equipment, our bidding process is open to all qualifying suppliers and our selection process is based on objective technical criteria. However, we strive to support and expand our business relationships with women-owned enterprises, including small businesses and women entrepreneurs. We regularly invite women health practitioners from women owned businesses to conduct lectures. GPIC also works with external female training personnel to conduct trainings, while also sponsoring and supporting publications produced by women authors. As for our marketing strategies, our products are marketed through our shareholders worldwide based on their technical specifications and ensure that it does not include any gender based marketing.

**Principle 6 – Community Leadership and Engagement**

We lead by example and leverage our influence to advocate for gender equality and collaborate with business partners, suppliers and community leaders to promote inclusion and advance equality.

We recognize that women empowerment in the community has the greatest impact through long-term constructive partnerships, and we support the Supreme Council for Women in Bahrain by sponsoring the Bahraini Women’s Day celebrations and other activities. The focus of this year’s celebration is on the Bahraini Women in the Field of Higher Education and Future Sciences, in which GPIC has made conscious efforts in encouraging women within the workforce to secure higher educational degrees. The table below shows that the percentage of higher degree holders of female employees are double the percentage of their male counterparts.

**Table 6 - Females Higher Education**

	Females	Males
2018	8 (23% of total female)	44 (11% of total male)
2019	8 (22% of total female)	42 (10% of total male)

## UNGC Women's Empowerment Principles

One of our main educational partners in Bahrain is INJAZ, an affiliate of the Junior Achievement (JA) Worldwide program. JA Worldwide is global not-for profit focused on equipping students with the skills that ease their transition into the work environment. We financially support the program in addition to providing volunteers to support them in conducting their courses

and initiatives within public schools in Bahrain. Furthermore, the company offers training chairs for INJAZ employees and provides them with a range of 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.

**Table 7** - GPIC Volunteers with InJaz Program

	Female	Male
2014-2015	37	38
2015-2016	20	24
2016-2017	22	29
2017-2018	21	29
2018-2019	18	43
2019-2020	16	51

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 8** - 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
2018-2019	11	8	1

**Table 9** - 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
2018-2019	24	4	5



**Table 10** - Greenwave Campaign - Targeted Schools

Academic Year	Female	Male
2015-2016	5	5
2016-2017	10	10
2017-2018	10	10
2018-2019	10	10
2019-2020	10	10

The employee benefits that directly impacts young members within the community is the GPIC scholarship program for our employees' children, and the award scheme for high performing/ achieving students. The program is merit based, and all students who achieve/ perform base on the academic criteria are awarded equally.

At GPIC even our Industrial Training program is gender agnostic, and accepts both students graduating from Bahrain and abroad equally.

**Table 11** - 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
2018	74 (38% of total)	119
2019	93 (75% of total)	124

GPIC is also the proud sponsor of the 'Crown Prince International Scholarship' Program, which supports an equal number of male and female students each year to support their pursuit of higher studies abroad. We believe that equal access to educational opportunities is a fundamental right and forms a critical foundation for equal opportunities in the community.

**Principle 7 – Measure and publicly report on progress to achieve gender equality**

As a way forward, we have included a special section in our 2019 UNGC Communication on Progress and previously in our Sustainability Report 2018 and now in our Sustainability Report 2020 to measure and report on the progress towards the 7 principles of UNGC WEPs on Gender equality. We have provided structured information and data in relation to gender equality, and specifically programs that promote women empowerment in both reports.



# Leading Excellence Awards 2018-2019







## Our Key Achievements

We were humbled to have been honoured and awarded again with several accolades throughout the year 2018 and 2019. 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 significant awards and recognitions during the last couple of years for its pioneering efforts.

Some of our key achievements include:

### **Safety and Health and Safety Practices in the Chemical Industry RoSPA International Award for Excellence in Health and Safety**

In a global achievement in competing with 5,500 companies, GPIC has been awarded the first prize for its outstanding role in the field of safety and health and safety practices in the chemical industry and the RoSPA International Award for Excellence in Health and Safety.

### **Gold Medal in the field of Industrial Excellence (Industry Stewardship Champion) awarded by the International Fertilizer Association (IFA)**

The medal is given to companies that have made exemplary contributions in the service and dedication of the fertilizer industry standards related to safety and environmental care as well as a commitment to sustainable management in the agricultural nutrient industry.

