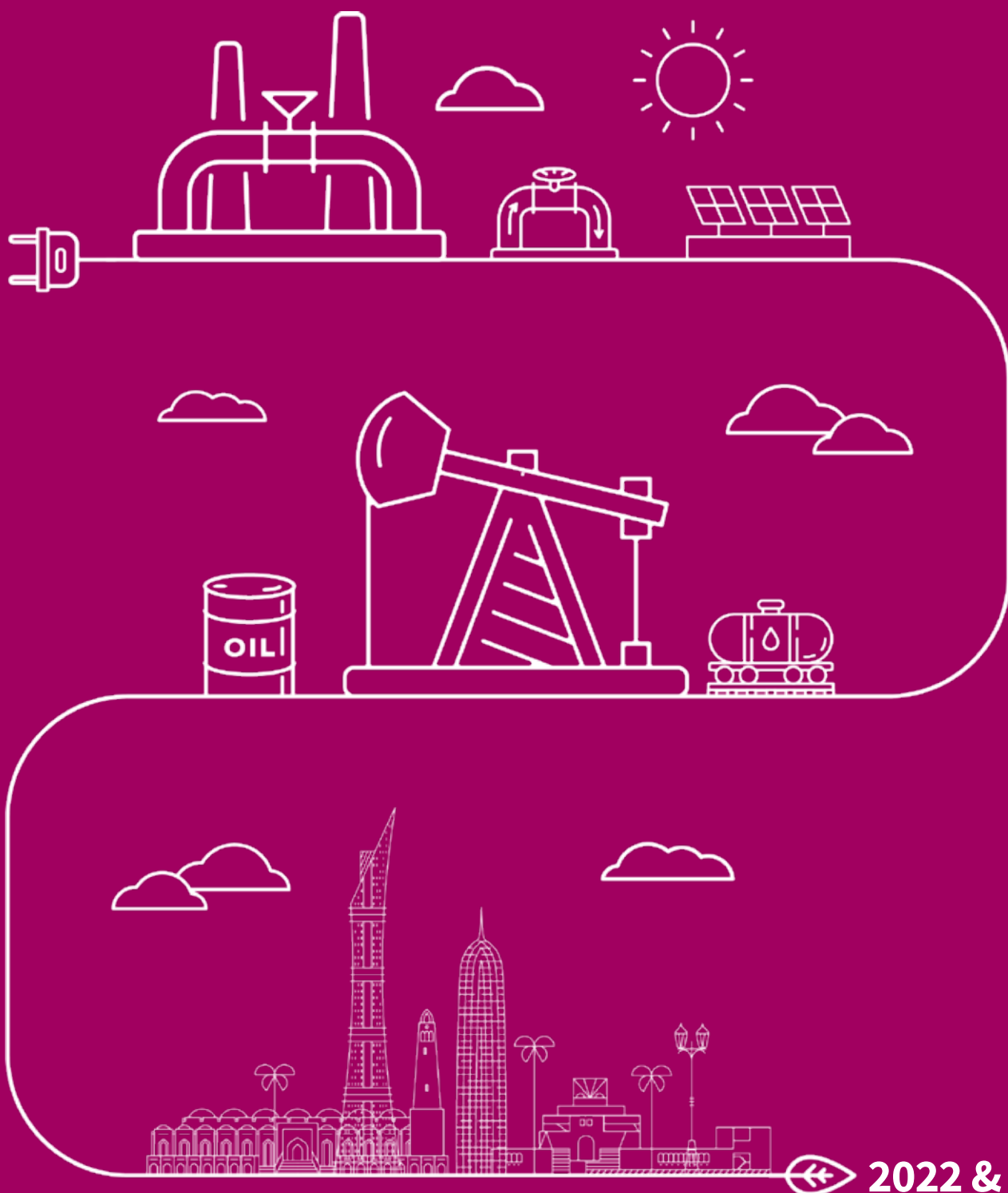




صناعات قطر
Industries Qatar

INDUSTRIES QATAR SUSTAINABILITY REPORT



2022 & 2023



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01. Our Vision & Mission

Our Vision

IQ aims to be a leading and recognized player in producing the highest quality industrial products through its growth-driven portfolio that generates profitable returns and creates value for its shareholders.



Our Mission

IQ is committed to increase production capacity and widen its industrial products range by broadening its business/investment portfolio to help sustain profitable growth and satisfy shareholder expectations.

02. Management Statement

We are pleased to present Sustainability Report for Industries Qatar (IQ) Group highlighting the sustainability performance for 2022 & 2023 which demonstrates our commitment to conduct group operations sustainably and contribute positively to the ecosystem that we operate in.

We continuously strive to enhance our systems to create value for our people, society, and the environment and strategize to implement challenging sustainable goals and keep our commitments to ensure the securing of a sustainable future.

Our commitment to environment is reflected in the fact that IQ had announced in 2022 that its wholly owned subsidiary QAFCO has awarded a contract to build world-scale Blue Ammonia plant in Qatar, scheduled to be fully operational by 2026 with a design capacity up to 1.2 million tonnes per annum (MTPA) of Blue Ammonia.

Investment in this project speaks to the concrete steps taken to lower the carbon intensity of our products and a key pillar of our sustainability strategy.

The group further continues to progress various other environmental projects planned to optimize and efficiently use the natural resources and to decrease the generation of emissions, effluents, and waste which include recycling of process wastewater by setting up effluent treatment plants, zero/near zero liquid discharge projects, carbon dioxide recovery, reduction of nitrogen oxide emissions, waste recycling measures etc.

The Group is also committed to enhance the culture of safety and well-being of its employees and contractors, while maintaining efficiency and reliability of its operations and therefore prioritizes the same through proactive risk management, continuous improvement of practices to maintain a safe and healthy workplace.

We would like to thank you for your interest in Industries Qatar and invite you to read this report to learn about our sustainability journey for 2022 & 2023. We look forward to continuing our cooperation to achieve a shared commitment to a more sustainable future.





03. About This Report

Through this report, we exhibit our dedication to transparency and constructive engagement with our internal and external stakeholders, providing them with informative summaries of our businesses from governance, economic, social, and environmental perspectives.

In this report, we disclosed our operational & ESG performance for the four Group Companies:

- Qatar Petrochemical Company Q.P.J.S.C (QAPCO)
- Qatar Fuel Additives Company Limited Q.P.J.S.C (QAFAC)
- Qatar Fertiliser Company P.S.C (QAFCO)
- Qatar Steel Company Q.P.S.C (Qatar Steel)

The sustainability aspects in this report are summarized and presented at a consolidated level for IQ and its Group Companies on a 100% basis. For a more detailed information and disclosures related to the group companies kindly refer to the individual sustainability reports published on respective Group company websites.

The report has been prepared considering GRI Standards. This report also references the requirements as per Sustainability Accounting Standards Board (SASB), Oil and Gas Sector Standard, the International Petroleum Industry Environmental Conservation Association (IPIECA) and Qatar Stock Exchange (QSE) Environmental Social and Governance (ESG) Guidance. Furthermore, this report highlights our role in supporting the United Nations Sustainable Development Goals and the Qatar National Vision (QNV) 2030.

This report covers information related to the management approach and performance on the topics that are material to our business and stakeholders.

The information and data disclosed are gathered from relevant functional departments within the group. Our approach for data collection, calculation methodologies, and assumptions, if any have been specified in the report. The report has not been subjected to external verification. However, the data and information have gone through an interactive review process to identify any potential inaccuracies and ensure reliability. Wherever needed the report has been updated with restated numbers relating to previous years with no significant impact.





REPORTING PERIOD

The report covers 2022 & 2023 calendar year unless otherwise stated in the report.



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Disclaimer

This report contains not only past and present facts but also includes statements that may be deemed as “forward-looking statements” which express the way in which IQ intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as “plans”, “aims”, “assume”, “continues”, “believes”, or any variations of such words that certain action, events or results “may”, “could”, “should”, “might”, “will”, or “would” be taken or be achieved. We have made every effort to ensure the report is as accurate and truthful as possible. However, by their nature, forward- looking statements are qualified due to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond IQ’s ability to control and therefore do not represent a guarantee that event implied in these forward-looking statements will actually occur.





04. About Industries Qatar (IQ)

Industries Qatar Q.P.S.C. was incorporated as a Qatari joint stock company on April 19, 2003. IQ operates into three segments through the group companies: Petrochemicals, Fertiliser and Steel.

The business operations of IQ comprise of acting as a holding company for the four companies where IQ owns a subsidiary or joint venture level stake in these companies.

The operations of the subsidiaries and joint ventures are managed independently by the Board of Directors (BOD), Board Committees and Executive Management teams at the respective companies level. IQ is represented by its nominated director(s) on the BOD of these companies.

QATAR PETROCHEMICAL COMPANY ("QAPCO")	QATAR FUEL ADDITIVES COMPANY ("QAFAC")	QATAR FERTILISER COMPANY ("QAFCO")	QATAR STEEL COMPANY ("QS")
A joint venture owned 80% by IQ and Total Energies (20%), engaged in the production of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and Sulphur.	A joint venture owned 50% by IQ, producing methanol and methyl-tertiary-butyl-ether ("MTBE").	A wholly owned subsidiary of IQ manufactures ammonia, urea, urea formaldehyde and melamine.	A wholly owned subsidiary engaged in manufacturing and selling steel billets and reinforcing steel bars.





05. Approach to Sustainability

Sustainability” takes a broader perspective to include Economic, Environment, Social, and Governance elements. The pursuit of excellence is embedded in IQs sustainability philosophy that is focused on operating at high standards of safety, preserving the environment, and promoting economic growth and community well-being.

Through our stakeholder-driven approach, we determine the relevance of matters to address and report on, considering their significance to both our business and to our stakeholders.

The sustainability elements align with the Group’s corporate strategy of value creation in each of the three segments in which IQ operates, which also aligns with the four pillars of Qatar National Vision of 2030.



Each of the above sustainability elements includes sub-elements that enable development of specific KPIs to drive value creation for its stakeholders.





06. IQ Governance

Out of a firm belief in the importance and need for establishing the principles of good governance to enhance the value added to shareholders IQ Board of Directors is committed to implementing the principles of governance set out in the Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) pursuant to QFMA Board decision no. 5 of 2016, and in line with the provisions of the Company's AoA.

IQ Board of Directors attaches greater importance to achieving justice and equality among shareholders, enhancing transparency and disclosure while providing timely information to shareholders in a way that enables them to make their decisions. The Board is also committed to upholding the values of corporate social responsibility, putting the interest of the Company and its stakeholders ahead of any other interest, performing roles and responsibilities in good faith, integrity, honor, and sincerity.

BOARD OF DIRECTORS:

Board Structure

Recognizing the specific nature of IQ's activities and its strategic position as one of the main pillars of Qatar's economy and taking into account the public interest, the Board shall, in accordance with the Company's Articles of Associations, consist of up to eight (8) Directors, seven (7) of whom are appointed by the Special Shareholder, provided that the Chairman and Vice Chairman are amongst them. One (1) Director is appointed by the General Retirement and Social Insurance Authority. The Special Shareholder "QatarEnergy" appoints 7 Directors to IQ Board for the following reasons that show how closely the Company's financial and operational performance is connected to QatarEnergy, making it vital to maintain aligned strategy and vision:

- QatarEnergy is the founder, special shareholder and 51 % majority shareholder.
- The contractual obligations on QatarEnergy set out in the agreements signed with foreign partners in the subsidiaries, which were the basis for the establishment of the Company and transfer of QatarEnergy's stakes in the subsidiaries to Industries Qatar.
- Industries Qatar and its subsidiaries/joint ventures depend on QatarEnergy for supply of feedstock and infrastructure.
- Industries Qatar and its subsidiaries/joint ventures depend on QatarEnergy for technical, technological, and marketing support.
- QatarEnergy provides the Company with all financial and head office services under a comprehensive service-level agreement. These services are provided as and when requested to ensure that the operations of Industries Qatar are fully supported.



Board Composition

Directors are appointed for renewable terms of three (3) years or such shorter periods (being no less than one (1) year). Pursuant to QatarEnergy's resolution no. 4 of 2021 passed on 3rd of March 2021, IQ Board of Directors was reconstituted in accordance with Article no. 22 of the Company's Articles of Association for three years. Accordingly, seven (7) Directors were appointed by QatarEnergy with effect from 05 March 2021 and one (1) director was appointed by the General Retirement and Social Insurance Authority for the term 2021-2024.

In accordance with the definition of the Independent Director in QFMA Governance Code, IQ Non-Executive Directors are non-Independents, as they are representatives of a legal person that owns more than 5% of the Company's share capital. The Board is composed of one (1) Executive Director and seven (7) Non-Executive non-independent Directors. In accordance with the composition of the Board and its roles and responsibilities under the Board Charter, Manual of Authority and Company's Articles of Association, no one or more of the Directors may have control over passing resolutions. Resolutions of the Board shall be passed by a simple majority of those Directors present and entitled to vote at the relevant meeting of the Board, each Director present having one vote.

QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives.

QatarEnergy ensures that all of its representatives in the group companies had the appropriate training and awareness programs so that group companies' boards of directors can achieve the highest levels of performance and adopt the best governance practices. Industries Qatar will disclose Qatar Energy's decision on the formation of the Company's Board of Directors for its next term (2024-2027), including its decision on any change thereto in due course.

IQ Board Committee

As part of implementing governance, the Board of Directors established Board Committees and Special Committees delegated with some powers and authorities to carry out special tasks and conduct Company's business. The Board of Directors remains liable for all the powers and authorities. Board Chairman is not a member of any Board Committee or Special Committee. The Board also reviews and assesses the performance of the committees on an annual basis. Board Committees are as follows:

Audit Committee: The Board Audit Committee (BAC) was constituted pursuant to Board resolution no. 7 of the fourth meeting of IQ Board of Directors of 2011. The current BAC was formed by virtue of resolutions nos. 3 and 5 of 2018. The BAC presently comprises of 3 members, including a Board Director as Chairman. All of whom have the required experience necessary to effectively perform their duties and exercise the functions of the Committee. Committee Chairman is not a Chairman or a member of any other Committee.

Remuneration Committee: The Company had established a Remuneration Committee pursuant to Board resolution no. 1 of 2018. Committee has been reconstituted pursuant to Board resolution no. 4 of 2022. Committee presently comprises of three members, including a Board Director as Chairman. All of whom have the required experience to efficiently carry out their duties and exercise all authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman of any other Board Committee, and the BAC Chairman is not a member of the Remuneration Committee.



Head Office Structure

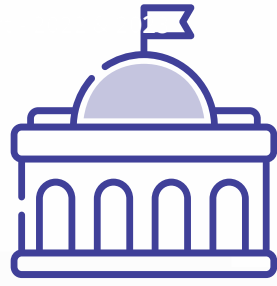
QatarEnergy is the founder, special shareholder and 51% majority shareholder. QatarEnergy provides financial and non-financial head office function services to Industries Qatar under a service-level agreement. Head office services mainly include Financial Operations (financial reporting, management reporting, strategic business and financial planning and treasury functions), Investor relations and Communications (quarterly earnings press release, Investor presentations, earning calls, media and communications, newspaper publications, website management etc.,) and Governance and Compliance (governance framework, risk management, regulatory compliance etc.,)

QatarEnergy's Privatized Companies Affairs Department as per the service level agreement exclusively manages the head office functions of Industries Qatar with the support received from other QatarEnergy departments such as Human Resource, Information and Communication Technology, Finance & Planning etc., led by the Manager, Privatized Companies Affairs, the department is supported by staff with varied experience in the field of Finance, Investor relations, Communication, Governance and Compliance.

Supporting the development of national employees, identifying, and developing talented and capable Qataris to take permanent long-term positions in the Company being one of the driving force, the Privatized Companies Affairs Department is headed by a Qatari national and the ratio of Qatari employees to the total staff providing head office services to IQ stands at a healthy 21%. QatarEnergy undertakes efforts to recruit more female employees as a commitment to diversify the workforce. Female employees currently comprise 7% of the total staff providing head office services to IQ.

IQ's Board of Directors are firmly committed to implementing the principles of good governance and attaches greater importance to achieving justice and equality among shareholders, enhancing transparency and disclosure, and providing timely information to shareholders. The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. Corporate Governance framework in line with regulatory requirements and industry best practices are developed, reviewed periodically, and implemented. Processes are defined through established policies and procedures duly reviewed and approved by IQ Board. IQ Board audit committee oversees the risk management and Internal control systems of IQ on a periodic basis to review and discuss key risks, internal audit plans and internal control observations with the internal auditors. The Internal Auditor periodically makes and submits reports in this regard to the Board Audit Committee (BAC). The appointed internal auditors also carryout shareholder's audit on IQ group companies to provide comfort on groups risk and control processes to the IQ BAC. BAC in turn reports to the Board on significant internal control matters and actions taken.





Governance





07. Governance

IQ Group

IQ Group is committed to upholding strong governance standards and implementing sound practices to ensure that the group's business is conducted with the highest ethics, transparency, and integrity. IQ Group recognizes that a robust corporate governance needs to be an integral component of the business and day-to-day operations. The Group Companies corporate governance framework includes a clearly articulated strategy and values, clear roles and responsibilities, well-defined management processes and systems, and an enterprise-wide approach to the risk management.

The Board of Directors (BoD) is the highest governing body at IQ and its Group Companies and represents the interests of the Group and its shareholders. BOD Charters are developed at IQ and each of the Group companies in accordance with the Corporate Governance best practices, Qatar Commercial Companies Law, Qatar Financial Markets Authority Corporate Governance Code for Listed Companies, and the Company's Articles of Association.

Adequate representation of IQ Directors is maintained in the Group Companies and each appointed representative in the group companies will abide by a set of guidelines or terms of reference developed and approved by the respective Group Companies Board, which explains his or her roles and duties. Guidelines/terms of reference in terms of IQ requirements will be provided to each representative – these will include governance reporting and control requirements that the group entity must comply with.

The BOD at IQ and each of its Group Companies discharge their oversight responsibility by further delegating some of its functions and constitute special committees such as the Audit Committee or Remuneration Committee or Health, Safety and Environmental Committee etc., for the purpose of undertaking specific operations on its behalf and set their authorities and duties. BOD periodically review and approve the work of Board committees, conduct an annual self-evaluation of the performance of the Committees, including their effectiveness and compliance with its Terms of Reference.

Code of Ethical Conduct drives business decisions at IQ and its group companies and remains the cornerstone of its business conduct. The Code of Conduct provides a clear guidance to all employees on what it means to act ethically, professionally, and with integrity. It covers a wide range of topics including anti-bribery, conflict of interest, fraud, corruption, and compliance.



Enviro nment

08



Environment



08. Environment

IQ through its Group companies is committed to integrating sustainable development principles into operations by developing and addressing environmental, health and safety aspects and ensuring compliance with all legal and regulatory requirements while committing to continuous operational improvement to reduce environmental impacts. To that extent the Group companies under IQ periodically develop and review environmental policies in line with the legal requirements as prescribed under consent to operate to assess, report and mitigate any environmental impacts associated with direct or indirect effects of IQ Group operations.



Efficient Energy Usage:

The Group recognizes the importance of reducing energy consumption in order to minimize the environmental impacts as well as increase the company's operational efficiency. The group uses natural gas as a primary energy source in its operations producing steel, Fertilizers, and petrochemical products (which constitutes 96% of total energy consumption by the group) which is considered relatively cleaner and more environmentally friendly compared to other conventional methods of generating energy.



Emissions reduction:

The Group continues to invest in environmental projects to optimize and efficiently use natural resources and reduce the generation of emissions, effluents, and waste. Through such capital investments, the Group's aim is to improve the operations' environmental performance, while enhancing their reliability and safety.



Water Management:

Since we operate in a country that is one of the highest water stressed regions of the world, water efficiency is an integral part of our environmental management approach. To overcome our water scarcity challenges, the wastewater treatment units at group companies enable to treat water and reuse it in operations and for green belt irrigation. Group companies are also in the process of implementing several projects including Zero/Near Zero liquid discharge (ZLD/NZLD), Continuous Emissions Monitoring System (CEMS), Revamp of Current Boilers to reduce NOx emissions, Heat Recovery System Generators etc., with the aim of reducing discharge, reusing, and increasing recycling rate of processed water in the production process and to reducing freshwater consumption.



Waste Management:

Group companies adopt comprehensive procedures for identifying, segregating, collecting, and disposing of waste generated from operations. A summary of all waste shipments for non-hazardous wastes is reported to the Ministry of Environment and Climate Change periodically. Hazardous waste is stored at an approved hazardous waste storage facility and disposed of locally by third parties within the coverage of disposal contracts. Studies are also conducted to evaluate various options to reuse / recycle the production and also recycled where possible.



09. Social

IQ and its Group companies are firmly committed to being exemplary in contributing to our community and engaging in their development. Our efforts are focused on raising public awareness of issues that the company considers important for the country's sustainable future and aligned with our company values.

Qatarization, continues to be one of our key commitments in alignment with the Qatar National Vision 2030 "QNV 2030" and in support of the National Development Strategy group recruits, develops and retains highly competent Qatari talent. The Group also believes it is important to play an active role as a community member to fulfil its social responsibility as a good corporate citizen and can contribute to the development of the Qatari society in line with QNV 2030 and build a more sustainable and resilient community.

Health and safety of employees and contractors is a top priority for the group. The group implements various procedures and programs to support upholding the highest health and safety standards in its operations.

As part of the sustainable supply chain agenda and in alignment with the Economic Development Pillar of QNV 2030, the group

focus is on procuring from local suppliers as an effort to support the growth of the local businesses in Qatar and contribute to the economic development of the country through initiatives such as the "Tawteen" program.

Employees are considered the major building block which defines the group's success. Group has a proud legacy as an employer of choice, thanks to the enabling work environment that fosters professional growth and diversity, significant opportunities for Qataris, and uniquely strong commitment to contribute to the social, educational, and economic goals of the local community, following Qatar's National Vision 2030.

Group supports local communities through various CSR programs such as internships, social support to schools, health care, promoting sports, signing Memorandum of Understanding (MoUs) with colleges and universities in Qatar to enhance career growth and offer opportunities for Qataris, promoting equity and inclusion, training, and career development opportunities for women etc.,

For more details on each Company wise performance and initiatives relating to ESG factors refer relevant Company's section below in this report.