### **Mohammed bin Rashid Al Maktoum Business and Innovation Awards**

GPIC won these prestigious awards after a rigorous site audit / interviews after being shortlisted on the basis of award submission. The award has been presented in two main areas; Business Excellence and Business Innovation.



**Dubai Chamber of Commerce and Industry's Corporate Social Responsibility Award**

GPIC has been awarded the Dubai Chamber of Commerce and Industry's Corporate Social Responsibility Award for its excellence in delivering innovative programmes in community service and sustainability. The award recognises corporate compliance with sustainable global best practices in the service of the environment and society.

**Arab Network for Corporate Social Responsibility Award**

GPIC has won the Arabia CSR Award for the fifth consecutive year. The award was presented to highlight GPIC's efforts in the field of social and environmental activities and sustainable development and for its attention towards its social role and responsibilities that aim to reduce environmental damage resulting from operational processes.

**Corporate Social Responsibility Award in the Arab countries from the Regional Network of Social Responsibility in the field of occupational safety and a safety award**

The Award has been presented in appreciation for the Company's responsible role in the service of the community, and its initiatives in this field. It also recognizes GPIC's efforts to instill a culture of social responsibility in Bahrain companies.

**Excellence Award in the field of occupational and workplace safety**

The Award has been given to GPIC for adhering to occupational health and safety standards and providing a safe working environment for its employees, presented by the Ministry of Labour and Social Development.

**Dr. Abdulrahman Jawahery, GPIC President being honored at the House of Lords, UK**



# 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 success. To mark GPIC's 40 years of sustainable success, we are going back in history and highlighting some old testimonials from our stakeholders.

"When times are dire and challenges to our industry come in numbers, leadership and dedication on behalf of our industry is called for and needed. You have truly demonstrated such leadership, and through that created a very strong IFA organization."

**Svein Tore Holsether**  
President and Chief Executive Officer  
Yara International ASA

"Ever since I joined RoSPA – fourteen years ago – I have been aware of your inspirational leadership of GPIC. Not only is your organisation a world-leader in terms of its business activities, but it is also exemplary in terms of its approach to safety, the environment and community engagement. GPIC has deservedly and repeatedly won RoSPA awards, including our most prestigious award, the Sir George Earl Trophy."

**Errol Taylor**  
Chief Executive  
ROSPA

"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

"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



7/13/18

Dear Dr. Jawahery,

Thank you for sharing your wonderful update regarding the impact GPIC has seen through the use of NSC First Aid training materials - not only inside your organization, but also within the broader community of Bahrain. It is truly a testament to our enduring partnership and to our shared vision of eliminating preventable deaths in our lifetime. Please know I have shared this great news with many of my NSC colleagues, including our First Aid and Campbell Institute teams, among others. We are all equally excited to hear about the real changes occurring in organizations and communities as a result of their efforts.

Your letter inspired me to ask my team to think about ways we can continue to engage GPIC and other stakeholders in Bahrain and the GCC. We will reach out to Jassim Darwish (or others you may suggest) to coordinate time to connect via phone in the coming weeks as well as arrange time for us to meet in person at the NSC Congress & Expo in October. I know John Dony and Robert Thomma look forward to finding the right time to meet with you in Bahrain in the coming months.

Dr. Jawahery, we are truly looking forward to speaking with you and your team and spending time together in Houston this fall. It is always a pleasure to hear from you and I continue to be deeply grateful for everything you and everyone at GPIC do to save lives every single day. Thank you for your steadfast commitment to safety. You are truly a partner in our efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Debbie", with a long horizontal flourish extending to the right.

*I look forward to seeing  
you in Houston this fall!  
Debbie*

Deborah A.P. Hersman, PRESIDENT & CEO

making our world safer

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nebosh

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Dr Abdulrahman Jawahery  
President  
Gulf Petrochemical Industries Co. (BSC) (GPIC)  
P O Box 26730  
Manama  
Kingdom of Bahrain

Date 14<sup>th</sup> November 2019

Dear Dr Jawahery

I would like to take this opportunity to thank you for supporting NEBOSH in your role as Ambassador for many years. The Ambassador programme was created to bring together like minded individuals who all share NEBOSH's passion for improving health and safety in workplaces worldwide.

The programme has recently been re-energised, with an emphasis on how we can support you and your organisation, as well as the opportunities for you to support NEBOSH, including:

- Representing NEBOSH in discussions with influential bodies in the field of health, safety, environment and well-being both in the UK and overseas;
- Introducing NEBOSH senior executive staff to these influential bodies and facilitating their participation in discussion and debate as and when appropriate;
- Attending some ceremonial occasions, dinners and awards on behalf of NEBOSH;
- Imparting to NEBOSH information on key developments affecting the environment in which NEBOSH operates;
- Sharing information on key developments that affect the environment's NEBOSH operates in;
- Championing the work of NEBOSH when such opportunities may arise.

We would be willing to support you by providing:

- Access to NEBOSH research evidence to support debate and discussion;
- Access to NEBOSH resources relating to health, safety, well-being and the environment;
- Reimbursement for any expenses incurred in relation to your ambassadorial duties.

I hope that you are happy to continue in your role as NEBOSH Ambassador and look forward to continue working with you in what hopes to be a mutually beneficial relationship. If you wish to discuss this further my contact details are below and no doubt we will meet up again in the very near future.

Kind Regards

Ian Taylor  
Chief Executive  
0116 2634717  
[ian.taylor@nebosh.org.uk](mailto:ian.taylor@nebosh.org.uk)



nebosh  
40 YEAR  
ANNIVERSARY

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## What Others Say

"I would like to sincerely congratulate you for the excellent news I learned regarding the GPIC Labour Union's nomination of the first female member of its Board Members; Ms. Elham Janahi. Your relentless endeavors for women empowerment and gender equity demonstrated through your esteemed company are to be commended. Your efforts to incorporate the fifth SDG as an essential and intersected goal to all aspects of sustainable development contributes greatly to the Culture of Peace."

**Nejib Freji**  
Director International Peace Institute, MENA

"We at Baker Hughes GE are excited to be part of an agreement with a worldwide premier company who had made a mark not only in the industrial field, but also in the professional work, initiatives towards raising the local talents, women empowerment, community service and the environmental care."

**Maria Sferruzza**  
President  
LNG & Global Services Baker Hughes GE

"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."

**Shaikha Hessa bint Khalifa Al Khalifa**  
Chief Executive  
INJAZ, Bahrain

"We thank you for your participation in providing us copies of SDG's book for children, we are also pleased to witness your efforts and your successful initiatives for SDG awareness."

**Amin Al Sharqawi**  
UNDP

What Others Say

"Thanks for sharing the report. Looks great and very impressed that the sustainability report is done to highest international standards and are meeting high standards of GRI for reporting . I have asked my team to explore doing the same and will appreciate if you can send us the contact person within your company that my team can coordinate with for cross learning and benchmarking."

**Ahmed Al Jahdami**  
CEO  
ORPIC, Oman

" Allow me to reiterate my sincere appreciation for not only the important role you played during the Book Launch on the 17 Sustainable Development Goals( SDGs) at the International Peace Institute, but for the continuously great work you deliver in promoting Sustainable Development at the national, regional and international levels, and relentlessly advocating for youth as a vital component to the Education and Culture of Peace."

**Nejib Freji**  
Director International Peace Institute, MENA

"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 development and economy".

**Dr. Samah Alajawi**  
Acting Director General  
Bahrain Training Institute, Bahrain

"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)



AMBASSADOR OF THE UNITED STATES OF AMERICA  
MANAMA, BAHRAIN

January 18, 2016

Dr. Abdulrahman Jawahery  
President  
Gulf Petrochemical Industries Company  
P.O. Box 26730  
Manama, Kingdom of Bahrain

Dear Dr. Jawahery:

I want to thank you and your team for generously hosting me, Stephanie and Christiaan at GPIC on January 7. I thoroughly enjoyed my visit to your campus and am deeply grateful for your boundless hospitality. In just a few short hours, I learned a great deal about your company and the petrochemical industry. GPIC's commercial achievements are remarkable, and they are greatly enhanced by your sustained dedication to women's empowerment and employee rights. I applaud your continued service as a Board Member on the U.S. National Safety Council, and I was very impressed by GPIC's excellent environmental stewardship. During a time of heightened awareness of the environmental impact of industrial projects, GPIC embodies the axiom that economic growth need not come at the expense of our planet's health.

I look forward to continuing to work with GPIC in the future. I hope, for example, we can partner with you on an event celebrating the 10<sup>th</sup> anniversary of the U.S.-Bahrain Free Trade Agreement's entry into force. Thank you for the beautiful painting by Ishaq Alkooheji, which I will cherish. I look forward to seeing you soon.