Qatar Petrochemical Company (QAPCO)

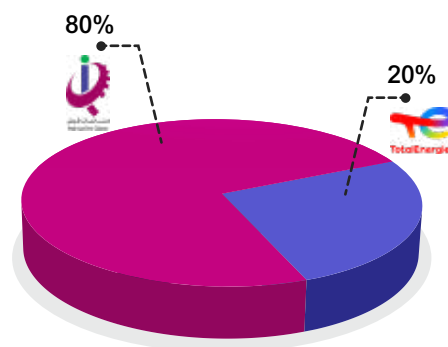




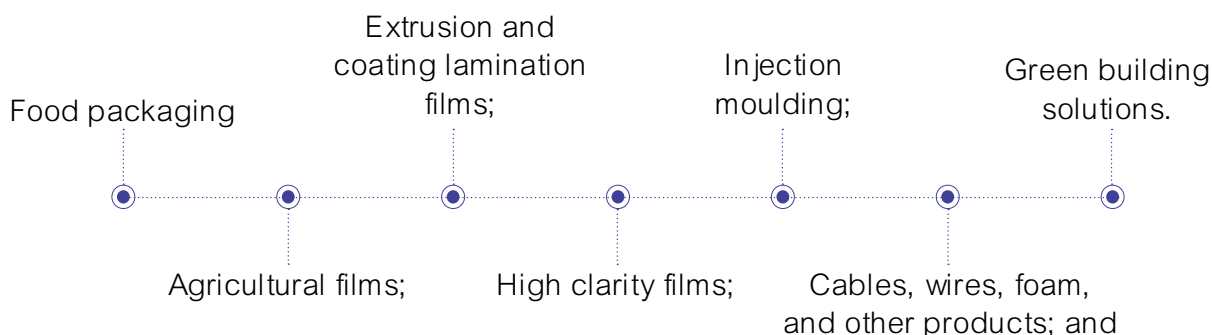
10. Qatar Petrochemical Company (QAPCO)

10.1 About the Company and its business context

Based in the State of Qatar, Qatar Petrochemical Company Q.P.J.S.C. (QAPCO) is one of the world's largest and most successful producers of low-density polyethylene (LDPE). QAPCO was established in 1974 as the first petrochemical company in the Arabian Gulf by QatarEnergy and Chimie De France. Today, 80% of QAPCO's shares are held by Industries Qatar (IQ) and the remaining 20% by TotalEnergies Petrochemicals France.



LDPE is considered as the most commonly used type of plastic. Thanks to its innovative applications, it makes daily lives more practical, safe, and sustainable. Some of the more well-known applications include:



QAPCO Products



LDPE

Low-Density Polyethylene (LDPE)



Ethylene

Ethylene from ethane coming from different sources of the Oil and Gas industry



LLDPE

Linear Low Density Polyethylene (LLDPE) grades suitable for all thermoplastics applications.



Sulfur

Sources of sulfur are then gathered from two neighbouring facilities (QP and NGL), treated and exported. Its purity and low moisture content, make it a high demand product

[>Find out more about our products](#)

QAPCO has invested directly and indirectly in ventures that develop and diversify Qatar's downstream petrochemical market. In doing so, QAPCO supports the Qatar National Vision 2030, catalyzing revenue creation and employment opportunities.



Qatofin Company Limited Q.P.J.S.C.	Qatofin was established in 2010 to optimize the utilization of ethane feedstock from Qatar thanks to the development of the country's natural gas resources. It is a joint venture between QAPCO (63%), TotalEnergies Petrochemicals France (36%) and QatarEnergy (1%)
Ras Laffan Olefins Company Ltd. (RLOC)	RLOC is a joint venture between Qatofin (45.69%), Q-Chem II (53.31%) and QatarEnergy (1%). It owns a cracker that supplies an LLPE unit with ethylene feedstock and is managed and operated by Q-Chem II.
Qatar Vinyl Company Limited (QVC) Q.P.J.S.C.	QVC was established in 1997 as a limited Qatari shareholding company, and QAPCO began fully operating QVC plants as of 2017. The company's shareholders are Mesaieed Petrochemical Holding Company (55.2%), QAPCO (31.9%) and QatarEnergy (12.9%).
Qatar Plastic and Wooden Products Co. W.L.L. (QPWPC)	QPWPC was established in 1998. In 2000, it started commercial production of plastic film used for industrial packaging and now produces a wide range of products, including wood plastic composite (WPC) from fill seal, shrinkable films, shrinkable hood, construction trash bag, and general-purpose foil. Located at Mesaieed Industrial City, QPWPC is owned by two shareholders: QAPCO (33.34%) and QIMC (66.66%).



QAPCO holds Corporate Membership in the following associations:

- Gulf Petrochemicals and Chemicals Association (GPCA)
- Abdulla Bin Hamad Alattiya Foundation

QAPCO, Qatofin, and QVC have implemented a certified integrated management system including ISO 14001, RC ISO 14001, ISO 45001, and ISO 9001.



10.2 Policies and practices

Integrity and responsibility are two of five company values. QAPCO places the highest importance on honesty and ethical behaviour, always choosing to do the right thing. QAPCO values transparency in its dealings with each other and stakeholders. QAPCO believes that results matter, but how it achieves those results also matters. QAPCO acts in a responsible manner that benefits not only its shareholders but also the society and the environment in which QAPCO operates. QAPCO contributes to the welfare of society and the environment.

QAPCO's Code of Conduct outlines its values and expectations for all stakeholders, supporting a collaborative culture of integrity and trust. QAPCO completed its formal alignment with QatarEnergy Code of Conduct policies, principles, and standards. Approved by the Board of Directors, ten Code of Conduct policies are:

1. Corporate Governance
2. Speaking up
3. Anti-Bribery and Corruption
4. Anti-fraud
5. Compliance
6. Confidential Information
7. Competition
8. Conflict of Interest
9. Health, Safety, Security, Environment & Quality (HSEQ)
10. Sustainability & Climate Change

In particular, the Speaking Up policy describes the grievance process for both internal and external stakeholders and is part of all contract documents. It clearly states that an objective of the policy is to outline how breaches to the organization's policies and procedures can be raised in confidence and without fear of retaliation.

QAPCO's Anti-Corruption and Anti-Bribery policy makes clear its zero-tolerance stance on bribery and corruption, in line with Qatari and international law. In 2022, QAPCO participated in a conference on Sanctions, Anti-Corruption and Export Controls in the Middle East. In 2022, QAPCO assessed eight operations for risk of corruption, finding no cause for concern.

QAPCO addresses human rights risks within its Code of Conduct. Company recognizes that the main risk exposure lies in its supply chain, which is why the topic is included in its procurement policies and procedures, such as tenderers and contract documents.

These make clear that all contractors and suppliers must abide with Qatari labor law, and QAPCO conducts site visits to verify conditions in labor camps as well as contractor audits to ensure full compliance with applicable laws and regulations. Rights relating to salary, food allowances, living conditions and so forth are included in manpower contracts.

QAPCO's senior executives are responsible for developing, approving, and updating the organization's purpose, value and mission statements, strategies, policies, and goals related to sustainable development. They submit these to the Board of Directors for final endorsement and approval.



10.3 Sustainability Management approach

Sustainability Framework

At a strategic level, QAPCO's 14 material issues are the foundation for how QAPCO contributes to the SDGs and in accelerating sustainable solutions to the world's biggest challenges. The SDGs represent a universal commitment for peace and prosperity for people and the planet now and into the future.

QAPCO made a Global Sustainability Commitment – a corporate-level strategy that delineates the guiding principles for preserving the planet and advancing society, while also pursuing Company's business growth and prosperity.

QAPCO takes intentional and ambitious action aligned with achieving its objectives by following a roadmap for the commitments and actions under each pillar, with the SDGs in mind. QAPCO ensured it has the resources to work towards its goals by expanding its sustainability team. QAPCO understands that each goal is inherently and deeply interconnected, and the actions taken on one goal can support or hinder the achievement of others.

Identifying and addressing the interconnectivities between each of these goals helped identify its 14 material issues. Created using a systems-thinking approach, they too should be viewed holistically.





Strategic Pillar	Material Issue	UN SDG	KPI
Environmental And Climate Stewardship	Climate Action and Energy Management	13	Energy intensity, GJ/total production
	Air Emissions (non-GHG)	13	GHG intensity, tonCO ₂ eq/total production
	Ecological Impact and Waste Management	12, 14, 15	
	Water Management	12, 14	Freshwater recycled, %
Maximising Value	Financial Performance	8	R&D budget
	Research, Innovation, and Digitalisation	8, 17	
	Product Stewardship and Customer Satisfaction	12	Number of approved patents
	Sustainable Sourcing	12	Economic Value Distributed million QAR
Safety And Wellbeing Of Our People	Training and Development	4, 8	Number of fatalities as a result of work-related injury or illness (employees and contractors)
	Health and Safety	3, 8	
	Talent Attraction and Retention	8	
	Diversity and Inclusion	5, 8	
Robust Governance	Corporate Governance, Risk, and Business Ethics	16	Number of data security breaches Number of policies published in accordance with Code of Conduct
	Contribution to Community	8, 17	Number of operations assessed for risks related to corruption. Total social investment spending, million QAR

The 14 material ESG issues shown in the framework have been identified via robust materiality analysis. In 2022, QAPCO refreshed this process, confirming an updated list of material issues verified through peer benchmarking and analysis of industry standards, while realigning to Company's new corporate strategy.

Stakeholder engagement is key to how QAPCO delivers on its Sustainability Framework and engage with eight stakeholder groups on an ongoing basis. This enables the Company to balance their evolving needs, priorities, and expectations over time.

A detailed stakeholder engagement plan is shown in the following figure:





Stakeholder	Channels of engagement	Sustainability interest
Government	Meetings, conferences, and collaborative projects	QAPCO's contribution to the Sustainability of Qatar's economy
	Publication of annual integrated report	
	International affairs function	Regulatory compliance
Shareholders	Quarterly meetings to generate	Financial sustainability
	mandatory government reports	Corporate governance
	Board meetings	Reputation
	Publication of annual integrated report	Qatarization and sustainability KPIs
	Business updates	Regulations
		Sharing of knowledge and information
Customers	Customer satisfaction surveys	Pricing and supply of products
	Marketing and media	Product safety and security
	Website	Global citizenship
	Publications	Product innovation
	Participation at key industry events	Cost optimization
Community-based organizations	Involvement in organized events	Support for community
	Employee volunteering	Job creation
	Sponsorships	Impact on environment
Academia	Involvement in organized events	Support for research and product development projects
	Research projects	
	sponsorship programs	
	Internship programs	Support for students' industry and Academia collaboration
	Apprenticeship program	
Industry associations	Committee meetings	Impact on environment
	Publication of annual integrated report	Support for local causes
	Attendance at events and conferences	Downstream industry development
Employees	Interviews	Employee rewards and benefits
	Intranet and newsletters	Career growth
	Employee survey	On the job training program (OJT)
	Team building exercises	Employee retention
	Internal engagement events	Capacity building
Suppliers	Procurement process (SRM)	Quality of service and quality control
	Clarification meetings	HSSE policies
	Publication of annual integrated report (QAPCO, QVC, Qatofin)	Vendor welfare for staff
		Green environmental policies



10.4 Key performance highlights

The Company's (QAPCO & QATOFIN) revenues rose from QAR 6,943 million in 2021 to QAR 7,177 million in 2022, reflecting a 3% increase. However, in 2023, revenues dropped to QAR 5,556 million, resulting in a variance of 23% compared to 2022. Economic value distributed is a measure of how QAPCO shares the value it created, and captures Company's investment in salaries, purchase of goods, administrative and sales costs. Operating costs dropped from 4,673 million QAR in 2022 to QAR 4,226 million in 2023, marking a 10% decrease. While the company disbursed payments to providers of capital totalling QAR 1,861 million in 2022, these payments climbed to QAR 1,983 million in 2023, reflecting a 7% increase. The community investment went down from QAR 39.6 million in 2022 to QAR 34.2 million in 2023, showing a 14% decrease. Social spending showed a 59 percent decrease from QAR 2.66 million in 2022 to QAR 1.1 million in 2023. QAPCO and Qatofin Income tax payable in 2023 amounts to QAR 526 million, after accounting for a deferred tax of 71 million QAR, the total tax amount amounts to 455 million QAR.

KPI	Actual 2022 (Million QAR)	Actual 2023 (Million QAR)	Variance 2022 v 2023
Direct Economic Value generated:			
Revenues	7,177	5,556	(23%)
Economic Value Distributed:			
Operating Costs (Including Cost of Goods Sold, employees' wages and benefits, administrative costs, and sales costs)	4,673	4,226	(10%)
Payable to providers of Capital	1,861	1,983	7%
Governments (taxes)	870	455	(48%)
Community Investment	39.6	34.2	(14%)
Social Spending	2.66	1.1	(59%)
Above data includes QAPCO and QATOFIN			

The table provides insights into QVC's performance during the years 2022 and 2023, outlining key financial metrics and their corresponding variances. In 2023, QVC witnessed a decrease in its direct economic value generated, with revenues plunging from QAR 2,194 million to QAR 1,222 million, representing a 44% decline. Furthermore, the economic value distributed by QVC also experienced marked declines across several categories. Operating costs, including expenses such as cost of goods sold, wages, and administrative costs, decreased by 15%, dropping from QAR 1,273 million to QAR 1,082 million. Similarly, payables to providers of capital saw a decline of 51% falling from QAR 528 million to QAR 258 million. Moreover, QVC's contributions to government taxes decreased by 85%, declining from QAR 320 million to QAR 47 million. Overall, the table highlights a downturn in both the generation and distribution of economic value by QVC between 2022 and 2023, indicating a challenging financial performance during this period.



KPI	Actual 2022 (Million QAR)	Actual 2023 (Million QAR)	Variance 2022 v 2023
Direct Economic Value generated:			
Revenues	2,194	1,222	(44) %
Economic Value Distributed:			
Operating Costs (Including Cost of Goods Sold, employees' wages and benefits, administrative costs, and sales costs)	1,273	1,082	(15) %
Payable to providers of Capital	528	258	(51) %
Payments to Governments (taxes)	320	47	(85) %
Community Investment	7	6	(14%)

QAPCO group has general policy of compliance to all applicable law and regulations including Tax related. However, as the Company operates solely in Qatar, we do not have international investments and hence no tax strategy. Company's tax contribution supports the State of Qatar to improve and enhance community education, health, and economic development.

Furthermore, QAPCO ensures suppliers full awareness of the applicable tax law and regulation implemented in Qatar. Moreover, Chief Finance Officer is accountable to ensure compliance to applicable tax law and regulations. The TOFA policy defines the responsibilities and the tax procedure outlining the detailed process that shall be followed to calculate record, report, and payment of tax duties to the government authority. The Finance division leads the implementation of the process.

Based on the Code of Conduct, QAPCO has a compliance policy, which states that it is mandatory to comply with Qatari laws in QAPCO business activities. All QAPCO stakeholders shall follow the Qatari laws in their workplace. The compliance policy was reviewed and approved by the BOD. The GRC committee oversees the implementation of the policy within the organization.

In terms of climate risk, QAPCO is committed to implementing innovative programs to mitigate environmental, reputational, and financial risks related to climate change. Failure to mitigate climate risk may result in low premiums, increased taxes, financial penalties, and poor productivity. QAPCO is mitigating such risks by investing in strategic initiatives to reduce GHGs and with new initiatives in the R&D phase.

QAPCO takes proactive approach to mitigate risks that may impact its business. Risk register is re-evaluated on regular basis and if there is any emerging risk identified it will be evaluated, documented, and mitigated. For example, although VAT is not applicable yet in Qatar, it has been identified in the risk register and appropriate mitigations controls have been implemented. The tax working is externally reviewed by tax advisor and auditors on half yearly and annual basis.

There are mechanisms to raise concerns about the organization's business conduct and the organization's integrity in relation to tax. The company has speak-up policy through which it guides stakeholders to report to internal audit department for any point related to tax integrity.

All the tax calculations are done internally on monthly basis which is verified by Accounting Manager and CFO. Furthermore, it is externally reviewed by the tax advisor and auditors on half yearly and annual basis.



Company is in communication with general tax authority (GTA) through their official channels (Dhareeba portal, hotline, e-mail) and through appointed tax advisors to get up to date statues of tax duties and changes in the law / regulation. As for the stakeholder engagement, QAPCO ensures full awareness and compliance by its stakeholders with the tax law and regulations. Furthermore, Company ensures suppliers full awareness of the applicable tax law and regulation implemented in Qatar. All concerns are discussed well ahead of time with its suppliers during contract drafting stage. Company communicates proactively with the tax authority through its tax advisers for any clarifications / concern.

Other Key operational highlights, explained in subsequent sections:

Highlights	2022	2023
Energy Intensity	17.75	17.98
GHG Intensity ratio	1.22	1.28
Fresh water recycled	19%	9%
Total Recordable injury rate	0.25	0.19
Fatalities	0	0
Spending on Local suppliers*	74%	81%
Qatarization	28%	28.50%

*includes goods imported or sourced by local suppliers from out of the state of Qatar

Note: All ESG data included in the subsequent sections is reported on a 100% basis for QAPCO, QATOFIN and QVC, . RLOC is excluded.





10.5 Energy and Emissions

QAPCO & QATOFIN - Throughout the year, QAPCO celebrated numerous production milestones, including achieving its highest daily and monthly ethylene production rates, as well as recording record-breaking monthly and yearly production levels for LDPE-3. Additionally, 2023 marked the highest annual LDPE production in QAPCO's storied history. Notably, in March 2023 stood out for recording the company's highest monthly LLDPE production. In 2022, QAPCO experienced a 29% increase in its total energy consumption compared to the previous year, reaching 24,762,527 GJ due to increased production levels. In 2023, energy consumption saw a 3% increase, reaching 25,641,289 GJ.

KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023
Energy consumption (amount of energy usage in GJ):					
- Gas	17,421,120	23,014,317	23,715,991	32%	3%
- Electricity	1,741,909	1,762,527	1,925,289	1%	9%
- Total	19,163,029	24,776,844	25,641,280	29%	3%
Energy Intensity (GJ/Tonne)	15.6	16.9	17.4	8.3%	3%
Total energy sold:					
- Electricity sold	49,740	55,368	19,003	11%	(66%)
- Heating sold	0	0	0	0	0
- Cooling sold	0	0	0	0	0
- Steam sold	0	0	0	0	0
- Others (specify)	0	0	0	0	0
Amount of reductions in energy consumption (in GJ)	2,545,592	(5,613,815)	(864,435)	-	-
Reductions in energy requirements of sold products and services (in GJ)	NA	NA	NA	-	-

Note:

- Data disclosed is for QAPCO and Qatofin.

- It should be noted that for a period of time in 2023, one of the gas turbines in QVC was under maintenance and as such power had to be supplied from the QAPCO plant, hence the decrease in emissions in QVC and the increase at QAPCO. For energy intensity, it should be noted that 2023 saw a slight decrease in total production compared to 2022 –hence the slight increase in energy intensity.

QVC - Natural gas makes up 98% of energy consumption at QVC, whereas the remaining is electricity supplied by Qatar General Electricity and Water Corporation (KAHRAMAA). Measuring QVC energy intensity provides a more representative comparison of its energy consumption by normalizing it against production. In 2023, QVC energy intensity was 19.1 GJ per tonne of production, 0.5% less than previous year since the energy consumption has decreased by 11%.



ESG factor	2021	2022	2023	Variance (%age) 2021 v 2022	Variance (%age) 2022 v 2023
Energy Consumption (direct and indirect) (GJ)	14,768,894	16,451,121	14,579,038	11%	(11%)
Energy Intensity (GJ/Tonne)	19.8	19.2	19.1	(3%)	(0.5%)

Note:

- This data table includes QVC only.
- It should be noted that for a period of time in 2023, one of the gas turbines in QVC was under maintenance and as such power had to be supplied from the QAPCO plant, hence the decrease in emissions in QVC and the increase at QAPCO. For energy intensity, it should be noted that 2023 saw a slight decrease in total production compared to 2022 –hence the slight increase in energy intensity.

Company's GHG emissions management strategy is twofold: establishing standard GHG accounting and reporting plans and ensuring accuracy and completeness of data; and identifying projects to reduce GHG emissions. QAPCO manages and reports carbon dioxide equivalent (CO₂eq) greenhouse gas (GHG) emissions in line with the QatarEnergy GHG Accounting and Reporting Programme, which in turn aligns with the European Union Commission Regulation No 601/2012.

Emission factors for major source streams are calculated from fuel analysis data performed on daily or weekly basis, while emission factors used for Scope 2 Electricity emissions are provided by QatarEnergy. Global Warming Potentials used are for methane (CH₄) and nitrous oxide (N₂O) are based on the Intergovernmental Panel on Climate Change Fifth Assessment Report. Activity data (fuel consumption) is derived from flow meter measurements for all sources. For fidelity of measurement and accounting process, all GHG emissions data are yearly verified by an independent third-party carbon auditor. Scope 3 emissions are not calculated. Consolidation method is based on operational control.

In 2022, QAPCO and Qatofin saw a very marginal increase in total GHG emissions compared to 2020 (please note that for QAPCO and Qatofin comparison should be made between 2022 and 2020, as during 2021 the mega turnaround took place which means data is not comparable).

When analyzed by carbon intensity (total emissions divided by total products sold, as per energy intensity), a 6% downward trend is observed from 2021 to 2022. This reduction is attributed to increased efficiency resulting from actions implemented during the 2021 mega turnaround. However, in the year 2023, both QAPCO and Qatofin observed a 4% increase in their overall GHG emissions compared to 2022.

In order to ensure continuous improvement and compliance, in 2022 the Company deployed fuel gas sampling systems on GTs (power plant) and boilers fuel systems and installed new state-of-the-art flow meters on its flare headers. Such steps provide with more accurate and higher fidelity measurements. QAPCO has also invested in a third-party LDAR fugitive emissions management software, designed to collect, and analyze data from LDAR program, enabling it to have accurate and central collection of data on fugitive emission management program. Furthermore, this allows Company to expand quantification of Scope 1 emissions as from this reporting cycle by including methane fugitive emissions.



The Leak Detection and Repair program demonstrated success with a remarkable decrease in emissions, particularly in VOC, Methane, and CO₂-equivalent emissions. Implementing accurate GHG accounting and reporting, close monitoring for NO_x compliance, and the progress of HRSG projects underscored QAPCO's commitment to environmental responsibility. Additionally, effective hazardous waste management, including recycling waste catalysts, showcased the company's dedication to minimizing waste, promoting resource recovery, and realizing economic benefits.

To address second strategic priority above (identifying projects to reduce GHG emissions), in 2022 and 2023 the Company amplified efforts to reduce direct fuel consumption and indirect electricity consumed and partially re-sold. This included upgrading QVC's gas turbines, deploying Heat Recovery Steam Generation (HRSG) systems:

- HRSG-1: Completion date estimated by beginning of 2024
- HRSG-2: Completion date estimated by end of 2024.

Both projects will also contribute to reducing non-GHG air emissions, particularly NO_x. Other projects in the pipeline, which are though still in the feasibility phase, are the installation of flare gas recovery systems and the installation of a renewable solar power generation unit.

In parallel with its activities to reduce GHGs, QAPCO also monitors and seeks to avoid other harmful emissions to air – notably, nitrogen oxides (NO_x), sulphur oxides (SO_x) and flared gas. These initiatives align with QAPCO's commitment to sustainable practices and emission reductions.

QAPCO achieved a significant decrease in Sox emissions from 171 Tonnes in 2022 to 36 Tonnes 2023 reflecting a 79% variance between the two years. In 2022, QAPCO completed the upgrade of its Sulphur Recovery Unit, enabling it to reduce gas flaring by 65% and an additional 34% decrease in the year 2023 reference to 2022. In the year 2023, QVC emitted NO_x increased to 551 tonnes compared to 294 tonnes in 2022. The significant rise in NO_x emissions in QVC was a result of increased generation from GTs uninfluenced by activities involving the integration of HRSG with GTs. Accordingly, NO_x intensity has increased from 0.34 to 0.72 (tonnes/thousand tonnes of ethylene production).

In 2023, QAPCO made notable strides in environmental and operational enhancements in terms of significant reductions in hydrocarbon and acid gas flaring. The average acid gas flaring for the year was 2.33 tonnes per hour, a significant reduction from 7.97 tonnes per hour in 2022. Similarly, the average hydrocarbon flaring in 2023 was 4.78 tonnes per hour, down from 8.33 tonnes per hour in 2022. This reduction can be attributed to the installation of totalizers on flare headers, enabling precise data collection on flared quantities and enhancing operational control, thus contributing to a more sustainable operation. QAPCO witnessed a 34% decrease in total flared gas from 2022 to 2023.





KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023
Total GHG emissions (Metric Tonne of CO₂eq)	1,824,658	2,053,747	2,158,729	13%	5%
- Direct emission (scope 1):					
CO ₂	1,584,763	1,806,997	1,899,551	14%	5%
Methane (CH ₄) (Metric Tonne of CO ₂ eq)	712	857	873	20%	2%
N ₂ O (Metric Tonne of CO ₂ eq)	674	811	826	20%	2%
- Indirect emission (scope 2):					
CO ₂	238,508	245,082	257,479	3%	5%
GHG Intensity ratio (Metric Tonne of CO₂eq/production)	1.48	1.40	1.46	(5%)	4%
Nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions:					
- NO _x (tonnes)	750	888	1,101	18%	24%
SO _x (tonnes)	165	171	36	4%	(79%)
Flared gas (MMSCM)	355	126	83	(65%)	(34%)

In 2022 and 2023 QVC witnessed an 8% and 10% decrease in its total GHG emissions, respectively, compared to the year before. When analyzed by carbon intensity (total emissions divided by total products sold, as per energy intensity), a 20% decrease from 2021 to 2022 due to increased efficiency achieved as a consequence of maintenance activities carried out during the 2021 mega turnaround. This intensity remained constant for the year 2023 at 0.92 tonne CO₂e/tonne of ethylene and polyethylene production.

ESG factor	2021	2022	2023	Variance (%age) 2021 v 2022	Variance (%age) 2022 v 2023
GHG emissions (Scope 1 & 2) (Million tonnes of CO ₂ eq)	0.854	0.788	0.705	(8%)	(10.53%)
Emissions Intensity (tonne CO ₂ eq/tonne of ethylene and polyethylene production)	1.15	0.92	0.92	(20%)	0%

Last but not least, QAPCO is proud to have achieved zero minor or significant spills for the past five years. This is testament to the effectiveness of its integrated management system and emergency preparedness procedures and tools. These include spill kits at chemical handling locations and emergency showers throughout plants.

QAPCO also ensures specialist personnel receive hazardous materials incident training certified to National Fire Protection Agency standards, while QAPCO's memorandum of understanding with port authorities is designed to contain pollution at sea in case of spills.



10.6 Water Management

Water-related impacts are identified, assessed, and recorded in risk registers. QAPCO's impact in terms of freshwater withdrawal is limited as all water used is derived from seawater, which is either used directly in plant cooling (where it is returned to the sea following strict monitoring for free residual chlorine and temperature differential as per the requirements from the MoECC), or indirectly as desalinated water for process steam generation, certain processes, and human consumption.



Wastewater streams are adequately treated and partially recycled/reused. The resultant effluent discharge is assessed by collecting regular samples and analyzed in an onsite laboratory to ensure MoECC pollutant standards are strictly observed. A Laboratory Information Management System (LIMS) enables us to periodically report data to management and MoECC. Process wastewater is sent to a treatment unit, which was upgraded in 2022 to enable water recycling in the process. A significant quantity of sanitation wastewater is treated in the sewage treatment plant where it is returned for reuse in landscape irrigation. The remaining is sent to an external treatment plant.

Water-related impacts are identified, and appropriate mitigation and control measures are implemented. Key Performance Indicators (KPIs) are established to monitor these impacts and ensure compliance with relevant requirements. Additionally, awareness initiatives regarding water conservation measures are conducted.

In 2022, Company upgraded its U45 process wastewater treatment unit. The renovations have not only increased its capacity, but it also means that wastewater can be treated to potable grade by deploying tertiary processes. QAPCO is pleased to report that in 2022 it discharges significantly less treated effluent to sea and meet around 26% of freshwater demand from recycled/reused water. However, there has been a decrease in this percentage, now accounting for only 12% in 2023. As for freshwater withdrawal, there has been a notable reduction of 5% compared to the previous year, resulting in a total withdrawal of 31,050,076 m³ in 2023. However, the total water withdrawal increased by 2% from 2022 to 2023.



KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023
Water withdrawal					
1. Water withdrawal by source m3:					
Seawater (total):					
- Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	27,335,975	32,609,644	31,050,076	19%	(5%)
- Other water ($> 1,000$ mg/L Total Dissolved Solids)	502,169,396	574,939,349	586,014,399	14%	2%
Third-party water withdrawal (Purchase from Kahramaa)	1,380,936	300,858	709,492	(78%)	136%
Total Water Withdrawal	530,886,307	607,849,851	617,773,967	14.50%	2%
2. Water discharge by destination in m3					
Seawater	1,069,712	424,733	735,675	(60%)	73%
Third party (Other)	80,099	76,651	46,492	(4%)	(39%)
3. Water discharge by freshwater and other water m3					
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	80,099	76,651	46,492	(4%)	(39%)
Other water ($> 1,000$ mg/L Total Dissolved Solids)	1,069,712	424,733	735,675	(60%)	73%
4. Total amount of freshwater consumed in m³ (QAPCO)	2,383,554	2,694,213	2,710,903	13%	1%
5. Water recycled/reused in m3	0	702,628	328,680	NA	(53%)
6. % age of water recycled to total water consumed	0	26%	12%	NA	(14%)
7. Freshwater consumption intensity (overall)	1.32	1.24	1.24	(6%)	0%
Note: Data disclosed is for QAPCO and Qatofin					

QVC saw a 4% increase in freshwater consumption in 2022, while intensity decreased by 9% compared to 2021, indicating improved water efficiency processes by minimizing leaks and adopting water conservation. As for the year 2023, water consumption decreased by 10% to 0.89 million m³, and the intensity has slightly increased to 1.17, reflecting a 0.9% increase compared to the previous year.

ESG factor	2021	2022	2023	Variance (%age) 2021 v 2022	Variance (%age) 2022 v 2023
Fresh water consumption in million m ³	0.952	0.992	0.890	4%	(10%)
Water recycled/reused in m ³	NA	NA	NA	-	-
Fresh water consumption intensity	1.28	1.16	1.17	(9%)	0.9%

Note: This data table includes QVC only.



10.7 Waste Management

QAPCO's waste management procedures ensure rigorous compliance with law and cover waste generation, disposal, and treatment. Records are managed via Systems Applications and Products (SAP™) software whereby data is analyzed, and regular reports generated for internal improvement and compliance. Company's waste is managed by a fully compliant third party and also ensures the following:

- All waste entering a waste transit area is labelled and inspected, with final disposal at compliant treatment or disposal facilities.
- A Waste manifest system is followed at all times.
- The waste contractor submits disposal certifications.
- Contractors are selected by following strict technical evaluation criteria with regular performance reviews.
- Periodic visits to waste disposal facilities are conducted.

All hazardous and non-hazardous waste is sent to landfill, with some hazardous waste streams being subject to other disposal. Used oil is instead segregated and sent to recycling facilities and waste streams that have a residual value (such as metal scrap) are managed through an auction process and are sold for recycling. Catalysts that contain precious metals are sold to vendors in order to extract and recycle these metals.

Overall, the total waste generated increased by 528% in 2022 compared to 2021 due to activities linked to the shutdown of the plants. However, it remained relatively flat in 2023 compared to 2022.

KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023
Waste Generated (MT)	1,613	10,131	10,223	528%	0.9%
Waste diverted from disposal (MT):					
Hazardous recycled (Offsite)	404	40	301	(90%)	653%
Waste directed to disposal (MT)	1,237	10,057	9,842	713%	(2%)
Waste directed to disposal:					
Hazardous waste (Offsite) -	1,237	676	823	(45%)	22%
Non-hazardous waste (Offsite - Landfilling):	N. A	9,380	9,019	N. A	(4%)

Note: This data table includes QAPCO & QATOFIN.



In 2023, QVC produced around 263 Tonnes of hazardous waste, reflecting a 20% decrease compared to the year 2022.

KPI	2021	2022	2023	Variance 2021 v 2022	Variance 2022 v 2023
Hazardous waste generated (tonne)	251	327	263	30%	(20%)
Hazardous waste sent to landfill (tonne)	253	342	257	35%	(25%)
Hazardous waste incinerated with no energy recovery (offsite) Metric tonnes	-	3	5	-	67%

Note: This data table includes QVC only.

10.8 Biodiversity Management

All environmental impacts are assessed as part of the company integrated management system (IMS), which is certified to the highest international standards of environment, health, safety, and quality: ISO 14001, RC 14001, ISO 9001, ISO 45001. Impact identification and assessment is conducted using company risk assessment procedures with all impacts recorded in company risk registers, where mitigation and control measures are identified and implemented. The risk register is reviewed and updated periodically. KPIs are set to monitor the impacts and compliance to relevant requirements. Regular internal and external IMS audits are conducted as per the annual audit plan that covers all areas of the organization. The Internal Audit department also conducts annual compliance audits and further ad hoc audits and inspections are conducted by the Qatar Ministry of Climate Change and Environment (MoECC).

Environmental Impact Assessments are carried out whenever new projects are to be implemented, with all recommendations assessed and implemented. QAPCO continues to invest in environmental management measures.

Raising awareness of ecological impact and waste management is an important aspect of QAPCO's approach. QAPCO engages employees and business partners on a regular basis so that they understand QAPCO's very high expectations with regard to environmental protection. This includes internal awareness sessions and communications campaigns on waste minimization, resource efficiency, water conservation and environmental protection and preservation.





10.9 Employment

Respect is one of Company's five corporate values: "we respect our colleagues, stakeholders, partners and communities and we act with care and consideration to build trusting relationships. This includes valuing diversity and each individual's contribution". QAPCO strives to be an inclusive employer, ensuring equal opportunities for all. Any form of discrimination within the company is treated as a breach of Code of Conduct.

The HR department oversees key policies and procedures for managing human capital, including Human Capital Policies, Personnel Administration Policy, Payroll Process Procedure, Compensation Procedure, and Recruitment & Onboarding Procedure. These guidelines collectively address aspects such as talent management, personnel administration, payroll processing, compensation, and the recruitment/onboarding process, contributing to effective workforce management aligned with organizational goals.

QAPCO applies equal basic salaries pay across for all its people and systematically ensures that all of its employees, as well as contract workers are paid above the legal minimum wage. Salaries are defined through a clear salary scale applied to all employees, despite gender or ethnicity and in full compliance with its policies and national law.

As QAPCO grows its business, attracting and retaining talented individuals is critical to its competitiveness. In 2022, QAPCO welcomed 32 new members to the QAPCO family increasing to 96 new members in the year 2023, while voluntary turnover rate recorded was 1.48% in 2023.

In the year 2023, the company saw advancements in its female workforce. A total of 14 female employees were promoted, showcasing the commitment to gender equality and career development. Additionally, investing in the training of 56 female staff members demonstrates the dedication to empowering women and fostering their professional growth.





To attract new talents QAPCO engaged in several activities during the year, such as the Qatar University and UDST Career Fairs, and launched programs such as the “Welcome to Industry Programme” in 2022, “QAPCO Summer Internship Programme 2022 & 2023” and QAPCO Career Fair in 2023.

QAPCO also wants to ensure its employees have a fulfilling experience in QAPCO, and to do so has in place several policies and procedures that are consistent with its Integrated Management System. To ensure the system is continuously improved, periodically documents are updated. In 2022, HR focused on the improving the “On Call policy”, “Duty and Training Mission class of travel” and “Conflict of Interest” policies.

Additionally, every two years QAPCO conducts a detailed employee engagement survey. Due to Covid-19, in 2021 QAPCO could not carry it out. It was conducted in 2023 in which the Employee Engagement Survey (EES) was compared to global benchmarks across three norms, involving over 6 million participants in the Middle East, General Industry, and High-Performance Organizations. QAPCO achieved an overall score of 65%, demonstrating favourable results. Notably, QAPCO excelled in 14 dimensions when measured against all three external benchmarks.

In 2022 and 2023, QAPCO made a number of improvements to its HR systems that will help it to attract and retain talent, including:

- automating promotions and transfers processes,
- integrating probation confirmations with the on-the-job training, which are now both online,
- moving the onboarding check list for new recruits online, and
- enhancing insider declarations so requestors can easily update declarations based on their
- previous request.

Empowering QAPCO team to adapt and flex to organizational change is an important priority and QAPCO has developed a dedicated process whereby the Human Resources (HR) department identifies and assesses any critical changes in personnel, working closely with all parties to identify the required learning process, knowledge transfer and eventual risk mitigation measures needed. This takes place over three months. QAPCO is currently enhancing its succession planning processes to make organizational change even smoother.

Overall, working at QAPCO means working in an organization that strives to demonstrate best practices and expertise, recognizes that there is always a room for improvement and pushes employees to always express their ideas. All employees a large variety of benefits are ensured, competitive salaries, housing, transportation, medical insurance, recreational activities, and flexible working hours.



Performance management:

Every individual receives an annual performance review based on a technical and non-technical skills assessment through the Performance Management System (PMS). These appraisals are based on objective SuccessFactor software, which enables goal setting to be cascaded from organization to department to employee, alongside mid-year reviews. The final review of employee business goals is the basis for annual salary and bonus calculations.



Gender diversity:

Due to the legacy of the industry attracting male workers, QAPCO continues to work to redress historic gender imbalances. For instance, QAPCO has improved various policies to support and attract female employees, including maternity leave.

In 2022 and 2023, only five percent of employees were women, indicating that there is much more work to do. Reversing historic trends in industry will take time as the future pipeline of female talent works its way into the organization and through management levels. QAPCO is optimistic that the programs are in place, spanning recruitment to leadership development, will in time deliver visible results and redress historic gender imbalances.

On the theme of #BreakTheBias, an elite group of women leaders joined a panel discussion. QAPCO was represented by Ms. Fatima, Capability Building Manager. She shared insights and her own experiences of women's empowerment and contribution to communities.

Workforce Composition	2021	2022	2023
Full-time Employees	1,210	1,201	1,265
Part-time Employees	0	0	0
Non-managerial staff	659	656	707
Non-managerial staff, %	54	55	56
Middle management	485	481	490
Middle management, %	40	40	39
Senior management	66	64	68
Senior management, %	5	5	5

New Hires	2021	2022	2023
Total new hires	58	32	96
Non managerial staff	32	13	71
Middle management	21	16	21
Senior management	5	3	6
Males	49	27	93
Females	9	5	3
Under 30	22	17	35
Between 30 and 50	31	14	57
Above 50	5	1	4



Turnover	2021	2022	2023
Employees that left the organisation	31	48	40
Non-managerial staff	13	14	18
Middle management	16	26	21
Senior management	2	8	1
Males	30	44	37
Females	1	4	3
Under 30	8	3	3
Between 30 and 50	15	16	17
Above 50	8	29	20
Voluntary turnover rate, %	1.42	1.03	1.48

Diversity and Inclusion	2021	2022	2023
Male full-time employees	1,150	1,140	1,204
Male full-time employees %	95	95	95
Female full-time employees	60	61	61
Female full-time employees, %	5	5	5
Male non-managerial staff, %	97	97	97
Female non-managerial staff, %	3	3	3
Male middle managers, %	92	92	92
Female middle managers, %	8	8	8
Male senior managers, %	97	95	96
Female senior managers, %	3	5	4

Parental Leave	2021	2022	2023
Female employees entitled to parental leave, N	60	61	61
Male employees entitled to parental leave, N	0	0	0
Female employees entitled to parental leave, %	100	100	100
Male employees entitled to parental leave, %	0	0	0
Employees who took parental leave, N	3	4	6
Employees who returned to work in the reporting period after parental leave ended, N	3	4	6
Employees that returned to work after parental leave ended, that were still employed 12 months after their return to work, N	3	4	6
Return to work rate of employees that took parental leave, %	100	100	100
Retention rate of employees that took parental leave, %	100	133	150



Discrimination	2021	2022	2023
Total number of incidents	0	0	0
Incidents reviewed by the organisation	NA	NA	NA
Remediation plans being implemented, %	NA	NA	NA
Remediation plans that have been implemented, with results reviewed through routine internal management review processes	NA	NA	NA
Incidents no longer subject to action, %	NA	NA	NA

10.10 Occupational health, safety, and security

QAPCO's number one priority is keeping people safe. In fact, safety is the first of its five corporate values: "ensure the safety of our employees, contractors, assets and communities; taking a proactive approach to safety, we relentlessly seek ways to improve our safety performance." QAPCO is proud to have achieved a lowest injury rate in 11 years in 2023, with Total Recordable Injury Rate (TRIR) of 0.19 and no fatalities resulting from work-related injuries or illnesses were reported for a third consecutive year for employees and contractors.

QAPCO also registered two incidents in 2022 in relation to working at height and equipment isolation- one where a contractor fell from a portable ladder injuring their arm; and another where a back injury arose when an employee was caught in between two pieces of equipment. In both cases, internal procedures were applied, and appropriate actions taken to eliminate such hazards, such as replacing all A-type ladders with platform ladders.

Process safety

The nature of QAPCO's industry exposes it to multiple work-related hazards that may cause injury. These include handling hazardous and toxic chemicals, isolation, and de-isolation of process equipment, working at height, electrical hazards, vehicular movement inside the process plant, manual handling, mechanical activities, high pressure and temperature and high noise. QAPCO's Health, Safety, Environment and Quality (HSEQ) management system's safety component is certified ISO 45001 and audited both internally and externally. It extends beyond direct employees to cover contract workers, with 100% workforce coverage (estimated 4,000 workers per day on site), and also applies to project and turnaround activities. The system covers any activity performed within QAPCO complex for the manufacturing activities monitored and operated by QAPCO, at the Mesaieed facilities and QAPCO HQ Doha, which are associated with manufacture and supply of Ethylene, Polyethylene and Sulphur, Linear Low Density Polyethylene (LLDPE), Ethylene Chloride and MonoVinyl Chloride, Production of Hydrochloric Acid & Production of Caustic Soda. Through the system, QAPCO is able to identify, assess and mitigate such hazards for employees and contractors. It is supported by further processes to assess and mitigate risk, including:



- Job safety analysis conducted by experts and area owners to identify hazards of non-routine activities and apply mitigation measures;
- A permit-to-work system for routine maintenance and project activities to identify hazards related to specific tasks and mitigate them;
- Process hazard identification studies, such as process hazard analysis, consequences modelling and incident investigation;
- Quantitative Risk Analysis (QRA) used to assess and quantify risks in a systematic and numerical manner;
- HAZOP study used to identify potential hazards and operability issues in a process; and
- MOC Process- Risk identification of changes (Technological or Personnel).

To uphold the quality of risk analysis, QAPCO employs a system to cultivate Subject Matter Experts (SMEs) through the organization and execution of various training programs aligned with job requirements. Only approved SMEs actively participate in the risk analysis process. Additionally, an internal and external audit system is implemented to assess the effectiveness of these processes. Feedback gathered from audits is shared with the Occupational Safety Central Task force, the Process Safety Central Taskforce, and the Occupational Safety Central Taskforce.

QAPCO empowers its workforce and contractors to stop work if they perceive safety risks. The Zero Energy confirmation process allows halting if doubts arise, and the Last-Minute Risk Assessment (LMRA) empowers workers to halt activities if they sense unsafe conditions. Additionally, QAPCO's Golden Code "Speaking up" underscores the Company's commitment to proactively address concerns, contributing to organizational success.

In cases of work-related incidents, a robust investigation system is applied. This HSE Incident Management system requires to investigate incidents based on Severity, for low severity incidents QAPCO applies the 5 Why Method, whereas for high severity events QAPCO established a detail investigation protocol which requires setting up a multidisciplinary independent investigation team that will perform a "Why Tree analysis" to identify the root causes of the incident. All high severity incident investigations and preventive actions are reviewed by senior management and learnings are always reflected in the HSEQ system. The process described applies to all HSE Related events which include Occupational Safety (Human Injuries), Process Safety (Process leaks) and Environmental Incidents.

In QAPCO's philosophy of continual learning and improvement, it made a number of improvements to safety management system during the year. These included:

- Extending Lock Out -Tagout and Try to ethylene plants to protect workers by preventing others from turning on equipment or releasing energy while working on or servicing equipment and machinery.
- Launching the Safe Place to Engage and Achieve the Result campaign to sustain the results achieved with the high-performance safety culture and Salamah (safety in Arabic) programmes. The first focused on spreading safety culture and the second on process safety management in the workplace.
- Applying Quantitative Risk Assessment-based scenarios to create pre-incident plans in case of emergency; and
- Reconditioning the fire-fighting water sprinkler system at new sulphur storage site.



Occupational Health

Occupational health hazards are identified through a comprehensive health risk assessment of all activities, followed by structured monitoring programmes and advanced health surveillance. All findings above permissible exposure limits are mitigated through proper mitigations: engineering controls and administrative controls, for example by providing training, rotation/tour of duty of the employees and suitable personal protective equipment.