Best regards,

William V. Roebuck  
Ambassador

*Thanks also for the lovely photo album!*

**EMBASSY OF JAPAN**

KINGDOM OF BAHRAIN

P.O. BOX 23720

26 June, 2012

H.E. Mr. Abdulrahman Jawahery  
President  
Gulf Petrochemical Industries Company (GPIC)  
Kingdom of Bahrain.

Dear Mr. Jawahery,

Upon my return from Japan, I received with many thanks and appreciation your wonderful publications which you kindly sent to me on the visit of the GPIC team to Japan. I found the publications so fascinating and interesting and they will be an important and pleasant addition to our library.

I highly appreciate your sincere devotion and keen interest to push ahead the friendly relations existing between our two countries, in fulfillment of the outcome of the historic and successful visit of H.M. King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, to Japan in last April.

I avail myself of this opportunity to also extend my profound thanks and gratitude for the feedback given by you on your important and ambitious initiatives to further enhance the bilateral ties between Japan and the Kingdom of Bahrain at various levels.

Thank you once again for your kind gesture and please accept my best wishes and personal regards.

Yours sincerely,



Shigeaki Sumi  
Ambassador of Japan

## What Others Say

"Thank you for sharing your new GRI Sustainability Report 2016 with John Surma and me. We enjoyed reviewing GPIC's commitments and your theme "Leadership Innovation Collaboration"

We couldn't help but notice and appreciate your efforts in sustainability by providing 900 copies of this report in USB format and the reward resulting in saving 16 trees, 0.7 tons of paper, 0.98 tons of CO<sub>2</sub> and 400 kwh of energy. Congratulations, GPIC is a leader and showcases its leadership skills by raising the bar and leading by example. Your commitment to protecting our planet will pay dividends to future generations. Thank you!"

**Deborah Hersman**  
CEO  
National Safety Council, USA

"Thank you for your gracious hospitality during my visit to GPIC last week. It was a great pleasure to meet with you and your dynamic and talented staff, visit the impressive GPIC facility, and learn about the projects that you are undertaking in industry, the community, and for the environment. The role of all staff including labor advocates, in making GPIC such a model of success demonstrates unique leadership we might all learn from. The gardens, fish farm, and nature preserve were also impressive and a joy to experience."

**Justin Siberell**  
Ambassador of the United States of America -2018

" Sustainability report 2016. It's a fantastic initiative. I also think this merits wider circulation amongst the business community – showing how the fertilizer industry is a leader in the SDG process. Company initiatives on the SDGs can be showcased on the Business for 2030 website <http://www.businessfor2030.org/join-us/> "

**Barrie Bain**  
Outlook

"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

# GRI Context Index





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Maecenas id lacina ex, id portitor est.

Duis a odio sed maure egestas ornare at a  
est. Sed pharetra, nara a ultrices eleifend,  
quam enim eleifend nulla, nec condimentum



2009 2010 2011 2012 2013 2014 2015 2016 2017

28.92 17.25 1.11 16.53 33.63 12.64 0.48 12.77 21.13

28.76 17.28 1.08 16.44 33.61 12.58 0.40 12.68 21.19

Low

Close

Open

High

Low

Sat

### Stock Market Report

Low	Close	Open	High	Low
18,168.27	12,525.54	12,992.16	13,215.42	11,787.51
19,067.83	13,849.99	12,656.42	13,894.37	12,656.42
19,078.60	14,338.54	13,766.86	14,338.54	13,655.34
17,873.70	13,481.38	14,440.14	14,489.44	13,481.38
15,727.49	13,376.81	13,463.20	13,603.31	12,754.56
15,067.36	11,259.80	13,094.59	13,430.01	
15,800.00	12,834.10			