QAPCO offers medical insurance to employees covering outpatient, inpatient, dental, optical, and maternity benefits, with worldwide coverage. Contractors get healthcare services as per the State of Qatar requirement. QAPCO regularly raises awareness around chronic diseases such as diabetes, high blood pressure, high cholesterol and low vitamin D through standing banners, screen savers and emails. In addition to that, Company organized “QAPCO Sport Day Event” to encourage staff to do more physical active activities by walking/running/cycling, etc. as part of celebration Qatar Sport Day.

QAPCO is pleased to report zero work-related ill health incidents among employees or contractors in 2022 and 2023.

Engaging our people

A key aspect of QAPCO’s safety management system is training on key safety procedures, with additional training offered where any changes are made to the system. With topics spanning risk assessment and job safety analysis to heat stress or respiratory protection, every QAPCO employee, apprentices, interns, contractors, and visitors undergo training as per the training matrix in line with their job family and risk associated with their activities. The curriculum consists of:

- Safety Induction - General (Employees, apprentices, and Interns)
- Visitor Safety Induction

They are trained on relevant policies and processes, as well as its 12 Golden Rules for safety. Any employee involved in ‘redline’ violations of the rules is sanctioned as per defined procedure.

Active involvement and consultation with employees are crucial elements in shaping the HSE Management System. QAPCO maintains robust HSEQ Governance to ensure equal participation of workers in the development process. The following key processes are employed to gather worker feedback and empower their participation in the Health and Safety Management system:

- Second level committees
- Department Monthly Meeting
- Town Hall meeting
- Contractor HSE Forum



In addition to above, all QAPCO employees and partners shall use the following different tools:

- SAP™ EHS Reporting safety incident, NM, and Observation
- SAP™ Safety Walk- Leaders and Senior staff site visit Feedback
- HSE Observation Card- report HSE Observation
- HSE Help Desk- Raise or feedback on HSE Management system
- HSE Trainings Feedback system
- REX, Lesson Learned Sharing and Feedback system.

QAPCO was delighted to host its first Process Safety Forum in 2022. The objective was to lay a solid foundation for sustainable improvements in process safety management, while engaging with stakeholders, including industrial partners and academics. Attended by over 200 people, the forum highlighted the importance of international standards and learning lessons from industry experts.

QAPCO shares best practices at further events during the year, including the Mesaieed Industrial City Safety Forum, the Qatar Process Safety Symposium and the GPCAProcess Safety Forum. While in 2023, QAPCO participated in 5th GPCAResponsible Care (RC) Conference in Bahrain. Also, QAPCO won two awards in GPCARC Excellence Awards.

- Sustainable Environment Protection Award for Unit-45.
- Rising Star Award for A success story of a Young Qatari Qapco Employee

QAPCO has shown positive progress in workplace safety. Specifically, there has been a significant decrease in both Lost Time Injury Rate (LTIR) and Total Recordable Injury Rate (TRIR) in the year 2023.

Health and Safety Management System	2021	2022	2023
Employees and workers (non-employees) covered by the system	120,000 *	4,000	5,000
Employees and workers (non-employees) covered by the system, %	100	100	100
Employees and workers (non-employees) who are covered by such a system and has been internally audited	120,000	4,000	5,000
Employees and workers (non-employees) who are covered by such a system and has been internally audited, %	100	100	100
Employees and workers (non-employees) who are covered by such a system and has been audited or certified by an external party	120,000	4,000	5,000
Employees and workers (non-employees) who are covered by such a system and has been audited or certified by an external party, %	100	100	100

*This was due to the turnaround safety training requirements



Health and Safety Performance	2021	2022	2023
Employees and contractors			
Lost time injury rate (LTIR)	0.12	0.25	0.09
Total recordable injury rate (TRIR)	0.31	0.25	0.19
Total Safety Observations reports	6,367	8,669	10,420
Safety Observations/reporter ratio	4.75	1.9	1.82
Tier 1&2 process safety incident rate	0.06	0.25	0.00
Employees			
Total work hours	2,297,005	2,070,615	2,166,188
Basis for calculating the rates	1 million m-hr	1 million m-hr	1 million m-hr
Number of fatalities resulting from work-related injury	0	0	0
Rate of fatalities resulting from work-related injury	0	0	0
Number of high-consequence work-related injuries	0	0	0
Rate of high-consequence work-related injuries	0	0	0
Number of recordable work-related injuries	1	1	0
Rate of recordable work-related injuries	0.43	0.48	0.00
Number of employee lost time injuries	0	1	0
Number of fatalities resulting from work-related ill-health	0	0	0
Number of cases of recordable work-related ill health	0	0	0
Absence due to sickness, %	1.03	1.40	1.44
Contractors			
Total work hours	13,881,414	5,974,891	8,466,882
Basis for calculating the rates	1 million m-hr	1 million m-hr	1 million m-hr
Number of fatalities resulting from work-related injury	0	0	0
Rate of fatalities resulting from work-related injury	0	0	0
Number of high-consequence work-related injuries	0	0	0
Rate of high-consequence work-related injuries	0	0	0
Number of recordable work-related injuries	4	1	1
Rate of recordable work-related injuries	0.29	0.17	0.24
Number of employee lost time injuries	2	1	1
Number of fatalities resulting from work-related ill-health	0	0	0



Health and Safety Performance	2021	2022	2023
Number of cases of recordable work-related ill health	0	0	0
Absence due to sickness, %	0	0	0

10.11 Training and Education

Our training strategy is aligned with our business plans and development goals, which are clearly defined as per each employee training needs. Each training plan is designed to the Individual needs that was created based on a gap analysis of the previous year in consultation with their managers.

In 2023, QAPCO enhanced its processes by automating and transitioning most of the Capability Building Department (CBD) operations to a paperless system, utilizing SharePoint™, LMS, and SAP™ for efficient data and record management. All Technical Skills assessments were fully conducted, and mandatory On-the-Job Training (OJT) was completed before the assessments, adhering to the necessary governance outlined by the Management of Change Personnel Requirements (MOC-P).

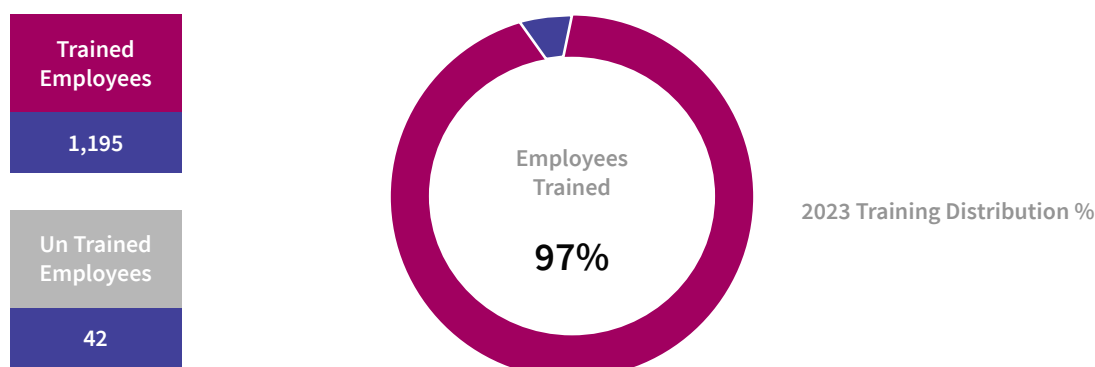
In 2023, QAPCO is thrilled to share that it achieved a significant milestone by delivering a total of 51,775 training hours (an all-time high). On average, female employees received 42 hours of training, while their male counterparts received 43 hours throughout the year. Impressively, a remarkable 106% of employee training plans were successfully completed. This reflects our commitment to continuous development.

Furthermore, our investment in each employee's growth averaged QAR 2,810, underscoring our dedication to enhancing skills and knowledge across the organization.

Training and Development	2021	2022	2023
Employees trained	1,122	1,127	1,195
Workforce training, hours	22,049	50,741	51,775
Male employees trained	1,070	1,067	1,140
Female employees trained	52	60	55
Average hours of training per male employee, hours	19	44	43
Average hours of training per female employee, hours	22	61	42
Average hours of training per senior management, hours	15	32	43
Average hours of training per middle management, hours	20	54	35
Average hours of training per staff, hours	18	40	44
Average hours of training per individual employee, hours	19	45	42
Average cost of training per individual, QAR	1,620	2,799	2,810
Training plan achievement, %	96	98	106



Training Distribution Status



Technical courses range from operations, maintenance and troubleshooting to gas turbine technologies; while non-technical topics include technical report writing, presentation skills and achieving competency excellence. QAPCO also offers external certifications on key topics, with the following offered in 2022:

- ISO 45001:2018 Lead Auditor
- ISO 14001:2015 Lead Auditor
- ISO 22000:2018 Lead Auditor (Food Safety Management System)
- ISO 31000 Foundation Risk Management
- International Certification in Warehousing and Inventory Management
- Certified Supply Chain Professional
- Certified Logistics, Transportation and Distribution
- Certified Train the Trainer
- Certified Data Protection Officer
- Certified Hazard and Operability Analysis Leader

For the certifications offered in 2023:

- Certified Information Systems Security Professional (CISSP) Training
- Certified Software Tester Training
- OPITO Certified Authorized Gas Tester
- IRCA Certified ISO 9001:2015 Quality Management Systems Lead Auditor
- IRCA Certified ISO 45001:2018 Lead Auditor
- Certified Supply Chain Professional (CSCP)
- Certified PHA - HAZOP Leader
- Certified Compensation & Benefits Professional
- Certified International Procurement Manager (CIPM)
- Certified HACCP Professional (CHP): Food Hygiene & Food Safety Management
- IRCA Certified ISO 45001:2018 Lead Auditor
- First Aid (AHA Certified) Training
- Project Risk Management Professional
- Project Management Professional (PMP)
- 3D Model Review for PVC Project
- NEBOSH Health and Safety Management for Construction (International)
- NEBOSH IGC in Occupational Health & Safety
- Disciplined Agile Scrum Master (DASM) Certification Training



On-the-job training acts as a building block for the organization's new Management of Change – Personnel process at individual employee level. This is because such training builds employee capacity around the knowledge and skills to support in case of internal transfer or new job opportunities. It also helps prepare employees for change at the organization level, for example in case of restructure. QAPCO has completed a total of 120 hours on the job training under the Management of Change - People governance structure. Some courses were held in 2023 in response to the identified training needs, here is the list:

Training Need Identified

Technical Report Writing	Disciplined Agile Senior Scrum Master Course
Logic Diagram understanding	Business Relationship Management
Best Practice in Multishift Operation	Project Risk Management
PI Client Application and Alarm Management	Operation & Control of Distillation Column
Authorized Gas Tester Certification	APC Training

Numerous external training sessions were organized, encompassing various courses. These events, including seminars, conferences, and Factory Acceptance Test (FAT) missions, were facilitated by various QAPCO employees, both locally and abroad.





10.12 Supply Chain

QAPCO's dedication to Maximising Value extends to its suppliers. By working closely together for positive ESG outcomes, QAPCO contributes to the Vision 2030 and its In-Country Value policy and Tawteen supply chain localisation programme for the energy sector.

Procurement Department established a policy and procedures that conforms to the requirements of the ISO 9001, ISO 14001 & RC 14001.

In 2023, notable achievements include successfully navigating through logistical challenges, such as the scarcity of containers and vessel shortages, by implementing alternative logistics solutions. This adaptation was necessary due to the geopolitical situation in the Gulf of Aden and the Russia-Ukraine conflict.

Additionally, the supplier base was expanded by qualifying alternative sources in Low-Cost Countries, enhancing flexibility and resilience in the supply chain. Efforts were made to minimize the occurrence of zero stock items, contributing to improved inventory management and operational efficiency.

Furthermore, a commitment to participating in the national TAWTEEN program was maintained, emphasizing ongoing engagement in initiatives that support local empowerment and economic development. These accomplishments underscore the organization's proactive and adaptive approach to various challenges in the global business landscape.

Prior to selection, suppliers must undergo a technical evaluation, which includes ESG criteria, such as health, safety, environmental and product quality requirements. In 2022, QAPCO added Contractor Safety Management criteria to new tenders. Furthermore, standard contract templates and scope of works include further expectations on labor practices and human rights. All contracts state clearly that suppliers and providers shall comply with Qatar labor laws as a minimum requirement. In addition, environmental and labor rights are addressed in the technical evaluation criteria for manpower tenders. The welfare of contractor personnel is addressed in contracts, covering salary, health care, uniform, transportation, accommodation, catering, medical insurance, and safety.

Between eighty and a hundred suppliers are assessed each year for their social and environmental impacts, finding no more than 3% actually having significant negative social or environmental impacts, typically related to the social sphere. Where ESG concerns arise, face to face meetings is held and action plans are defined in order to improve performance, prior to termination of any contract.

While total spending on local suppliers reached QAR 3,043 million in 2023, reflecting a 12% increase compared to 2022, the total number of local suppliers increased by 10% in the same period.



For the year 2024, QAPCO will continue to:

- Maximize the implementation of Sourcing Strategy pertained to establishing long term purchase agreements with OEMs, traders and through outsourcing some activities.
- Maximize Savings and reduction of overall spends through cost avoidance tactics and price negotiations.
- Maximize buying efficiency through continuous improvements of Performance KPIs.
- Insure all the materials and services required for the coming Vinyl TA in October 2024 are secured on time.

Sustainable Sourcing	2021	2022	2023
Local suppliers engaged, N	381	376	413
Total procurement spending, million QAR	2,804	2,718	3,043
Total purchases on local goods and services, million QAR	2,007	2,008	2,474
Total purchases on local goods and services, %	72	74	81
Suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment, %	100	100	100
Suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment, %	100	100	100
Suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, %	0	0	0
Suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, %	0	0	0
Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant	N/A	N/A	N/A





10.13 Local Communities

QAPCO is committed to supporting its neighbours to join its own journey of growth and opportunity. QAPCO's Corporate Social Responsibility (CSR) strategy therefore commits to sharing its value, playing part in Vision 2030 and upholding QAPCO's reputation as a responsible corporate citizen. QAPCO's wide-ranging social responsibility and engagement programs focus on three core themes: Education; Environment; and Sports and Health. Each theme is underpinned by its commitment to the Vision 2030 and to developing Qatari Nationals and local capacities. QAPCO invested QAR 2.9 million in CSR projects in 2022, including vital funds and wider support to the following local charities:

- Qatar Society for Rehabilitation of Special Needs
- Qatar Red Crescent
- Abdulla bin Hamad Foundation
- Qatar Cancer Society
- Audio Education Complex Boys
- Dreama Empowerment for the Orphans
- University of Doha for Science and Technology – UDST
- Qatar society for rehabilitation of special need
- Qatar Paralympic Committee
- A Flower Each Spring
- Mesaieed International School

QAPCO also held events to promote its CSR approach internally, raising awareness about social engagement, safety and leadership with workshops and events, while also promoting sports and World Cup engagement.

Environmental Impact Assessments are carried out whenever new projects are to be implemented, with all recommendations assessed and implemented.





10.14 Product responsibility

All materials are provided to customers with a material safety data sheet (MSDS) and a technical sheet, which indicate composition / content and instructions for safe use. In 2022 and 2023, 100% of product categories were assessed for compliance with information and labelling procedures, and no incidents for noncompliance with regulations or voluntary codes were recorded.

QAPCO's products have been marketed and sold exclusively through Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) under the Lotrène brand, and hence Muntajat manages the customer data. Logistics Department main responsibility is to receive products from Plant, which is sent to the bagging silos, where they will be packed into; 25 kgs, Jumbo Bag or Bulk container. Those products must pass QC primary and final classification prior to packing process. Packed product will be stored at QAPCO's Warehouses and recorded in the inventory, and available to our QatarEnergy-Muntajat as the sales and marketing entity for QAPCO's products. In Logistics Olefin side, they are responsible to handle bulk products, solid and liquid.

10.15 Qatarization

In line with the Qatar National Vision 2030, QAPCO proactively invests in Qatari talent through recruitment, training, sponsorships, and scholarships. These are overseen by a dedicated Strategic Qatarization department.

Qatarization	2021	2022	2023
QAPCO Qatarization, %1	27	28	28.5
Investment in sponsorships and scholarships for Qatarization, mQAR2	3.11	1.79	3.18
Scholarships and students sponsored2, N	20	8	23
University/educational institutes partnerships, N	17	17	20

The Qatarization percentage is calculated based on the number of Qatari against the approved positions plan for national staff.

In 2022, QAPCO invested QAR 1.7 million in Qatari students and nearly QAR 110,000 in Qatari employee specialist education grants. This investment increased by almost 78% to reach QAR 3.18 million in 2023. QAPCO's Qatari talent development programs were improved, including:

- On the Job training (OJT), which is a customized training program designed to provide the necessary competencies for each selected participant, welcoming 34 'developees'.
- ACE (Achieving Competency Excellence) Programme, aimed at developing behavioural competencies in Qatari employees during 2022.
- 23 scholarships for bachelor's degrees in computer sciences and engineering.



- 66 training programs were arranged for 199 Attendees.
- National Career Fair was arranged to target and attract Qatari professionals and young graduates to join the company
- 1791 students attended 18 workshops (8 technical and 10 business) with an average of 96 attendees per workshop.
- CENG Orientation Workshops at Qatar University, provided 6 workshops.

Policy - Qatarization is an essential part of QAPCO's human resource strategy, positively affecting and engaging its Qatari employees and remains at the core of its business strategy. In 2017 QAPCO incorporated all existing procedures into one integrated policy that serves as a benchmark for its HR Planning.

This policy has become the roadmap for continuous improvement and a sustainable framework for transforming the culture and operations of the company as it provides the scope for departments to plan and implement their Qatari National Manpower Career Plan including sponsorship planning.

Achievements - Since 2009, QAPCO has been awarded twelve Qatarization Awards, spanning three categories. One of them is the Annual Qatarization Crystal Award for the efforts out in 'Supporting and Liaising with the Education Sector' during 2022. The award recognized QAPCO's commitment in engaging with and supporting local universities, colleges, and schools, especially through investment in research and development and through the promotion of Science, Technology, Engineering and Mathematics (STEM) education. As well as Supporting and Liaising with the Education Sector' the company has also won awards for supporting Student Scholarships, and for supporting the country's and industry's overall Qatarization goals.

These awards are presented by His Excellency the Minister of State for Energy Affairs and President and Chief Executive Officer of Qatar Energy, during the Energy Sector's Annual Qatarization Review meeting.





10.16 Governance

QAPCO's board members are responsible for the strategic oversight of the Company's operations and strategy. It consists of 9 members, please follow the following link for more information: <https://gapco.com/about/board-of-directors/>

The Board possesses the widest authority to represent the Company and conduct its affairs expected for those expressly reserved in the Protocol of Association, Memorandum of Association, Articles of Association and Board Charter. The Board may establish committees as necessary or appropriate to which it may delegate authority under the Board's responsibility. The Board will set forth the authority, purposes, goals, and responsibilities of the committees as well as qualifications of committee members, procedures for committee, member appointment and removal, committee structure and operations and committee reporting to the Board.

In 2022 and 2023, there were eight non-executive Board members and one executive member, and they were all males. There were no independent Directors on QAPCO's Board during the year. The chairman is not a senior executive in the organization.

Nomination

Members of the Board are appointed by their respective shareholders and will serve as Director until removed from the shareholder who appointed him. Any shareholder of at least 5% of the share capital of the Company is entitled to appoint a director. There is no specific tenure for Directors. The Board shall consist of nine members, seven of whom shall be appointed by IQ and two by Total Energies Petrochemicals France. No Director is required to hold shares in the Company or to deposit such shares with a bank.

Class A Shares shall designate the Chairman of the Board and shall have power at any time to revoke or vary such appointment. The Board shall appoint the Managing Director (MD) from a list of candidates proposed by IQ with a majority including the votes of the Director representing Total Energies Petrochemicals France. The Board shall determine the powers of the MD, who though will attend all Board Meetings but have no vote unless appointed Director. The Board shall also appoint the Chief Operation Officer.

Board committees

Board committees include:

- Audit: assists the Board in fulfilling its oversight responsibilities and has the authority to conduct or authorise investigations into any matters within its scope of responsibility.
- Governance, Risk and Compliance (GRC): assists Petrochemicals Shared Services (PSS) management in the performance of its responsibilities relating to legal requirements, governance, risk, and compliance matters.



- Cross-Company Executive and Operating: assists and resolves governance and any operating issues and eliminates potential conflict of interest between PSS and the Assets Company at Board level. It also provides guidelines on operating decisions and ensuring excellence in technical processes.
- Tender: assists PSS management in the performance of its responsibilities relating to PSS procurement activities.

Non-Board Committees

1. HR & Qatarization Committee.
2. Health, Safety, Security and Environment (HSSE) Committee.
3. Information Technology (IT) & Cyber Security Committee.
4. Tender Committee 2.
5. Disciplinary Committee.
6. Ethylene Management & Optimization Committee.
7. Business Conduct Committee
8. Health & Sports Committee
9. Environmental, Social, & Governance (ESG) Committee.

In 2022 and 2023, there were 11 executive and nine non-executive committee members.

Conflict of Interest

Board Charter states that each Director must avoid any situation where he, or one of his relatives, has a direct or indirect personal interest conflicting with the interest of the Company (a 'Conflict of Interest'). It also describes how this should be managed: any question about a director's actual or potential Conflict of Interest should be brought promptly to the attention of the Board, which will review the question and determine an appropriate course of action. Each Director facing an actual or potential Conflict of Interest should disclose it promptly to the Board and should refrain from taking part in any discussion or decision relating thereto. Transactions approved by the Board in which a director has a Conflict of Interest should be disclosed either to the shareholders in the next general meeting or in the annual Conflict of Interest Declaration.





10.17 Managing the impacts

QAPCO's senior executives are responsible for developing, approving, and updating the organization's purpose, value and mission statements, strategies, policies, and goals related to sustainable development. They submit these to the Board of Directors for final endorsement and approval.

Board reports in relation to HSEQ, Operations, Finance, Engineering, HR and Projects, and IT are presented to the Board on a quarterly basis. This is in addition to Board and Non-Board Committee reports submitted to the Board relating to the activities of each committee. The committees shall report summary of activities to the BOD during 4th quarter meeting.

To maintain effective governance for the company, the Policies developed by various functions of the organization are approved at Board level whereas procedures are approved at management level.

The HSEQ Committee which is one of the non-Board Committees assists the Organization in effectively managing the implementation of Health, Safety, Security, Environment and Quality (HSEQ) related systems, regulations & standards, provides leadership, develops proactive programs and improves & stewards HSEQ performance.

Senior Executives and other employees have the opportunity to communicate the impacts on the economy, environment, and people by attending meetings with the Chairman and Pre-Board meetings with the Chairman, IQ Board Directors, TotalEnergies Petrochemicals France Board of Directors, QAPCO Chiefs and concerned internal Managers. Furthermore, as and when required, quarterly meetings with QatarEnergy Executive VPs are carried out.

In terms of communication of critical concerns, one of the key policies under Code of Conduct is Speaking up which can be used as a method to report breaches to the Code. In addition, critical concerns related to top risks are one of the regular reported matters to the Board through GRC Committee along with the proposed action to mitigate these risks. Also, annual audit plans prepared by Audit committee can be used as one of the tools to support the same.

In order to enhance the Directors' knowledge, skills and experience on various relevant topics, among which Sustainable Development, the Board engages with a consultant once every three years to perform a Board Performance review and to conduct workshops. Also, there is annual evaluation tool to be filled by all Directors that aims to support the development of individual directors by helping them enhance their contribution to the board and to enable them to have a more positive experience. The tool can also help with succession planning.

In addition, QatarEnergy is arranging regular masterclasses and workshops to enhance the skills and knowledge of Directors. Regular masterclasses are conducted by an external service provider (Conscious Governance) and involves the whole Executive Team. A focal topic related to dramatically enhancing Board reporting, including development of focused Board Agenda, dashboard reporting, and presenting information in a manner that will allow Boards to strategically add further value to the Board.



10.18 Risk Management

Identifying and mitigating risk is part of QAPCO's business strategy and sustainability framework. In collaboration with the GRC Committee, Board of Directors is ultimately accountable for risk and is committed to sustaining effective risk management processes while pursuing its strategic objectives.

Enterprise Risk Management function oversees an integrated Risk Management system aligned with the Committee of Sponsoring Organisations of the Treadway Commission and industry standards such as ISO 31000.

Commencing in 2023, the organization initiated the process of aligning its internal processes with the ISO 27103 standard. ISO 27103 is a standard that provides guidelines for the management of information security incidents in an organization.

Compliance to laws and regulations is managed by Risk and Compliance department. However, during the audits conducted in 2023, no instances of non-compliance with laws and regulations were identified or brought to the attention of the IA department.

Climate change is one of the key global issues impacting organizations today. As a leading petrochemical producer, QAPCO is committed to ensuring the protection of the environment through the implementation of various innovative programs to mitigate the risks (environmental, reputational & financial) related to climate change.

To manage the risk, QAPCO has several strategic initiatives for reduction in GHG emissions which include, decarbonization where possible, post-consumer waste plastics recycling and to prepare for a circular economy. Several projects have already been implemented which helped to reduce our carbon footprint such as:

- Upgrading of Gas Turbines
- Revamping of Sulphur Recovery Unit (SRU) and,
- Installation of continuous emission monitoring system for furnaces, totalizers, and analyzers for flare systems to accurately monitor emissions.

Furthermore, additional projects are in progress as part of the environmental sustainability program such as:

- HC and Acid gas flaring reduction
- Optimization of Boilers and GTs for energy efficiency
- Installation of Heat Recovery Steam Generation (HRSG). Product development programs to achieve 5% -30% include post-consumer waste PE products are also in progress as part of the larger R&D initiative.



QAPCO is regularly involved in understanding and researching various environmental mitigations that can be further implemented which will help to reduce the impact of QAPCO's operations on the environment. Key risks in 2022 related to supply chain due to the FIFA World Cup. Company worked hard to mitigate them by increasing critical chemical stocks, preponing orders where possible, procuring additional temporary storage and finding alternative supply chain routes.

QAPCO further enhanced how it shares best practices on risk management by joining:

- The Institute of Risk Management Doha Chapter as a committee member and Special Interest Group Committee member;
- The Energy Sector Business Continuity Forum;
- The Information Security Forum; and
- The Energy Sector Compliance Forum.

QAPCO also participated in the National Cyber Security Agency's National Cyber Drill, Qatar Energy's Incident Response Drill and a Crisis Management Desktop exercise for non-HSE events.

The Audit Committee's primary function is to assist the Board of Directors in fulfilling its oversight responsibilities for:

- Reviewing the systems of internal controls and the risk management that management and the Board of Directors have established.
- The compliance with legal and regulatory requirements.
- The external auditor's qualifications and independence.
- Ensuring independence and objectivity of the internal audit functions.
- The preparation of the report that the laws and regulations of the State of Qatar required to be included in the company's annual statement.
- Effective audit process to ensure good corporate governance and the accuracy of all information provided to the shareholders, Government, and others.
- Establishing effective communication link between the QAPCO's top management, the auditors (both internal and external) and the State Audit Bureau.

QAPCO Internal Audit Department has been established to provide independent and objective, assurance and consulting services designed to add value and improve QAPCO's operations. The mission of the Internal Audit is to enhance and protect the organization's value by providing risk-based and objective assurance, advice and insight. The Internal Audit Department helps QAPCO accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

For the year 2024, the IA department is set to implement an upgrade to its current audit application, transitioning to an advanced integrated audit management application. This upgraded system will seamlessly integrate with various ERP and systems, facilitating efficient data extraction, continuous auditing, and monitoring. The envisioned application aims to establish a unified platform and tool that caters to the needs of Internal Audit, Quality Management, and Risk Management.



Climate-related risks and opportunities

QAPCO is committed to implementing innovative programs to mitigate environmental, reputational, and financial risks related to climate change. Failure to mitigate climate risk may result in low premiums, increased taxes, financial penalties, and poor productivity. QAPCO is mitigating such risks by investing in strategic initiatives to reduce GHGs and with new initiatives in the R&D phase.

Data privacy and cyber security

With digitalization key to QAPCO's innovative edge, vigilance around privacy and data security is paramount. QAPCO's information security and industrial control systems, policies and procedures address vulnerabilities and threats through continuous risk assessment and treatment. Aligned with enterprise risk management framework, these systems enable us to:

- Identify critical business services, processes and associated information assets, as well as key risks;
- Analyze information security risks;
- Select controls for risks treatment; and
- Review risks and control effectiveness on an ongoing basis.

QAPCO deploys controls for prevention, detection, and response, with verification processes in place within Finance and Procurement departments to detect and defend against payment fraud schemes and phishing/vishing.

Risks and compliance-based controls are implemented to address the security requirements of data IN-IS-07 Rev. 01 Data Protection and Privacy: This document addresses the compliance requirements & controls of QAPCO's Personnel Data Protection and Privacy program.

Security awareness training, including simulated phishing campaigns, is ongoing. QAPCO systems are certified to ISO27001 and in transition to ISO27001-2022. In 2023 QAPCO saw zero data security breaches for the fourth year in a row. In addition to zero substantiated complaints concerning breached of customer privacy received from outside parties and regulatory bodies. QAPCO remains a member of the Advisory Committee for the Qatar Energy Sector incident response community, led by QatarEnergy.





Anti-Corruption

Anti-Corruption and Anti-Bribery policy makes clear QAPCO's zero-tolerance stance on bribery and corruption, in line with Qatari and international law. In 2022, QAPCO participated in a conference on Sanctions, Anti-Corruption and Export Controls in the Middle East. QAPCO assessed eight operations in 2022 and seven operations in 2023 for risk of corruption, finding no cause for concern. In the following table relevant KPIs are provided:

Anti-Corruption	2021	2022	2023
Operations assessed for risks related to corruption, N	6	8	7
Operations assessed for risks related to corruption, % (% of corruption related risks compared to overall risks identified in the organization)	0.9	1.1	1.04
Confirmed incidents of corruption, N	0	0	0
Confirmed incidents in which employees were dismissed or disciplined for corruption, N	0	0	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption, N	0	0	0

10.19 Remuneration policies

Directors' performances are based on the output of a self-assessment tool that each Director fills in on an annual basis. This tool is designed to aid in the development of individual directors by facilitating the enhancement of their contributions to the board, ensuring a more positive experience. Moreover, the tool serves as a valuable resource for succession planning. In conjunction with this, QatarEnergy organizes frequent master classes and workshops to further enrich the skills and knowledge of directors. The Board Secretary then prepares the executive summary of the results and an outline of the next steps or an agreement on an action plan. In addition, there is an external assessment of Directors' Performance done every three years. In 2023 a governance assessment was conducted and QAPCO governance practices were benchmarked to peers. QAPCO scored in the 85th percentile compared to the other JVs covered by the assessment.

The remuneration of the Board of Directors shall be determined annually by the General Assembly, in addition it is in line with QatarEnergy's directive in this regard.





10.20 Projects and Future plans

Innovation and collaboration are two out of five company values. QAPCO strives to continually improve its processes to achieve greater efficiency, productivity, and higher performance. QAPCO learns from both its successes and mistakes. Each of us is accountable for the quality, efficiency, and effectiveness of its work. Meanwhile, QAPCO communicates across all areas and levels, sharing information and considering diverse viewpoints to achieve its common goals. QAPCO recognizes and appreciates those who work across teams and groups to achieve its vision and strategy.

Reflecting QAPCO's strategic five-year plan to implement initiatives across product portfolio diversification, plastics recycling, and circular economy, QAPCO increased its research and development (R&D) budget by 36% from 2020 to 2022 to QAR 6.33 million, and the budget was QAR 6.24 million in 2023. This enabled it to formally integrate sustainability into product design and development, as well as wider processes and new projects.

In 2022, a total of 13 R&D projects were undertaken and continued in 2023 with no new additions. Below are examples of some of R&D Product and Applications Development projects moving towards commercialization, strategic objectives and positive ESG outcomes:

- Use of locally produced recycled polyethylene as asphalt binder modifier for roads in Qatar in collaboration with TAMUQ. For this project, the patent application has been submitted and field trial planning underway.
- Production of sustainable bioplastics from industrial wastewater in collaboration with Hamad Bin Khalifa University (HBKU).
- Green3SPCM: this project has aims at developing efficient and effective heat-absorbing and heat-releasing materials from recycled polymeric waste which, after installation in a greenhouse, will passively contribute to conserve energy.
- Development of sustainable polymers for 3D printing in collaboration with Texas A&M University at Qatar (TAMUQ).
- Development of recycled Lotrene grades (R-Lotrene)
- Oil-Water separation membrane
- Polymer Modified Asphalt (PMA) for roads in Qatar
- Development of sustainable Lotrene grades (R-Lotrene)
- Turnaround (TA) Book

Most projects mentioned above will continue into 2024 according to project schedule. In addition to new projects and targets that QAPCO will start working such as Differentiated products & grade optimization, Innovation Culture Initiative, and Technology intelligence & IP.

QAPCO's strategy could not be accomplished without a strong Engineering Department focusing on design and implementation of projects that deliver efficiency and ensure safety and environmental protection:



Heat Recovery System Generators	Heavy oil collection	Continuous emissions monitoring
Aim: Improve environmental performance and reliability. Completion Year: 2024 Project Budget: 249.34 million QAR	Aim: Improve drain safety. Completion Year: 2024 Project Budget: 10.5 million QAR	Aim: Improve accuracy of stack emissions monitoring. Completion Year: 2023 Project Budget: 8.5 million QAR
Ethylene Plant Flare Gas On-Line Analysers	LLDPE wastewater improvement	Redundant liquid sulphur tank
Aim: Track composition of flared gas. Completion Year: 2023 Project Budget 4.9 million QAR	Aim: Improve quality of wastewater. Completion Year: 2023 Project Budget: 4.15 million QAR	Aim: Avoid acid gas flaring. Completion Year: 2025 Project Budget: 22.0 million QAR
Installation of Seawater returns header analyzers.	Liquid phosphate facility in Ethylene plant	Liquid phosphate facility in Utility plant
Aim: Monitoring the pollutant emission to water. Completion Year: 2023 Project Budget: 1.7 million QAR	Aim: Increase efficiency. Completion Year: 2023 Project Budget: 3.5 million QAR	Aim: Increase efficiency. Completion Year: 2023 Project Budget: 1.8 million QAR

Overall, implementing the defined projects will have a positive impact on QAPCO's ESG performance, allowing for improved stakeholder satisfaction and will also cause higher efficiency (e.g., energy savings) that will reduce costs for the organization improving its financial performance.





Qatar Fuel Additives Company (QAFAC)





11. Qatar Fuel Additives Company (QAFAC)

11.1 About QAFAC

Qatar Fuel Additives Company (QAFAC) was founded in 1991 as a joint venture and commenced operations in 1999. QAFAC is currently owned by Industries Qatar (IQ), OPIC Middle East Corporation (OMEC), International Octane L.L.C. (IOLLC), and LCY Middle East Corp. (LCYMEC). QAFAC's headquarters are in Doha, Qatar, with a production plant in Mesaieed Industrial City (MIC), Qatar.

QAFAC is an important part of Qatar's downstream value chain, producing two commercial natural gas derivatives, viz., Methanol and Methyl-Tert-Butyl-Ether (MTBE) from natural gas and butane. QAFAC's integrated facility procures the input natural gas from QatarEnergy. Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.J.S.C. has exclusive rights to purchase, market, distribute, and sell specified regulated chemical and petrochemical products produced in the State of Qatar, hence, handles the marketing and distribution of QAFAC's finished products worldwide.

Methanol –

- Commodity product
- QAFAC plant is designed to produce 2,950 MTPD.
- Basic chemical building block used in the creation of numerous goods
- Used as an additive for transportation and marine fuel

MTBE –

- Specialty Product
- QAFAC facility is designed to produce 1,830 MTPD
- Used as an emissions-reducing additive in gasoline for the state of Qatar and clients worldwide

QAFAC's Memberships & Associations

- The Royal Society for the Prevention of Accidents (RoSPA)
- The Gulf Petrochemicals and Chemicals Association (GPCA)
- Mary Kay O'Connor Process Safety Center (MKOPSC)
- Global Reporting Initiative (GRI)
- Methanol Institute (MI)



QAFAC's Vision

Be a leading producer of Methanol & MTBE recognized for our reliability and the quality of our products

QAFAC's Mission

To produce high quality Methanol, MTBE and other derivatives by developing our talent, fostering our culture of excellence and maintaining the highest HSSE standards. We create value for all our stakeholders and contribute to Qatar National Vision 2030.

11.2 QAFAC Values

Safety

"We ensure safety in everything we do."

We place the highest priority on health and safety of all the employees, the contractors, their families, and the communities around us. We strive for incident free workplace.

People

"We care about people"

We promote trust, respect, empowerment, and teamwork to leverage our collective strengths.

Excellence

"We strive for continuous improvement in all dimensions."

We always seek to enhance our processes and systems to achieve greater efficiency, productivity, and performance.

Integrity

"We always choose to do the right thing"

We govern our actions by honesty, ethics, transparency, and fairness.

Responsibility

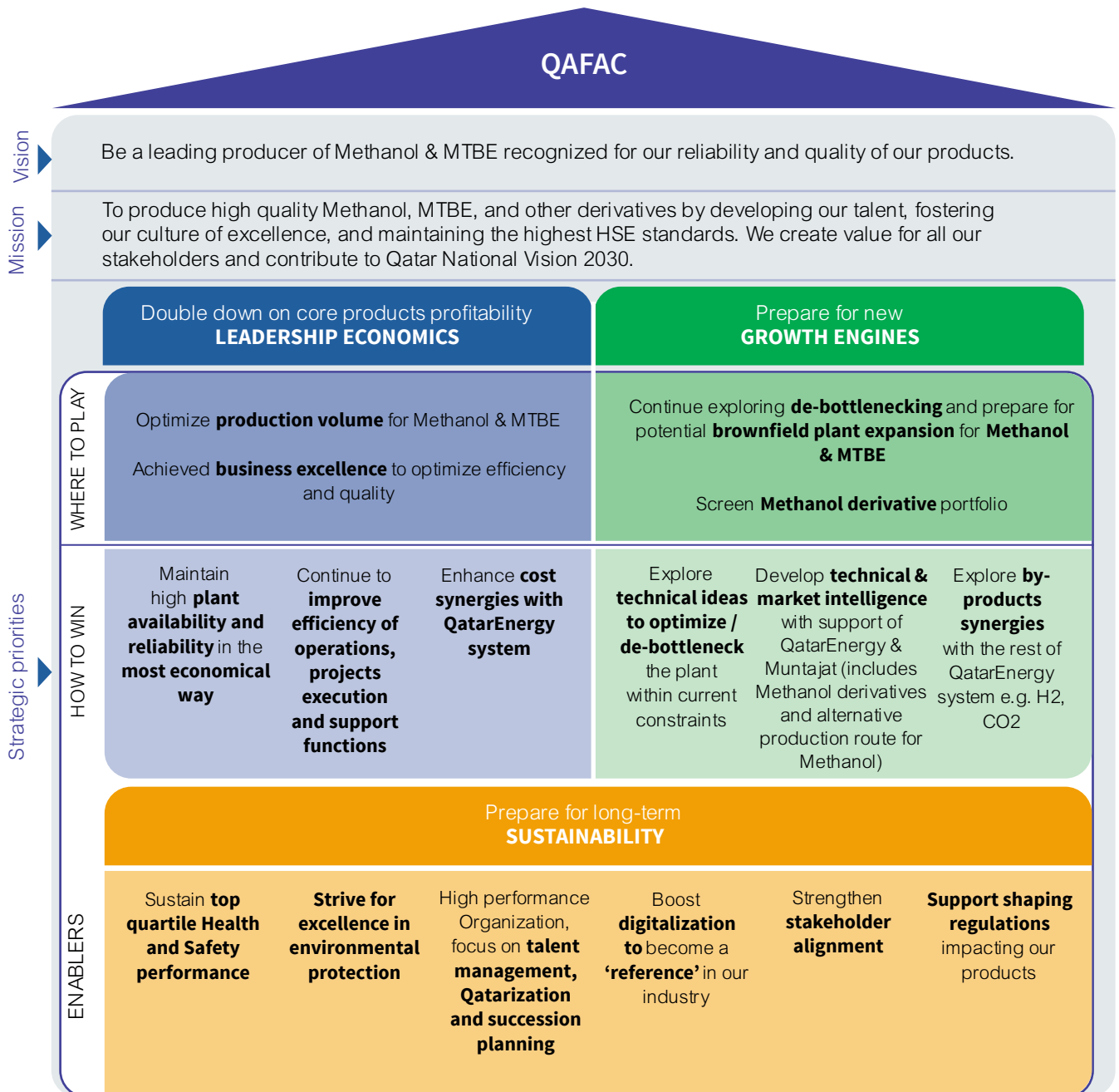
"We care deeply for the environment and all the communities we impact."

We commit to operating in a sustainable and socially responsible manner.





QAFAC Strategy, Vision and Mission





11.3 Policies and practices

QAFAC makes sure that all of its workers and contractors receive fair treatment and that all of their rights are upheld. In order to ensure human rights compliance, QAFAC also conducts routine audits on the contractor's premises.

QAFAC is guided by its Code of Ethical Conduct and Conflict of Interest policies, as well as an employee handbook titled **"The Chemistry of Our Business" - The QAFAC Code of Conduct**. As reported in its 2021 & 2023 sustainability report, QAFAC chartered new paths and possibilities to formalize its organizational culture with revised code of conduct (CoC), enabled by the steadfast support of QAFAC's Executive Leadership Team (QLT) and QatarEnergy guidance. QAFAC's revised CoC consists of 19 policies addressing QAFAC's environmental, social and governance (ESG) focus areas. These policies are approved and launched in 2023, a gradual awareness & roll-out plan is prepared for 2024. to employees within the same year. A standalone human rights policy has been developed as part of the 19 policies and rolled out to employees. The policy is inspired by the Universal Declaration of Human Rights and guided by the constitution of Qatar. The policy reinforces QAFAC's commitment to treat those working for and with QAFAC, fairly and with dignity and respect; to not discriminate based on race, age, disability, gender, political or religious beliefs; to comply with applicable human rights laws; to not work with business partners involved in human trafficking or forced labor; and to provide safe, healthy, and secure working conditions.

QAFAC is proud to report that there have been no instances or grievances involving violations of human rights, discrimination against employees, or forced or compulsory labor during the reporting year and ever since the establishment of the organization.





11.4 Sustainability at QAFAC

QAFAC's sustainability framework and strategy are based on its organizational values and strategic commitments and aligned with its material topics. QAFAC's corporate strategy has a pillar dedicated to sustainability – "Prepare for long-term sustainability", reinforcing its commitment to carrying out its operations and day-to-day activities in a sustainable manner. QAFAC's efforts and resources as a company are being utilized to align operations to address the six sustainability enablers. Together with this, QAFAC is also aiming to recalibrate its sustainability priorities to achieve and materialize its broader organizational goals.

QAFAC has developed a new Sustainability Policy that is finalized in 2023 and launched along with the code of conduct. Further awareness and rollout plan are prepared for 2024. Sustainability Policy is a testament to QAFAC's commitment to sustainable growth and development and the generation of stakeholder value. QAFAC has aligned policy with QatarEnergy. A Sustainability Framework is also underway that encompasses its established KPIs at the business level. QAFAC's core team members also work to help track the progress of KPIs related to sustainability practices adapted in its sector, along with its impacts on the production of Methanol and MTBE. QAFAC also receives communications from other members and associations of the industry regarding best sustainability practices.

Stakeholder Engagement and Materiality Assessment

QAFAC's relationship with its stakeholders is founded on a transparent, proactive, and responsive culture. QAFAC recognizes the need for a healthy and active synergy between both in upstream (suppliers, investors, etc.) and downstream (customers, communities, etc.) stakeholders. Since QAFAC values and recognizes this synergy, QAFAC's Stakeholder Engagement Policy is reinforcing this. The policy aims to create trust-based relationships through engagement with its people, business partners, local communities, civil society, educational institutions, and the government. This also expresses QAFAC's commitment to engaging with identified stakeholders, communicating its expectations, and defining minimum compliance requirements. By applying these stakeholder engagement principles and commitments in conjunction with the sustainability reporting framework requirements, QAFAC will reinforce its internal and external communication regarding sustainability matters.

11.5 Key performance highlights

QAFAC values its commitment to achieving a progressive economy. In line with the Economic Development pillar of Qatar National Vision 2030, QAFAC continually extends its effort to improve economic performance.

QAFAC's financial performance is closely managed by the Chief Finance Officer (CFO). As reported in the last Sustainability Report, QAFAC's Cost Optimization Policy governs its financial performance metrics, targets, and practices. The policy serves as a guide to QAFAC's Finance department throughout its optimization exercises.