## GRI Context Index



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standard and/or GRI Disclosure Number	Disclosure Title	Page Reference / Location (or direct response in case of omission)	UN SDGs	UNGC Principles
<b>GRI 101: FOUNDATION 2016</b>				
<b>ORGANIZATIONAL PROFILE</b>				
102-1	Name of the organisation	37		
102-2	Activities, brands, products and services	37		
102-3	Location of headquarters	37		
102-4	Location of operations	37		
102-5	Ownership and legal form	37		
102-6	Markets served	37		
102-7	Scale of the organisation	37		
102-8	Information on employees and other workers	38	8	1,2,3,4,5,6
102-9	Supply chain	38, 39		
102-10	Significant changes to the organisation and its supply chain	39		
102-11	Precautionary principle or approach	40		
102-12	External initiatives	40		
102-13	Membership of associations	40, 41		
<b>STRATEGY</b>				
102-14	Statement from senior decision-maker	30, 32, 34		
102-15	Key impacts, risks and opportunities	36		
<b>ETHICS AND INTEGRITY</b>				
102-16	Values, principles, standards and norms of behaviour	58	16	1,2,3,4,5,6,10
102-17	Mechanisms for advice and concerns about ethics	59	16	1,2,3,4,5,6,10
<b>GOVERNANCE</b>				
102-18	Governance structure	53, 54, 55		
102-19	Delegating authority	55		
102-20	Executive-level responsibility for economic, environmental and social topics	55		
102-21	Consulting stakeholders on economic, environmental and social topics	55	16	1,2,3,4,5,6,10
102-22	Composition of the highest governance body and its committees	55	16	1,2,3,4,5,6,10
102-23	Chair of the highest governance body	56	16	1,2,3,4,5,6,10
102-24	Nominating and selecting the highest governance body	56	16	1,2,3,4,5,6,10
102-25	Conflicts of interest	56	16	1,2,3,4,5,6,10

GRI 102: GENERAL DISCLOSURES 2016





GRI Standard and/or GRI Disclosure Number	Disclosure Title	Page Reference / Location (or direct response in case of omission)	UN SDGs	UNGC Principles
<b>GOVERNANCE</b>				
102-26	Role of highest governance body in setting purpose, values and strategy	56		
102-27	Collective knowledge of highest governance body	56	4	1,2
102-28	Evaluating the highest governance body's performance	56		
102-29	Identifying and managing economic, environmental and social impacts	57	16	1,2,3,4,5,6,10
102-30	Effectiveness of risk management processes	57		
102-31	Review of economic, environmental and social topics	57		
102-32	Highest governance body's role in sustainability reporting	57		
102-33	Communicating critical concerns	57		
102-34	Nature and total number of critical concerns	58		
102-35	Remuneration policies	58		
102-36	Process for determining remuneration	58		
102-37	Stakeholders' involvement in remuneration	58	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		
<b>STAKEHOLDER ENGAGEMENT</b>				
102-40	List of stakeholder groups	44, 45		
102-41	Collective bargaining agreements	38	8	1,2,3,4,5,6
102-42	Identifying and selecting stakeholders	45		
102-43	Approach to stakeholder engagement	46, 47, 48, 49		
102-44	Key topics and concerns raised	51, 52		
<b>REPORTING PRACTICE</b>				
102-45	Entities included in the consolidated financial statements	41		
102-46	Defining report content and topic boundaries	41, 42, 43		
102-47	List of material topics	43, 44		
102-48	Restatements of information	44		
102-49	Changes in reporting	44		
102-50	Reporting period	52		
102-51	Date of most recent report	52		
102-52	Reporting cycle	53		

GRI 102: GENERAL DISCLOSURES 2016

GRI Context Index

GRI 102 GENERAL DISCLOSURES 2016	GRI Standard and/ or GRI Disclosure Number	Disclosure Title	Page Reference / Location (or direct response in case of omission)	UN SDGs	UNGC Principles	
	<b>REPORTING PRACTICE</b>					
	102-53	Contact point for questions regarding the report	53			
	102-54	Claims of reporting in accordance with the GRI Standards	53			
	102-55	GRI content index	53			
	102-56	External assurance	53			
ECONOMIC	<b>ECONOMIC PERFORMANCE</b>					
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	64			
		103-2 The management approach and its components	64			
		103-3 Evaluation of the management approach	64			
	<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>					
		201-1	Direct economic value generated and distributed	66, 67, 68	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	69	13	7,8,9
		201-3	Defined benefit plan obligations and other retirement plans	70		
		201-4	Financial assistance received from government	We did not receive any financial assistance from government		
	<b>MARKET PRESENCE</b>					
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	64			
		103-2 The management approach and its components	64			
		103-3 Evaluation of the management approach	64			
	<b>GRI 202: MARKET PRESENCE 2016</b>					
		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	70	1,8	1,2,3,4,5,6
		202-2	Proportion of senior management hired from the local community	70, 71	8	1,2,3,4,5,6
	<b>INDIRECT ECONOMIC IMPACTS</b>					
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	64			
		103-2 The management approach and its components	64			
		103-3 Evaluation of the management approach	64			
	<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>					
		203-1	Infrastructure investments and services supported	71, 72	2,5,7,8,9	1,2,3,4,5,6,7,8,9
		203-2	Significant indirect economic impacts	72	1,2,3,8,10,17	1,2,3,4,5,6,7,8,9,10