Through its Cost Optimization Policy and Strategy, the Finance Department develops the annual departmental budget which is distributed by CFO on 15th of December of each financial year. The latter was established as a requirement by QatarEnergy and is aligned with the organization's strategy and mandate on cost optimization. With this strategy, QAFAC has established a commitment to reach 10% Controllable Cost by 2023 and has implemented various cost-saving measures that enabled us to optimize capital and operating expenditures in comparison to the set budget.



To maintain checks and balances for QAFAC's financial ecosystem and ensure financial reliability, an Internal Financial Control Framework is enforced by QAFAC's Internal Audit department. This framework operates in compliance with relevant national laws and regulations; additionally, in accordance with leading practices such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework.

In 2022, QAFAC achieved a revenue of USD 949.82 million, which is 44% increase compared to previous reporting year. This increase is attributed primarily to market demand and the increase in prices of the product.

KPI	Actual 2022 (QAR '000)	Actual 2023 (QAR '000)
Direct Economic Value generated:		
Revenues	3,457,359	2,641,654
Economic Value Distributed:		
Operating Costs	2,165,145	1,527,482
Employee wages and benefits	237,881	255,921
Payments to providers of Capital		
Payments to Governments	369,460	198,380
Community Investment	62	601

The Finance department uses several tools for its day-to-day management and reporting. The department has deployed integrated management software, aligned with the International Financial Reporting Standards (IFRS). This management software assists QAFAC's executive management in taking strategic decisions and enables us to identify budgets, forecasts, taxes, cash flows and investments.

Other Key operational highlights, explained in subsequent sections:

Company Highlights	QAFAC	
	2022	2023
Energy Intensity	13.58	13.87
GHG Intensity ratio	0.62	0.64
Fresh water recycled	27%	15%
Total Recordable injury rate	0	0
Fatalities	0	0
Spending on Local suppliers*	63%	66%
Qatarization	30.60%	30.90%

*includes goods imported or sourced by local suppliers from out of the state of Qatar



11.6 Energy and Emissions

Environment

QAFAC is maintaining its strong commitment to work towards development and maintenance of policies, guidelines, processes, and management systems in line with leading sustainability practices, standards, and regulatory requirements to mitigate any adverse environmental impacts caused by its processes and operations.

To position QAFAC strongly for its long-term sustainability, one of strategic priorities is to strive for “excellence in environmental preservation”, which further encourages the company to adopt actions towards environmental stewardship.

Resource Efficiency

For many years, the availability and accessibility of energy resources have been subject to supply and demand shocks that have a significant geopolitical impact on the chemicals industry. It is crucial for energy-intensive sectors to regularly recalibrate and reorient given the increasingly scalable and possibly equalizing power of renewable energies with conventional fossil fuel sources, such as natural gas. QAFAC has been able to put into practice initiatives and projects that have added advantages like better resource usage. QAFAC is committed to diversifying its energy mix and ensuring optimal utilization of its natural resources. Currently, there are no existing policies and strategies that guide QAFAC in achieving resource efficiency. However, considering the topic's material importance, QAFAC aims to develop and establish guidance efficient and effective use of resources, which guide its day-to-day operations.

QAFAC uses natural gas and butane as the main raw materials in the synthesis of Methanol and MTBE. Natural gas is used by QAFAC for both fuel gas and as a process feed for converting to methanol and MTBE.

Climate Change management

The responsibilities for managing the topics of energy and emissions are distributed under the aegis of QAFAC's Technical department and the Health, Safety, Security, and Environment (HSSE) department. While the sponsorship and implementation of QAFAC's many projects may lie with the Projects, Technical and (or) Production departments, the aspects of monitoring, managing, evaluating, and reporting of these projects rest with the HSSE department. A symbiotic relationship amongst each of QAFAC's departments has been established in a robust manner which allows for successful outcomes of energy and emissions initiatives.

The company has successfully built a foundation for better energy symbiosis to design and implement an organization-wide ISO 50001: Energy Management system (EnMS). While the project is in its final stages of completion and has made considerable progress in terms of development and modification of relevant policies and procedures, such as the Energy Management (EnMS) Guidebook, Energy Planning and Review, Energy Management Improvement, etc., the implementation phase is expected to be deferred to the next reporting year.



In addition, as part of QAFAC's corporate policy refresh, QAFAC has developed a Climate Change policy, in alignment with QatarEnergy climate change policy commitments. This policy highlights QAFAC's commitment to being a responsible steward in combating the risks of climate change. The policy is outlining the principles informing QAFAC's approach, defining the commitment to minimum compliance requirements, and to all stakeholders - employees, partners, local communities, and the world at large - as well as identifying the actions that it is taking to build resilience as an organization in the face of climate change. It is aligned to QAFAC's Sustainability and Environment Policies and supports the goals of the Paris Agreement.

QAFAC's energy mix comprises of natural gas, MTBE off-gases, MTBE Butamer scrubber off gas, purge gas and diesel, along with MTBE Net Gas and MTBE PSA Tail gas which were added in 2021. The MTBE Net Gas and MTBE PSA Tail gas are a result of the Regenerate Gas Scrubber (RGS) - QAFAC aims to further study the fuel potential attributes of these in the upcoming years. There is an approx. 4.5% increase in direct energy consumption in 2022, as compared to 2021, this is attributed to increase in plant load and higher production during 2022.

In the year 2023, QAFAC experienced a 12% reduction in overall energy consumption, mainly due to the reduction of direct energy consumption and planned turnaround during the month of October & November 2023.





KPI		Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
Non-renewable energy consumption (amount of energy usage in GJ):								
- Direct Energy (Natural Gas, Diesel, Purge Gas and Off Gases Used as Fuel)		22,469,516	23,498,592	20,699,429	1,029,076	(2,799,163)	4.5% increase due to increase in plant load and higher production	12% reduction due to Planned Turnaround (Turnaround 2023 (TA-23))
- Indirect Energy		866,477	903,871	809,860	37,394	(94,011)	Energy onsumption increase	Energy onsumption decrease
- Total		23,335,993	24,402,463	21,509,289	1,066,470	(2,893,174)	Energy onsumption increase	Energy onsumption decrease
Production (in Tonnes)	MeOH	1,114,593	1,101,086	922,664	(13,506)	(178,423)	Production was similar, not material difference	Less Production due to TA-23
	MTBE	487,031	695,532	628,281	208,502	(67,252)	Production was higher due to uninterrupted plant performance in 2022	Less Production due to TA-23
Energy Intensity (GJ/Tonne)		14.57	13.58	13.87	(0.99)	0.29	Energy Intensity reduced due to higher production.	Energy Intensity increased due to lower production Turnaround 2023 activity.

Note: Production considered for calculating the Energy intensity does not include pentane.

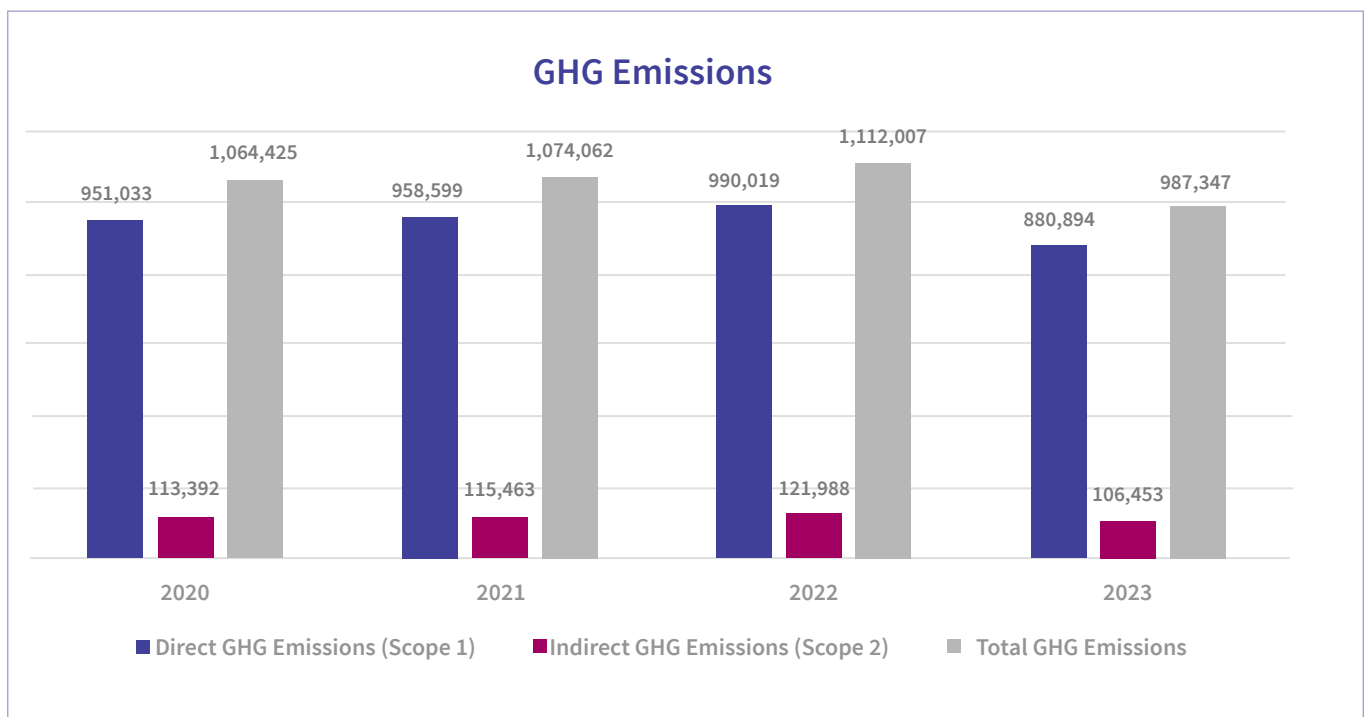


QAFAC aims to achieve a gradual decline in its Greenhouse Gas (GHG) emissions. To ensure better monitoring, tracking and verification of data, QAFAC established a set of KPIs consolidated into a dashboard, which allows for real-time data monitoring on the performance of QAFAC's GHG and air emissions. In addition, from an emissions reduction perspective, QAFAC has a Carbon Dioxide Recovery (CDR) plant, commissioned in 2014. This unit effectively reduces GHG emissions by capturing carbon dioxide from methanol reformer stack and converting it to Methanol within the production process. This operation is not limited to emissions reduction, but also includes resource optimization and elimination of product or resource loss, through efficient manufacturing processes. In 2022, QAFAC has successfully captured 181,574 metric tonnes of carbon dioxide and converted it into Methanol. This is approximately a 4% increase from 2021, where the CO₂ captured was 175,122 MT.

In 2020, QAFAC enacted the QatarEnergy directive to implement a Greenhouse Gas (GHG) Accounting & Reporting (A&R) program, which is aligned with QatarEnergy's approved GHG Accounting and Reporting Procedure. This follows the European Union (EU) and Intergovernmental Panel on Climate Change (IPCC) guidelines to ensure accurate emissions reporting.

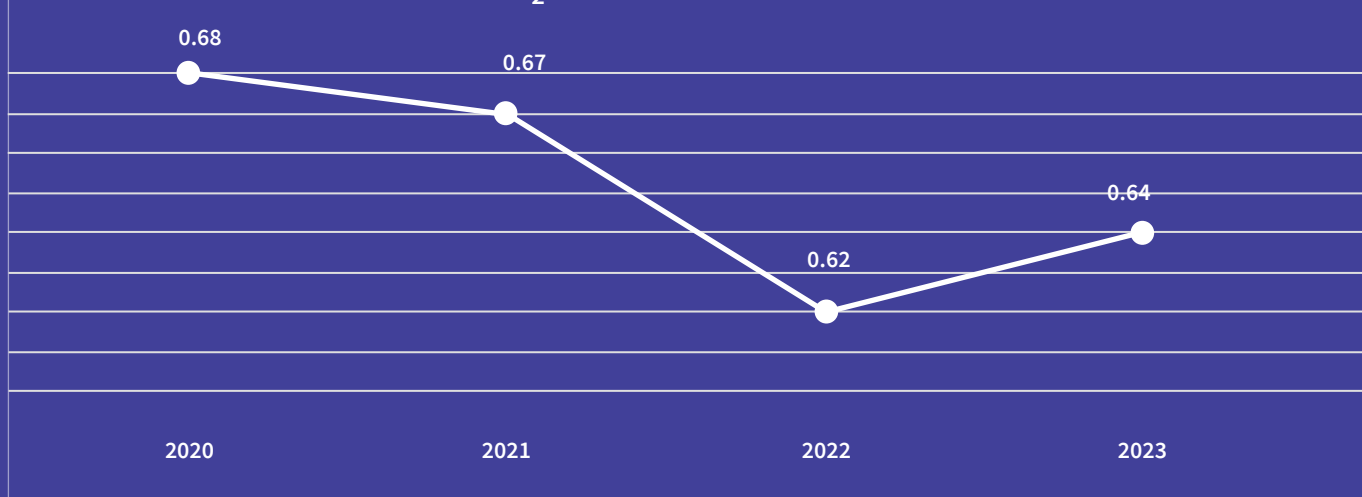
The total GHG emissions for the reporting year 2022 increased by 4%, reporting a total of 1,112,007 Metric Tonne CO₂eq in 2022 as compared to 1,074,062 Metric Tonne CO₂eq emissions in 2021. This increase is attributed to production increase. Overall GHG emissions intensity decreased by 7% at 0.62 Metric Tonne CO₂eq per ton of production in 2022.

In 2023, QAFAC saw an 11% decrease in GHG emissions, as shown in the table/graph below. This reduction was due to planned turnaround during the month of October & November 2023.





GHG Intensity (TCO₂e/Ton of Production)



Climate Change	Unit	2020	2021	2022	2023
Direct GHG Emissions (scope 1)	Metric Tonne CO ₂ eq	951,033	958,599	990,019	880,894
Indirect GHG Emissions (scope 2)	Metric Tonne CO ₂ eq	113,392	115,463	121,988	106,453
Total GHG Emissions	Metric Tonne CO ₂ eq	1,064,425	1,074,062	1,112,007	987,347
GHG Intensity	Metric Tonne CO ₂ eq /Ton of Production	0.68	0.67	0.62	0.64

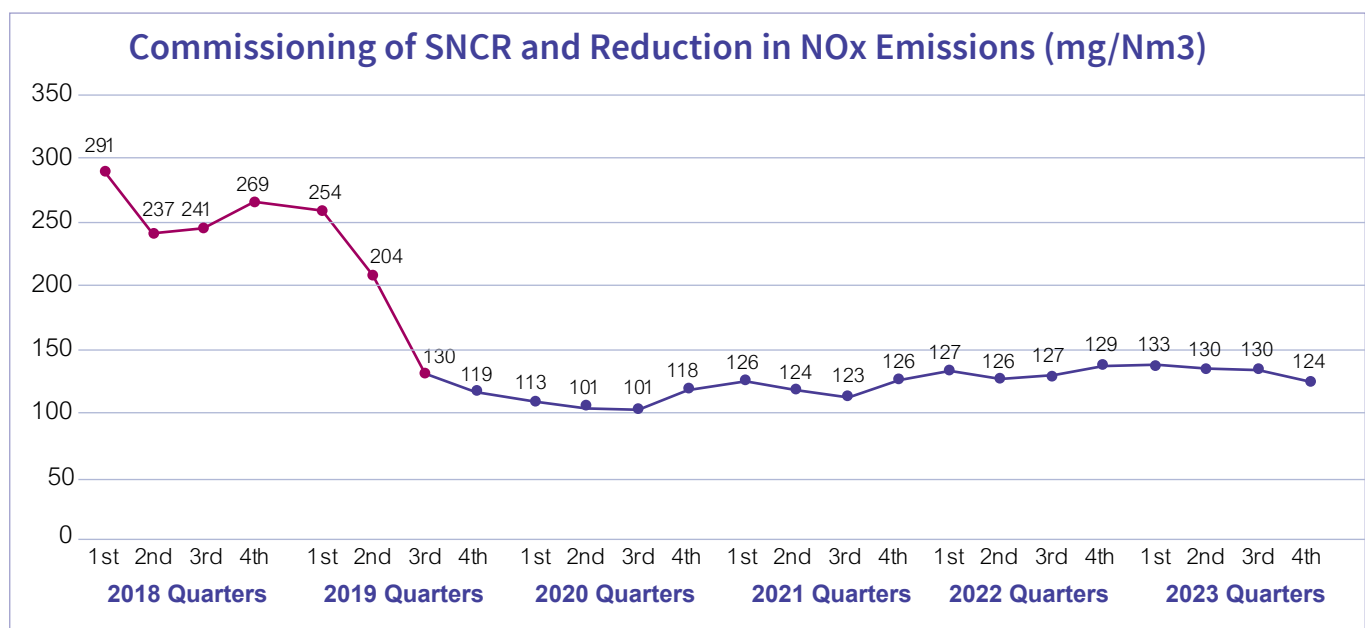
Note: Production considered for calculating the GHG intensity does not include pentane.

In addition to GHG inventory development and emissions reduction initiatives, QAFAC tackles the release of harmful and toxic air emissions with a high level of importance. The commissioning of the selective non-catalytic reduction (SNCR) system in 2019 to meet the MoECC's directive to maintain NOX limits has led to a stable operating system for air emissions at QAFAC. As per the directive, the annual NOX levels of an entity have to be limited to 125 mg/Nm³. A vast reduction of approximately 58% in emissions has been recorded in a three-year period, owing to the NOx emissions plummeting from approximately 260-280 mg/Nm³ to around 110-125 mg/Nm³. Since 2021, QAFAC has observed a consistent performance of the SNCR unit.



Further, QAFAC has taken measures to prevent the discharge of fugitive volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) in addition to the projects and systems described above. The Leak Detection and Repair (LDAR) program, which is run in accordance with US EPA Method 21 and QatarEnergy principles, is the strategy chosen to achieve these reductions. In 2021, QAFAC started Methane emissions monitoring through LDAR program wherein the Toxic Vapor analyzer (TVA) and Optical Gas imaging camera (OGI) were used for carrying LDAR activities.

QAFAC has successfully been working for many years to reduce Methane emissions through its Leak Detection and Repair Program (LDAR) and remains strongly committed to tackle this issue. In 2022, following QatarEnergy guidelines and in accordance with US EPA Method 21, Leak Detection and Repair program for methane sources has been carried out.



Installation of Ultra Low NO_x Burners for Reduction of NO_x emissions

QAFAC's boilers were installed and commissioned in 1999. In 2002, State of Qatar has enforced law No. 30 of 2002 which requires that projects (Installations with >25MW) licensed before the operation of the law shall have a maximum limits of nitrogen oxides of 125 mg/Nm³ (62.5ppm). Hence, QAFAC took initiatives to bring utility package boilers (B-3201 & B-3202) limits under 125mg/Nm³.

QAFAC engaged with engineering consultant and technology provider for the study and subsequently implemented OEM (Original Equipment Manufacturer) recommendations for reducing the NO_x emissions from utility boilers.

Project was executed during the 2023 Turnaround by:

1. Installing, testing, and commissioning the 4 (2 for each boiler) ultra-low NO_x burners.
2. Installing, testing, and commissioning the 2 main (1 for each boiler) and 4 individual (2 for each boiler) fuel gas skids.
3. Installing, testing, and commissioning the Wobbe Index Analyser for the online measurement of the varying fuel gas mixture's specific gravity, higher heating value (HHV), CARI and the Wobbe Index.
4. Replacing the old and installing the new baffles in the wind box of both the boilers.
5. Logic changes in the burner management system (BMS) and the boiler master control (BMC).



As a result of the utility boilers revamp project commissioning, both the boilers are running with the mixed fuel gas (natural gas + gas from the MTBE plant), NOx values now range from 105 to 110 mg/Nm³, at a boiler load of 114 to 120 Tonnes/hr. for both the boilers which is within the MoECC's allowable limit of 125 mg/Nm³ – a significant reduction in the NOx emissions.

KPI		Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
Total GHG emissions (Metric Tonne of CO₂Eq)		1,074,062	1,112,007	987,347	(124,661)	(122,638)		
- Direct emission (scope 1):		958,599	990,019	880,894	31,420	(109,125)	GHG emissions increase due to higher production	GHG emissions less due to TA
CO ₂		957,318	988,701	879,744	31,383	(108,957)		
Methane (CH ₄) (Metric Tonne of CO ₂ Eq)		658	677	591	18	(86)		
N ₂ O (Metric Tonne of CO ₂ Eq)		623	640	559	17	(81)		
- Indirect emission (scope 2):		115,463	121,988	106,453	6,526	(15,535)	GHG emissions increase due to higher production	GHG emissions less due to TA
CO ₂		115,342	121,863	106,341	6,520	(15,522)		
Methane (CH ₄) (Metric Tonne of CO ₂ Eq)		48	50	45	2	(5)		
N ₂ O (Metric Tonne of CO ₂ Eq)		72	75	67	3	(8)		
GHG Intensity ratio (Metric Tonne CO₂Eq / production)		0.67	0.62	0.64	(0.05)	0.02	GHG intensity decrease due to higher plant reliability and production	
Production (in Tonnes)	MeOH	1,114,593	1,101,086	922,664	(13,507)	(178,422)	MeOH production decrease because more Methanol was used inhouse for production of MTBE.	Less due to TA
	MTBE	487,031	695,532	628,281	208,501	(67,251)	MTBE production decrease due to plant turnaround.	Less due to TA



KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
CO2 recovered, captured, or sold	175,122	181,574	152,327	6,452	(29,247)		CO2 recovery was less in 2023 due to plant turnaround
Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions:							
- NO _x (Tonnes)	950	1,005	926	55	(79)	NO _x emission decreased due to turnaround	
- SO _x (Tonnes)	59	7	5	52	(2)	SO _x emission decreased due to RGS commissioning	

11.7 Water Management

Qatar's arid environment and acute water stress year-round makes it one of the most water-stressed regions to operate in. The main sources of freshwater in the country are rainfall and groundwater since there are no rivers or lakes. Desalinated water is therefore widely used to satisfy the nation's water needs.

QAFAC's utility needs are met by Qatar General Electricity and Water Corporation (KAHRAMAA). QAFAC Carbon Dioxide Recycling (CDR) plant also recycles recovered water vapor from flue gases. QAFAC needs water to generate steam to meet process needs. Treated recycled wastewater from sanitary wastewater treatment plant is used for irrigation purposes. Non-contact cooling water is drawn from the sea.

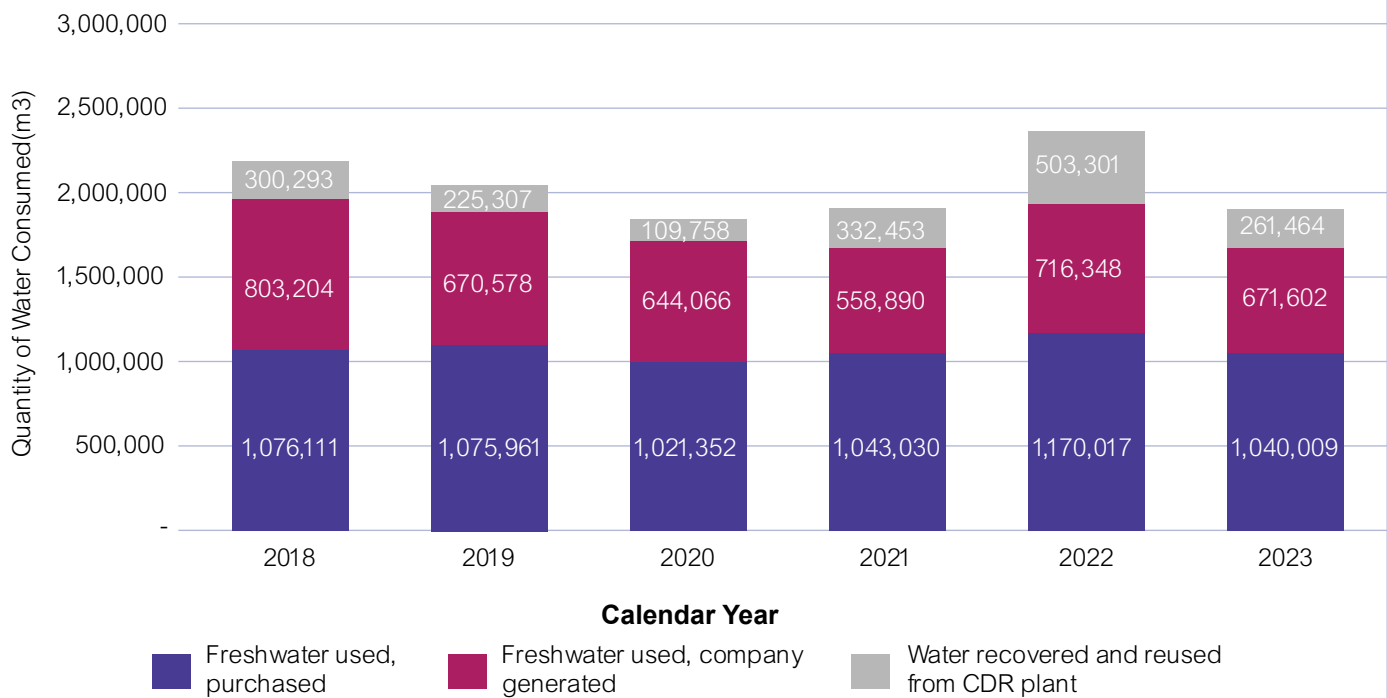
QAFAC incorporated water-efficient methods into its environmental management approach to guarantee a balanced approach to water management. At QAFAC, water management is covered within QHSE policy, but QAFAC is working on preparation of a dedicated Environment policy that will be more exclusive and comprehensive. Hence, as part of continual efforts to manage water resources, QAFAC carefully tracks how much water is used with the aid of key performance indicators that are part of corporate scorecard. On bi-monthly and quarterly basis these internal key performance indicators are reviewed by executive management. Third party ISO management system audits are conducted annually.



Before discharging process wastewater streams QAFAC treats its wastewater at site. Treated wastewater is analyzed against MoECC standards. For compliance of QAFAC consent to operate permit, QAFAC is regularly monitoring water effluent parameters like pH, BOD, COD, Sulfides, T.S.S, Residual Chlorine Oil & Grease, Chromium (macro), Sodium Absorption Ratio (SAR) etc. Wastewater discharge data volume is estimated.

The company is making efforts to reduce the wastewater discharge, with a decrease of 7% in quantity of water discharged in 2022 as compared to 2021. QAFAC ensures to recycle a large portion of wastewater quantity to ensure safe discharge of wastewater and effluents, with a consistent trend of recycling its sanitary wastewater. All treated sanitary wastewater is utilized

Distribution of Freshwater Consumed(m3)

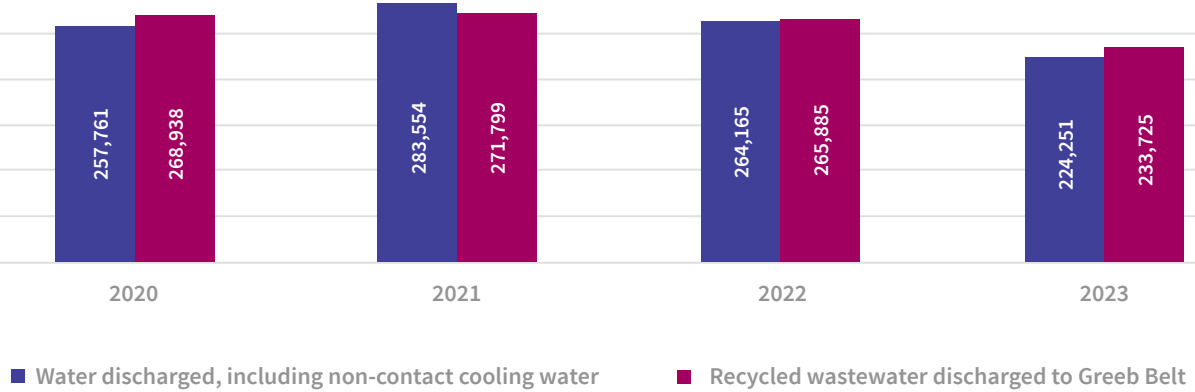


internally for irrigation purposes in QAFAC's designated green belt area. QAFAC has conceived the N-ZLD plant in compliance with the requirements of MoECC, State of Qatar. In the first Quarter of 2023, QAFAC had received all equipment at site (except chillers). The project construction will begin after the successful award of construction contract which is in progress. The N-ZLD plant is expected to be fully operational by the end of 2025.

In 2023, QAFAC witnessed a 9% decrease in total water withdrawal, and 15% of the water used was recycled.



Water Discharge (Quantity of Wasten water Discharge - m3)



Water Discharge	Unit	2020	2021	2022	2023
Water discharged, including non-contact cooling water	m ³	257,761	283,554	264,165	224,251
Recycled wastewater discharged to the Green Belt	m ³	268,938	271,799	265,885	233,725





KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
Water withdrawal							
1. Water withdrawal by source:							
Produced water (CDP Plant)	558,890	716,348	671,602	157,458	(44,745.71)		
Third-party water withdrawal (Purchase from Kahramaa)	1,043,030	1,170,017	1,040,009	126,987	(130,008.00)	Meter was faulty during 2021 & 2022. Engineering calculations and estimations are done keeping in view plant load and other process parameters. The meter issue was fixed in the 1st Quarter of 2023. Consumption was high in 2022, due to higher Production & plant maintenance (hydrotesting) activities.	Variation is due to TA
TOTAL Water Withdrawal (Produced Plus third party)	1,601,920	1,886,365	1,711,611	284,445	(174,754)	Variance is due to increased Production & maintenance activities in 2022	Variation is due to TA
2. Water discharge by destination -							
Seawater	283,554	264,165	224,251	(19,389)	(39,914)	Water discharge decreased in 2022 as compared to 2021. In 2021 consumption of Seawater	Variation is due to TA



KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
						was increased, because water was used for some hydrotesting and other maintenance activities.	
3. Water discharge by freshwater and other water -							
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	-	-	-	-	-		
Other water ($> 1,000$ mg/L Total Dissolved Solids)	283,554	264,165	224,251	(19,389)	(39,914)		
4. Total amount of freshwater consumed in m3	1,043,030	1,170,017	1,487,360	126,987	317,343		
1. Water recycled/reused in m3	332,453	503,301	261,464	170,848	(241,837)		
2. % age of water recycled to total freshwater consumed	21%	27%	15%	6%	(12%)		
3. Freshwater withdrawal intensity (m3/MT)	1	1.05	1.10	0.04	0.06		
4. Freshwater consumption intensity (m3/MT)	0.65	0.65	0.96	-	0.31		Variation is due to TA

Note: Intensity formula:

Freshwater withdrawal intensity - Total Water withdrawal / Total Annual Production

Freshwater consumption intensity - Total amount of freshwater consumed/Total Annual Production



11.8 Waste Management

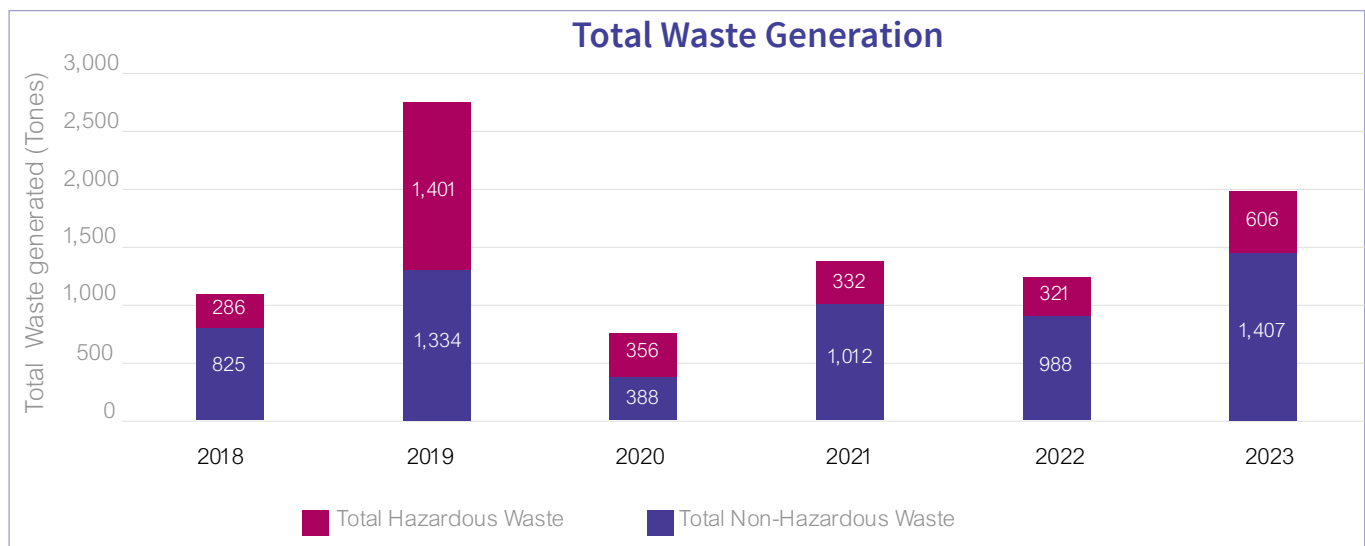
QAFAC recognizes its responsibility to ensure responsible waste management to align with QNV 2030 and other national strategic objectives. A significant amount of hazardous and non-hazardous waste is generated as a result of QAFAC's operations, and these waste streams may have potential negative influence on the environment.

QAFAC engages efficient waste management contractors to handle, transport, and dispose of different wastes, including hazardous waste, general garbage, electronic waste, incinerable waste, and medical waste. This is done in order to ensure safe disposal of QAFAC's waste streams.

QAFAC complies with the operational requirements established by the Ministry of Environment and Climate Change (MoECC), and strengthen QAFAC's waste disposal-related targets, the company fully commits to existing and introducing new KPIs at departmental and executive levels. The performance against these KPIs and parameters is tracked through HSSE dashboards. QAFAC's KPI's aimed to achieve the following (1) Collection of waste materials for recycling (%) target 100%, (2) Retention of hazardous waste in QAFAC storage to be under 90 days (%) target 100%, and Significant spills target 0. In 2023 QAFAC achieved all these targets.

QAFAC has launched the 'Recyclable Waste Management Program' in 2019. In the subsequent years, this program is further enhanced to drive waste management agenda in QAFAC and also raise awareness among the employees related to proper waste disposal and the importance of recycling. Under this initiative, a stepwise approach to recycling is followed.

Despite a 54% increase in waste generation for the year 2023, the amount of waste recycled experienced a significant surge, reaching a 192% increase.



Total waste by disposal method	Units	2021	2022	2023
Incineration	Tonnes	301	702	521
MIC Hazardous waste treatment centre	Tonnes	700	273	845
Recycling	Tonnes	16	15	44
Direct Landfilling	Tonnes	327	318	602



KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
1. Waste Generated (MT)							
Hazardous Waste	1,012	988	1,407	(24)	419	Waste generation decreased due to less repair and maintenance works	Waste generation was high due to TA
Non - Hazardous Waste	332	321	606	(11)	285	Waste generation decreased due to less repair and maintenance works	Waste generation was high due to TA
Total	1,344	1,309	2,013	(35)	704	Waste generation decreased due to less repair and maintenance works	Waste generation was high due to TA
2. Waste diverted from disposal (MT)							
Oil waste, recycled	11.13	12.39	40.87	1.26	28.48	Recycled waste increased due to more oil waste generated	Waste generation was high due to TA
E-waste recycled	1.95	1.35	3.43	(0.6)	2.08	E-waste recycled decreased due to less E-waste generated	Waste generation was high due to TA
Others (Plastic bottles, Cardboard, papers, etc.)	3.42	1.42	-	(2)	(1.42)	Other recycled waste decrease due to low generation.	
Total	16.5	15.16	44.3	(1.34)	29.14	Total recycled waste decrease due to low E-waste that was sent out.	Waste generation was high due to TA



KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
3. Waste directed to disposal (MT)							
Total industrial waste (hazardous) disposed to MIC Hazardous Waste Treatment Center.	700.1	272.87	845.13	(427.23)	572.26	Waste generation decreased due to less repair and maintenance works	Waste generation was high due to TA
Total waste sent for incineration including Amine Waste disposed to Boom Waste Treatment Company.	301.46	702.27	521.13	400.81	181.14	Incinerable waste increased due to commissioning of RGS unit	Incinerable waste was reduced in 2023 due to RGS plant shutdown during TA and plant process optimization as well.
Domestic waste	326.80	318.40	602.40	(8.4)	284.00	Waste generation decreased due to less repair and maintenance works	Waste generation was high due to TA
Total	1,328.36	1,293.54	1,968.66	(34.82)	675.12	Waste generation decreased due to less repair and maintenance works	Waste generation was high due to TA
4. Waste directed to disposal during plant operation:							
Hazardous waste (Offsite):							
Incineration (without energy recovery)	301.46	702.27	521.13	400.81	(181.14)	Waste was increased after commissioning of RGS plant	Incinerable waste was reduced in 2023 due to RGS plant shutdown during TA and plant process optimization as well.



KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
Landfilling	700.1	272.87	845.13	(427.23)	572.26	Waste generation decreased due to less repair and maintenance works	Waste generation was high due to TA
Non-hazardous waste (Offsite):							
Landfilling	326.80	318.40	602.4	(8.4)	284.00	Waste generation decreased due to less repair and maintenance works	Waste generation was high due to TA

11.9 Biodiversity Management

QAFAC commits to aligning with Qatar's National Biodiversity Strategy Action Plan (NBSAP), covering seven goals and associated targets proposed to be achieved by 2025. From the perspective of marine biodiversity, the consequences, and measures for QAFAC may be substantial and in light of the same, the company commits to the protection, mitigation, and investment needed to limit the impact on biodiversity by including provisions for biodiversity management in upcoming Environment Policy. As per the latest materiality assessment, Biodiversity is one of the significant material topics for QAFAC and the company focuses to meet the stakeholder expectations and achieve alignment with the anticipated national biodiversity targets.

The responsibility towards biodiversity is well-reflected in QAFAC's chemical handling and transportation safety. Committing to its constant endeavor for safety excellence, QAFAC has a history of zero reportable spill incident. The N-ZLD project's projected outcomes, and the range of current efforts and projects undertaken by QAFAC include environmental benefits, principally the reduction in effluent discharge into marine waterbodies.

In addition, the ongoing joint environmental studies of the Mesaieed Industrial City (MIC) would aid us in taking the further steps towards understanding the current state and urgency for the preservation of biodiversity elements in its operating environment. Similarly, performing the Construction Environmental Management Plan (CEMP) and related assessments like the benthic studies, and hydrodynamic modeling for projects that pose a considerable impact on the environment through effluent discharge, help QAFAC in sound decision-making and preparedness.

QAFAC is part of the MIC Environmental sub-committee that comprises of the members from all MIC industries. Industries are initiating a joint long-term study plan to address climate challenges.



11.10 Employment

Our People

The corporate culture of QAFAC is shaped by its leaders, who set the bar high by modelling the company's principles and inspiring their colleagues to follow suit. In addition to ensuring people's safety, fostering mutual respect and empowerment, and conducting business ethically, QAFAC is also consistently improving its procedures, also part of COC, QAFAC has developed Respectful workplace policy. In a continuous effort to live out its principles every day, QAFAC works to make the company a great place to work. By providing intriguing opportunities and wide-ranging career options, QAFAC hopes to establish an attractive and rewarding atmosphere. Every aspect of how QAFAC treats its employees is rooted in its desire to carve a purpose and value to an individual's professional life, reflected through its diverse and inclusive workforce.

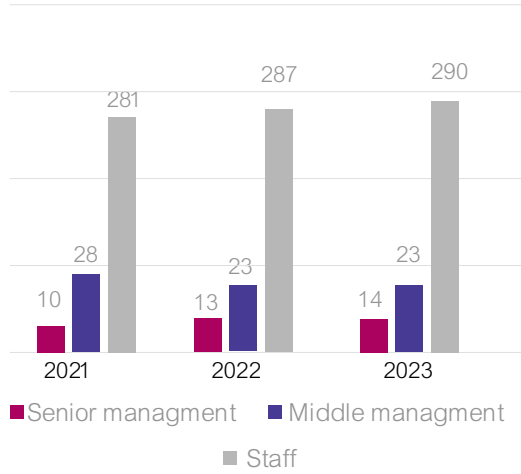
While QAFAC recognizes the importance of employee's satisfaction, QAFAC is cognizant of the fact that this can happen only at the outset of a healthy and lively workforce. The health and well-being of employees and contractors is QAFAC's priority. QAFAC respects and encourages all employees and values their contribution to the business. The company respects them regardless of race, ethnicity, gender, national origin, religion, gender identity, sexual orientation, age, and different abilities, and provides an equal opportunity for all to grow.

QAFAC hires both permanent as well as temporary employees depending on the business needs. The direct workforce for QAFAC was 327 in 2023, which is increase as compared to a total of 323 total headcounts in 2022. This increase is attributed to an increase in the number of new hires in 2023. QAFAC head office is in Doha and plant operations is in Mesaieed Industrial City. Employees are moving from head office to site as needed for fulfilment of operational requirements. Approximately 35 - 40 staff members are stationed in Doha and the remaining staff are located in Mesaieed Plant.

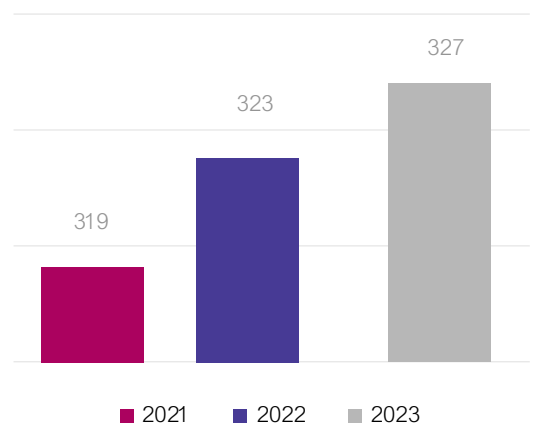




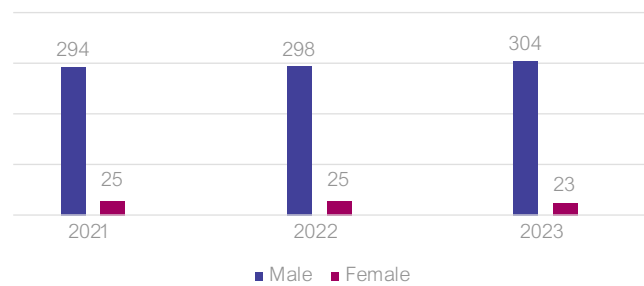
Workforce by Employment Level



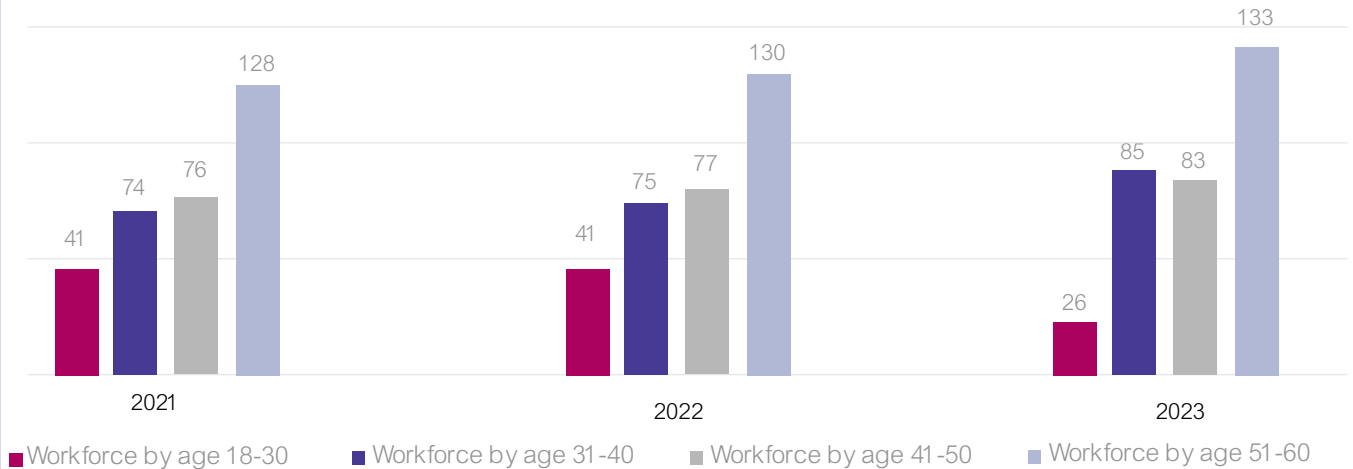
QAFAC's Headcount



Workforce by Gender



Workforce by Age Group

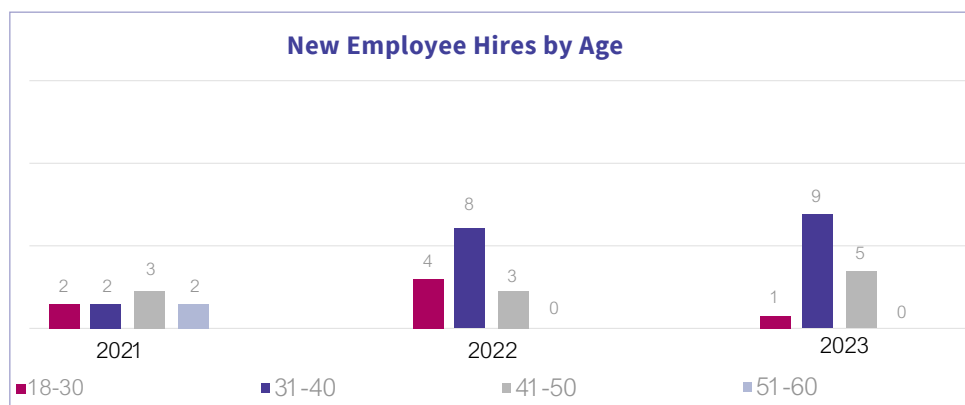




QAFAC strives diligently to prioritize talent development and progress while providing each employee with a safe, secure, and engaging working environment, where everyone receives respect, encouragement, and prospects for career advancement. A gap analysis of current training initiatives and employee skill sets, learning and development programs, engagement and retention mechanisms, improved talent management, and other factors have enabled us in achieving this and build a new pool of talent. The company invests in its employees by extending job training, vocational training, and skill development programs in order to keep them competitive, improve their competency and retain them to meet business needs.