		PROCUREMENT PRACTICES			
		GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	64	
	103-2 The management approach and its components	64			
	103-3 Evaluation of the management approach	64			
		GRI 204: PROCUREMENT PRACTICES 2016			
204-1	Proportion of spending on local suppliers	72	12	7,8,9	
		ANTI-CORRUPTION			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	136, 137, 138			
	103-2 The management approach and its components	136, 137, 138			
	103-3 Evaluation of the management approach	136, 137, 138			
		GRI 205: ANTI-CORRUPTION 2016			
205-1	Operations assessed for risks related to corruption	138	16	1,2,3,4,5,6,10	
205-2	Communication and training about anti-corruption policies and procedures	138	16	1,2,3,4,5,6,10	
205-3	Confirmed incidents of corruption and actions taken	138	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 boundaries	136, 137, 138			
	103-2 The management approach and its components	136, 137, 138			
	103-3 Evaluation of the management approach	136, 137, 138			
		GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no cases of anti-competitive behavior, hence no actions	16	1,2,3,4,5,6,10	
		MATERIALS			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	88, 89, 90, 92			
	103-2 The management approach and its components	88, 89, 90, 92			
	103-3 Evaluation of the management approach	88, 89, 90, 92			
		GRI 301: MATERIALS 2016			
301-1	Materials used by weight or volume	92, 93	8,12	1,2,3,4,5,6,7,8,9	
301-2	Recycled input materials used	93	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 Context Index

ENVIRONMENTAL				
ENERGY				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	88, 89, 90, 93		
	103-2 The management approach and its components	88, 89, 90, 93		
	103-3 Evaluation of the management approach	88, 89, 90, 93		
GRI 302: ENERGY 2016				
302-1	Energy consumption within the organisation	94	7,8,12,13	1,2,3,4,5,6,7,8,9
302-2	Energy consumption outside of the organisation	94	7,8,12,13	1,2,3,4,5,6,7,8,9
302-3	Energy intensity	95	7,8,12,13	1,2,3,4,5,6,7,8,9
302-4	Reduction of energy consumption	95, 96	7,8,12,13	1,2,3,4,5,6,7,8,9
302-5	Reductions in energy requirements of products and services	96	7,8,12,13	1,2,3,4,5,6,7,8,9
WATER				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	88, 89, 90, 96		
	103-2 The management approach and its components	88, 89, 90, 96		
	103-3 Evaluation of the management approach	88, 89, 90, 96		
GRI 303: WATER 2016				
303-1	Water withdrawal by source	97	6	1,2,7,8,9
303-2	Water sources significantly affected by withdrawal of water	97		
303-3	Water recycled and reused	97	6,8,12	1,2,3,4,5,6,7,8,9
EMISSIONS				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	88, 89, 90, 98, 100		
	103-2 The management approach and its components	88, 89, 90, 98, 100		
	103-3 Evaluation of the management approach	88, 89, 90, 98, 100		
GRI 305: EMISSIONS 2016				
305-1	Direct (Scope 1) GHG emissions	98	3,12,13,14,15	1,2,3,4,5,6,7,8,9,10
305-2	Energy indirect (Scope 2) GHG emissions	99	3,12,13,14,15	1,2,3,4,5,6,7,8,9,10
305-3	Other indirect (Scope 3) GHG emissions	99	3,12,13,14,15	1,2,3,4,5,6,7,8,9,10
305-4	GHG emissions intensity	99	13,14,15	7,8,9
305-5	Reduction of GHG emissions	99	13,14,15	7,8,9
305-6	Emissions of ozone-depleting substances (ODS)	100	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	100	3,12,13,14,15	1,2,3,4,5,6,7,8,9,10



		EFFLUENTS AND WASTE				
ENVIRONMENTAL	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	88, 89, 90, 102, 103			
		103-2 The management approach and its components	88, 89, 90, 102, 103			
		103-3 Evaluation of the management approach	88, 89, 90, 102, 103			
	GRI 306: EFFLUENTS AND WASTE 2016					
	306-1	Water discharge by quality and destination	102	3,6,12,14	1,2,3,4,5,6,7,8,9,10	
	306-2	Waste by type and disposal method	104	3,6,12	1,2,3,4,5,6,7,8,9,10	
	306-3	Significant spills	106	3,6,12,14,15	1,2,3,4,5,6,7,8,9,10	
	306-4	Transport of hazardous waste	106	3,12	1,2,3,4,5,6,7,8,9,10	
	306-5	Water bodies affected by water discharges and/or runoff	106	6,15	1,2,3,4,5,6,7,8,10	
	ENVIRONMENTAL COMPLIANCE					
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	88, 89, 90, 106				
	103-2 The management approach and its components	88, 89, 90, 106				
	103-3 Evaluation of the management approach	88, 89, 90, 106				
GRI 307: ENVIRONMENTAL COMPLIANCE 2016						
307-1	Non-compliance with environmental laws and regulations	107	16	1,2,3,4,5,6,10		
SUPPLIER ENVIRONMENTAL ASSESSMENT						
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	88, 89, 90, 107				
	103-2 The management approach and its components	88, 89, 90, 107				
	103-3 Evaluation of the management approach	88, 89, 90, 107				
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016						
308-1	New suppliers that were screened using environmental criteria	107				
308-2	Negative environmental impacts in the supply chain and action taken	107				
		EMPLOYMENT				
SOCIAL	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	112, 113, 114, 115, 116			
		103-2 The management approach and its components	112, 113, 114, 115, 116			
		103-3 Evaluation of the management approach	112, 113, 114, 115, 116			
	GRI 401: EMPLOYMENT 2016					
401-1	New employee hires and employee turnover	120, 121	5,8	1,2,3,4,5,6		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	121	8	1,2,3,4,5,6		
401-3	Parental leave	121	5,8	1,2,3,4,5,6		

GRI Context Index

LABOUR / MANAGEMENT RELATIONS				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	112, 113, 114, 115, 116		
	103-2 The management approach and its components	112, 113, 114, 115, 116		
	103-3 Evaluation of the management approach	112, 113, 114, 115, 116		
GRI 402: LABOR / MANAGEMENT RELATIONS 2016				
402-1	Minimum notice periods regarding operational changes	121	8	1,2,3,4,5,6
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	80		
	103-2 The management approach and its components	80		
	103-3 Evaluation of the management approach	80		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016				
403-1	Workers representation in formal joint management-worker health and safety committees	122	8	1,2,3,4,5,6
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	122	3,8	1,2,3,4,5,6,10
403-3	Workers with high incidence or high risk of diseases related to their occupation	122	3,8	1,2,3,4,5,6,10
403-4	Health and safety topics covered in formal agreements with trade unions	122	8	1,2,3,4,5,6
TRAINING AND EDUCATION				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	112, 113, 114, 115, 116		
	103-2 The management approach and its components	112, 113, 114, 115, 116		
	103-3 Evaluation of the management approach	112, 113, 114, 115, 116		
GRI 404: TRAINING AND EDUCATION 2016				
404-1	Average hours of training per year per employee	124	4,5,8	1,2,3,4,5,6
404-2	Programs for upgrading employee skills and transition assistance programs	125	8	1,2,3,4,5,6
404-3	Percentage of employees receiving regular performance and career development reviews	125	5,8	1,2,3,4,5,6

SOCIAL



SOCIAL	DIVERSITY AND EQUAL OPPORTUNITY				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	112, 113, 114, 115, 116		
		103-2 The management approach and its components	112, 113, 114, 115, 116		
		103-3 Evaluation of the management approach	112, 113, 114, 115, 116		
	GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016				
	405-1	Diversity of governance bodies and employees	126, 127	5,8	1,2,3,4,5,6
	405-2	Ratio of basic salary and remuneration of women to men	127	5,8,10	1,2,3,4,5,6,10
	NON-DISCRIMINATION				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	128, 129		
		103-2 The management approach and its components	128, 129		
		103-3 Evaluation of the management approach	128, 129		
	GRI 406: NON-DISCRIMINATION 2016				
	406-1	Incidents of discrimination and corrective actions taken	130	5,8,16	1,2,3,4,5,6,10
	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	128, 129		
		103-2 The management approach and its components	128, 129		
		103-3 Evaluation of the management approach	128, 129		
	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	130	8	1,2,3,4,5,6
	CHILD LABOUR				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	128, 129			
	103-2 The management approach and its components	128, 129			
	103-3 Evaluation of the management approach	128, 129			
GRI 408: CHILD LABOR 2016					
408-1	Operations and suppliers at significant risk for incidents of child labor	130	8,16	1,2,3,4,5,6,10	

GRI Context Index

SOCIAL				
<b>FORCED OR COMPULSORY LABOUR</b>				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	128, 129		
	103-2 The management approach and its components	128, 129		
	103-3 Evaluation of the management approach	128, 129		
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	130	8	1,2,3,4,5,6
<b>SECURITY PRACTICES</b>				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	128, 129		
	103-2 The management approach and its components	128, 129		
	103-3 Evaluation of the management approach	128, 129		
<b>GRI 410: SECURITY PRACTICES 2016</b>				
410-1	Security personnel trained in human rights policies or procedures	130	16	1,2,3,4,5,6,10
<b>RIGHTS OF INDIGENOUS PEOPLES</b>				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	128, 129		
	103-2 The management approach and its components	128, 129		
	103-3 Evaluation of the management approach	128, 129		
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016</b>				
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
<b>HUMAN RIGHTS ASSESSMENT</b>				
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	128, 129		
	103-2 The management approach and its components	128, 129		
	103-3 Evaluation of the management approach	128, 129		
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>				
412-1	Operations that have been subject to human rights reviews or impact assessments	130		
412-2	Employee training on human rights policies or procedures	130		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	130		





SOCIAL	<b>LOCAL COMMUNITIES</b>				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	132, 133		
		103-2 The management approach and its components	132, 133		
		103-3 Evaluation of the management approach	132, 133		
	<b>GRI 413: LOCAL COMMUNITIES 2016</b>				
	413-1	Operations with local community engagement, impact assessments and development programs	136		
	413-2	Operations with significant actual and potential negative impacts on local communities	136	1,2	1,2,3,4,5,6,7,8,9
	<b>SUPPLIER SOCIAL ASSESSMENT</b>				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	127		
		103-2 The management approach and its components	127		
		103-3 Evaluation of the management approach	127		
	<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>				
	414-1	New suppliers that were screened using social criteria	130	5,8,16	1,2,3,4,5,6,10
	414-2	Negative social impacts in the supply chain and actions taken	130	5,8,16	1,2,3,4,5,6,10
	<b>PUBLIC POLICY</b>				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	132, 133		
		103-2 The management approach and its components	132, 133		
		103-3 Evaluation of the management approach	132, 133		
	<b>GRI 415: PUBLIC POLICY 2016</b>				
	415-1	Political contributions	We do not make any political contributions	16	1,2,3,4,5,6,10
	<b>CUSTOMER HEALTH AND SAFETY</b>				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	139, 140		
		103-2 The management approach and its components	139, 140		
		103-3 Evaluation of the management approach	139, 140		
	<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>				
	416-1	Assessment of the health and safety impacts of product and service categories	140, 141		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	142	16	1,2,3,4,5,6,10

GRI Context Index

SOCIAL	MARKETING AND LABELING				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	139, 140		
		103-2 The management approach and its components	139, 140		
		103-3 Evaluation of the management approach	139, 140		
	GRI 417: MARKETING AND LABELING 2016				
	417-1	Requirements for product and service information and labeling	142	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	142	16	1,2,3,4,5,6,10
	417-3	Incidents of non-compliance concerning marketing communications	142		
	CUSTOMER PRIVACY				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	139, 140		
		103-2 The management approach and its components	139, 140		
		103-3 Evaluation of the management approach	139, 140		
	GRI 418: CUSTOMER PRIVACY 2016				
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	142	16	1,2,3,4,5,6,10
	SOCIOECONOMIC COMPLIANCE				
	GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundaries	139, 140		
		103-2 The management approach and its components	139, 140		
		103-3 Evaluation of the management approach	139, 140		
	GRI 419: SOCIOECONOMIC COMPLIANCE 2016				
	419-1	Non-compliance with laws and regulations in the social and economic area	142	16	1,2,3,4,5,6,10





# Acronyms

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
CO <sub>2</sub>	Carbon dioxide
CO <sub>2</sub> e	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
BCM	Business Continuity Management
FAB	Food and Agriculture Business Principles
WEP	Women Empowerment Principles
GEO	Global Environment Outlook
NIHR	National Institute of Human Rights



# GPIC SUPPORTS THE SUSTAINABLE DEVELOPMENT GOALS



## Contact details

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