To enhance workforce retention, the company emphasizes appreciating employees and has programs in place that provide employee benefits amongst others, such as Engagement Activities, Rewards, Annual Awards, and Training and Development Programs. The age range of 51 to 60 years accounts for the majority of the employee turnover, which may be related to the employees' retirement age. As a sign of gratitude for their dedicated time in the organization, the company offers a bonus scheme for employees who are ending their tenure at QAFAC. The aforementioned is a component of the End of Service Policy, which provides employees with incentives based on the total number of years they have worked for the organization.

QAFAC strives to have a diverse workforce that includes individuals from a range of nationalities, racial backgrounds, gender identities, and employable ages who can collaborate to achieve the company's goals and objectives. QAFAC looks for individuals who are not just the best fit but who also bring a unique value proposition, skills, and technical know-how to the organization. There were no incidents of discrimination during the reporting period.





11.11 Occupational health, safety, and security

Health and Safety

In 2023 QAFAC has gone through a major Turnaround (TA-2023) when more than 4500 persons were present at site (at peak) in a day. Safety is a core value at QAFAC and is a strategic goal aligned to business sustainability. Maintaining a safe workplace during the Turnaround activities is challenging and requires a safety management plan that is focused on the management and control of risk. The QAFAC team together with the principal contractor devised a comprehensive safety plan before the commencement of the turnaround. To implement the safety management plan, a provision of sufficient resources to implement safe systems was made available. During the TA-2023 total 1,890,780 safe working hours were achieved without an LTA (Lost Time Incident).

QAFAC's health and safety principles are formulated in line with international frameworks and standards such as the Environment, Health, and Safety (EHS) Program of the Organization for Economic Co-operation and Development (OECD), the Occupational Safety and Health Convention and its accompanying recommendations by the International Labor Organization (ILO), and the safety standards of the American Petroleum Institute (API) and Occupational Safety and Health Administration (OSHA) standards.

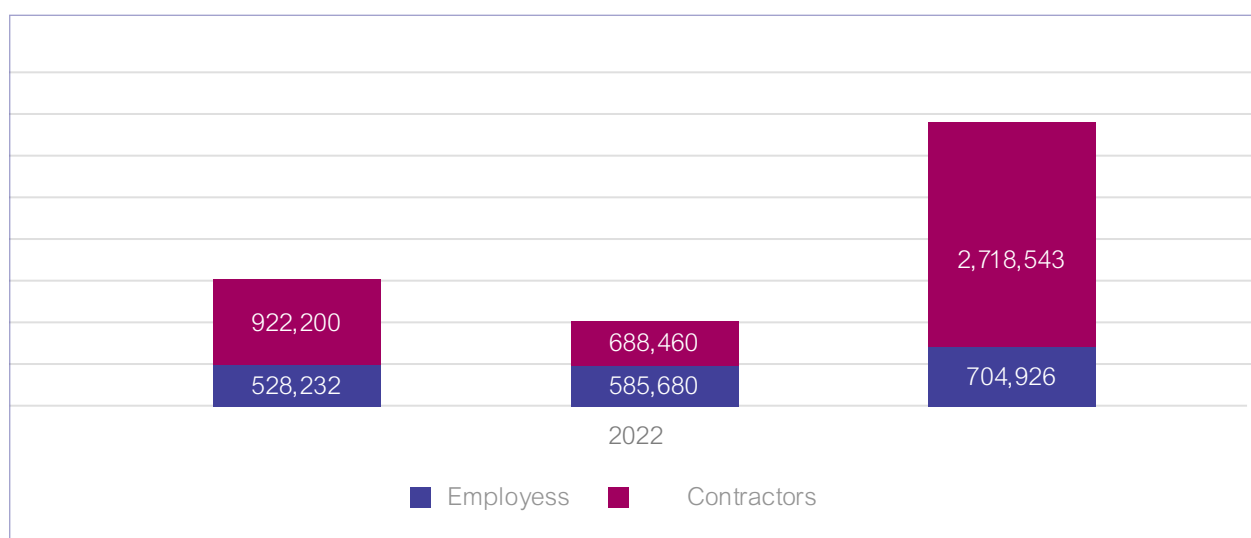
In addition to following international standards and best practices, QAFAC also pays close attention to national health and safety provisions. Local regulations and the policies of QatarEnergy, Ministry of Administrative Development, Labor and Social Affairs, and the social development pillar of the Qatar National Vision (QNV) 2030. QAFAC has developed an OHS Policy, that was rolled out at the end of 2023 as per of our COC launch.

In the reporting year 2023, QAFAC continued its streak of yet another safe year with zero Loss Time Incident (LTI) and has achieved a milestone of 22.60 million safe working hours for over 12 years of its daily operations. This is a testimony to the commitment that health and safety in the workplace holds highest priority and remains integral to every segment of QAFAC's operations. Apart from this, the implementation of Process Safety Management system set a robust framework for QAFAC in reducing the potential for any major disaster involving toxic, reactive, flammable, or explosive chemicals to occur in the workplace. Lastly, the senior leadership employed a reward and recognition program that allows all employees and contractors to report anything relevant to improving safety standards. This program rewards individuals for their continuous effort and highly valued observations that helps QAFAC to be a safer and better workplace overall.





Work hours	Unit	2021	2022	2023
Employee	Hrs	528,232	585,680	704,926
Contractors	Hrs	922,200	688,460	2,718,543
Total Staff	Hrs	1,450,432	1,274,140	3,423,469



QAFAC Process Safety Fundamentals

In 2023, QAFAC formally launched a communication campaign to raise awareness of its Process Safety Fundamentals (PSFs). Developed by the International Association of Oil and Gas Producers and at the guidance of GPCA, PSFs are basic principles for frontline workers, supervisors and managers. Informed by data, they emphasize existing good practices to draw attention to situations that could lead to process safety incidents and even fatalities. PSFs do not exhaustively address all process safety risks and hazards in our industry but complement underlying systems for process safety management.

QAFAC is committed to Process Safety enhancement and has introduced a set of Process Safety Fundamentals (PSF) in a formalized manner and to facilitate the entrenchment of PSF through a governing procedure. PSFs guiding procedure Process Safety Fundamentals has been developed and approved by the Management.

Process Safety Fundamentals are informed by data and designed to support those working in the front-line operations and maintenance. PSFs draw attention to situations that are most likely to lead to process safety event fatalities. They are not intended to exhaustively address all process safety risks and hazards in the oil and gas industry, but to be deployed in addition to a company's underlying systems for process safety management.

The Process Safety Fundamentals (PSFs) are a set of basic principles for front-line workers, supervisors, and managers that emphasize existing good practices to prevent fatalities from Process Safety Events. Preventing Process Safety Events is important because they can escalate into catastrophic events.



International Association of Oil & Gas Producers (IOGP) developed a set of Process Safety Fundamentals tailored to improve process safety performance and to reduce the incidence of fatal incidents in process safety. QAFAC believes that adoption of the IOGP Process Safety Fundamentals will contribute to further reductions in Process Safety incidents. PSF is a supportive tool to help improve process safety performance, they are based on well-known good process safety principles and practices. They have been developed to support companies as they seek to reduce, and ultimately eliminate, fatal and high severity process safety events.

When practiced regularly, PSF will become self-generative and lead to safer work practices and may reduce operational error.

HSSE Indices	Unit	2021	2022	2023
Heat stress events (#)	#	0	0	12
Loss of containment (LOC) / process safety incidents (#)	#	0	0	8
Emergency response drills (#)	#	12	12	12
Safety incident investigation initiated (#)	#	3	4	7
Safety incident investigation completed (#)	#	3	4	5
Process Safety Total Incident Severity Rate (PSTISR) (#)	#	0	0	8
Safe acts observed at site (#)	#	6,752	8,528	8,260
At risk acts corrected at site (#)	#	838	625	931

Safety Performance Statistics	Unit	2021	2022	2023
Number of employee fatalities	#	0	0	0
Number of contractor fatalities	#	0	0	0
Employee lost time injuries	#	0	0	0
Contractor lost time injuries	#	0	0	0
Employee total recordable injuries	#	0	0	0
Contractor total recordable injuries	#	0	0	0
Employee occupational illness	#	0	0	0

HSSE Observations	Unit	2022	2023
Employees	#	449	489
Contractors	#	574	2,228
Total	#	1,023	2,717



11.12 Training and Education

Learning and Development

QAFAC invests in the growth and development of its employees to ensure continuous learning. Employees here undergo continuous enhancement of their competencies. Throughout an employee's career, QAFAC supports them in their personal and professional development by providing training, diplomas, graduation programs, and employee engagement activities.

Additionally, QAFAC has policies for professional development under the Learning and Development Department, one such policy is the training policy. The training policy depicts the training programs, materials, and hours required to accomplish the organization's objectives throughout the year. This policy helps employees to build the right skill sets, expand their knowledge, become competitive, and ultimately contribute to the company's success.

A one-stop shop for all learning-related needs within QAFAC is its e-learning platform called "Percipio," which was released in 2020. As part of QAFAC's efforts to raise awareness about sustainability issues, QAFAC use e-learning tools like Adobe Captivate, Phishme, and National Agency training. As part of continuous training efforts, QAFAC provided a total of 9942 hours of training in 2022 to all its employees, with an average of 30.9 training hours received per employee as compared to 19.6 hours in 2021 (in 2023 5,976 hours of training to all its employees, with an average of 30.7 training hours received per employee). Learning and Development Department received the Alumni Awards Qatar in 2022 which celebrate the outstanding achievements of alumnus who pursued an education in the UK and showcases the impact and value of a UK higher education. The awards are organized by the patronage of the late Queen's Foreign Affairs- British Embassy and were presented as a token of appreciation for QAFAC's constant support to the academic community in Qatar.

11.13 Supply Chain

Sustainable Supply Chain Management

QAFAC improved supply chain operations, minimized related costs, realized market and economic value, enhanced customer service and strived to bring out a competitive advantage over its business competitors by building positive risk management capabilities and being resilient through global and regional disruptions. QAFAC has developed stakeholder engagement policy.

QAFAC is consistently contributing to the economic development of Qatar's local communities by ensuring its alignment with the Economic Development Pillar of QNV 2030. QAFAC's Procurement Department is focused on dealing with local suppliers to ensure continuous compliance. This is presented in its Procurement Policy as well, where it highlights collaboration with Qatari companies, Qatari nationals or companies controlled by the latter as a preference.



QAFAC continues to emphasize the importance of supporting Qatar's local economic infrastructure. In addition, QatarEnergy has begun developing metrics for awarding local contracts based on ICV (In-Country Value) ratings for all its suppliers. QAFAC Procurement maintains a positive relationship with local suppliers of goods and services, and QAFAC leverages the knowledge of its other QatarEnergy subsidiaries to improve its procurement processes by onboarding approved and qualified local vendors. For instance, gradually reduced costs by committing to Ta'win Synergy Development Program. The program started in 2017 in collaboration with QatarEnergy subsidiaries, Joint ventures and associates including Qatar Chemical Company (Q-Chem), Qatar Aluminum (QATALUM), Qatar Fertilizer Company (QAFCO), Qatar Steel and Qatar Petrochemical Company (QAPCO). It prioritized large aggregates orders across companies for preferential pricing, to achieve a sustainable and efficient supply chain. The supply chain department goes through external and internal audits multiple times a year.

All contractors in QAFAC are selected under Procurement department processes but HSE integrity and performance are key factors to be considered during screening and selection in the contract tendering process. Contractors are required to complete and submit the HSE questionnaire with all supporting documents as a part of bid documents. QAFAC HSSE evaluates the HSE performance and contractor HSE management system based on these documents. Where it is required to have verification from previous company then it is also done as a part of evaluation process. Only selected contractors from HSSE department are further considered in the next step of bid. This process of screening ensures that the contractor's strong HSE management systems are only working in QAFAC.

QAFAC has succeeded in achieving a total amount of USD 2,616,517 as cost saving from the carried-out negotiations with suppliers.

Proportion of spending on local suppliers			Procurement contribution	Unit	2021	2022	2023
2021	2022	2023	All Suppliers	USD '000	22,065	23,169	28,193
63%	63%	66%	Local Suppliers	USD '000	13,864	14,558	18,649

11.14 Local Communities

Community Engagement and Investment

QAFAC acknowledges and is aware of its duty and responsibility towards contributing positively to Qatari society. QAFAC has a long-standing Corporate Social Responsibility (CSR) policy and a CSR Committee that direct and drive its contributions to the local communities in order to support its commitment to the Qatar National Vision (QNV) 2030 and take proactive steps towards sustainability and the well-being of the community. As further proof to its commitment, we were able to exceed expectations by investing USD 164,765 in community initiatives in 2023, significantly surpassing our initial target of USD 30,000.



QAFAC's corporate social responsibility committee's primary goal is to evaluate CSR projects considering four core objectives for supporting its community, namely, Health, Education, Environmental Awareness, and Sports. Any ideas that fall under QAFAC's CSR objectives are reviewed by the CSR committee to determine their alignment with QNV 2030 and the UN SDGs to address the needs of all segments of society. Priority is given to the suggestions with the highest potential to improve lives within the communities.

The company contributed a total of USD 16,826 in 2022 towards community initiatives, by investing across the mentioned areas of impact:

	2022	
Impact area	Contribution (in USD)	Contribution (in %)
Spent on educational initiatives	3,533	21
Spent on environmental initiatives	505	3
Spent on safety initiatives	1,346	8
Spent on health initiatives	4,543	27
Other	6,899	41
TOTAL	16,826	100

The company contributed a total of USD 164,765 in 2023 towards community initiatives, by investing across the mentioned areas of impact:

	2023	
Impact area	Contribution (in USD)	Contribution (in %)
Spent on educational, Environmental, health and other initiatives	123,215	75
Spent on safety initiatives	41,541	25
TOTAL	164,756	100



11.15 Product responsibility

The two main petrochemical products that are produced at QAFAC are Methanol and MTBE. These two products have an extensive variety of applications and are vital ingredients in different industries.

QAFAC produces Methanol from natural gas provided by QatarEnergy which is then reacted with steam in the reformer unit to produce the synthesis gas, converting it into Methanol through the methanol synthesis reaction. In Methanol plant, methanol stream is sent to the distillation section to attain 99.9% purity. This purified methanol is either sold or used to produce MTBE at MTBE plant. Methanol can also be used as a clean, efficient and adaptable alternative energy source and is found in fuel cells, as a petrol additive and as a substitute for diesel fuel. As Methanol has a higher energy content than ethanol, it is more efficient as a fuel and produces fewer greenhouse gas emissions and air pollution, making it of potentially greater use as an energy source. With this positive impact, methanol is a known alternative fuel for ships and vehicles.

QAFAC produces MTBE from butane supplied by QatarEnergy which is then converted to isobutane through the isomerization reaction. The isobutane produced undergoes a dehydrogenation process, producing isobutylene that is essential for MTBE synthesis. The isobutylene is then reacted with Methanol that was already produced at Methanol plant to obtain MTBE. MTBE has low production costs and good blending characteristics. It is mostly used as an oxygenate to gasoline to improve air quality.

QAFAC's certification in Quality Management System (ISO 9001:2015), assures that its products completely meet all the regulatory requirements and product quality standards, and meet its customers' needs strengthened by systematic comprehensive checking during the production stage. QAFAC ensures that there is an associated highest standard of quality, health, safety, and environmental protection which reduces negative impact on its production process given that these products are essential for many industries.





11.16 Qatarization

As a flagship government initiative, “Qatarization” aims to boost the proportion of Qataris working in both the public and commercial sectors. In line with its commitment to the Qatar National Vision (QNV) 2030, QAFAC provides job opportunities for Qatari nationals, which backs its growth, and helps in the preservation of its cultural identity as a Qatari organization.

QAFAC is committed to sustaining a growing base of Qatari employees by maintaining an annual average Qatarization rate of approximately, 28% for the past several years.

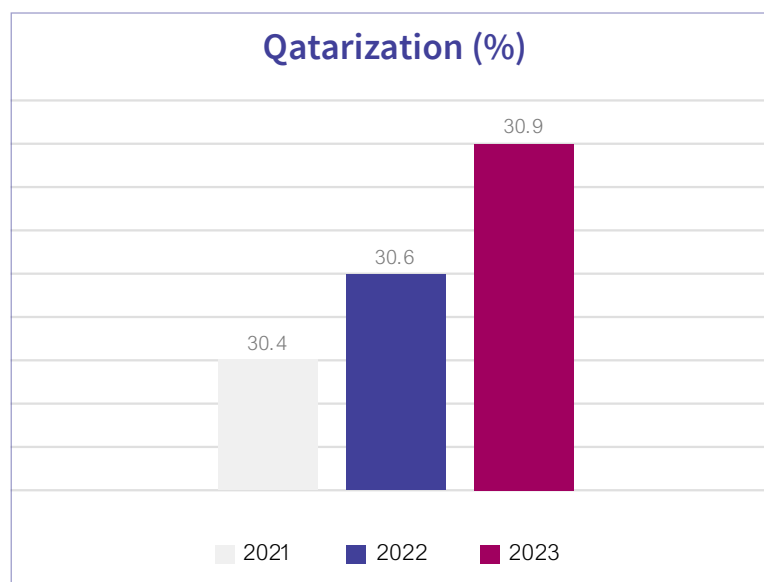
QAFAC has an internal Qatarization Committee headed by the CEO and comprised of senior management officials to promote and monitor Qatarization initiatives. As part of QAFAC’s plans for Qatarization, QAFAC holds yearly job fairs to attract and encourage Qatari college and high school students to join QAFAC.

QAFAC’s Learning & Development division monitors and manages the training programs for increasing the participation of Qataris in the workforce. In 2022, QAFAC provided 8 trainees an opportunity to join QAFAC and learn from its experienced team of professionals.

In 2022, QAFAC extended support to 5 young Qatari students pursuing higher education at national and foreign educational institutions. After completion, the company provided selected developpee’s with a full-time employment prospect at QAFAC. Also, in 2022, through Field Development Program, QAFAC supported 33 developpees.

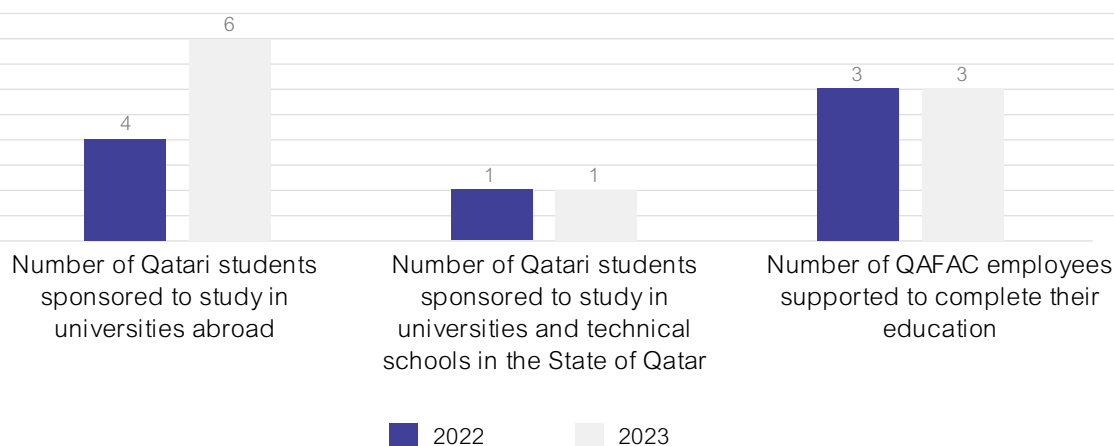
The Qatarization rate increased in 2022 by 0.5%, moving from 30.4% in 2021 to 30.6% in 2022. In light of the Qatarization initiatives taken by QAFAC in 2022, out of a total workforce of 323 employees, Qatari nationals constituted 3.1% increase from 2021 and a contributing reason for positive Qatarization rate in 2022. A total of 77% of QAFAC’s senior management positions are held by national talent.

In 2023, the Qatarization rate achieved 30.9%, with a senior management segment boasting a 72% Qatarization level.





Developing Qatari Talent



Developing Qatari Talent	Unit	2021	2022	2023
Number of Qatari students sponsored to study in universities abroad	#	2	4	6
Number of Qatari students sponsored to study in universities and technical schools in the State of Qatar	#	0	1	1
Number of QAFAC employees supported to complete their education	#	5	3	3

11.17 Governance structure

QAFAC Corporate Governance

Board of Directors (BoD) is the ultimate governing body that supports and oversees the executive management in the following areas: legal and statutory compliance, the establishment of internal controls, and the management of risks. In addition to this, the Board is also responsible for the approval of strategic matters such as direction, plans, and priorities for the Company. The monitoring of performance against strategic goals and business plan is also included, through monthly reports and meetings, which mandate the attendance of all BoD representatives.

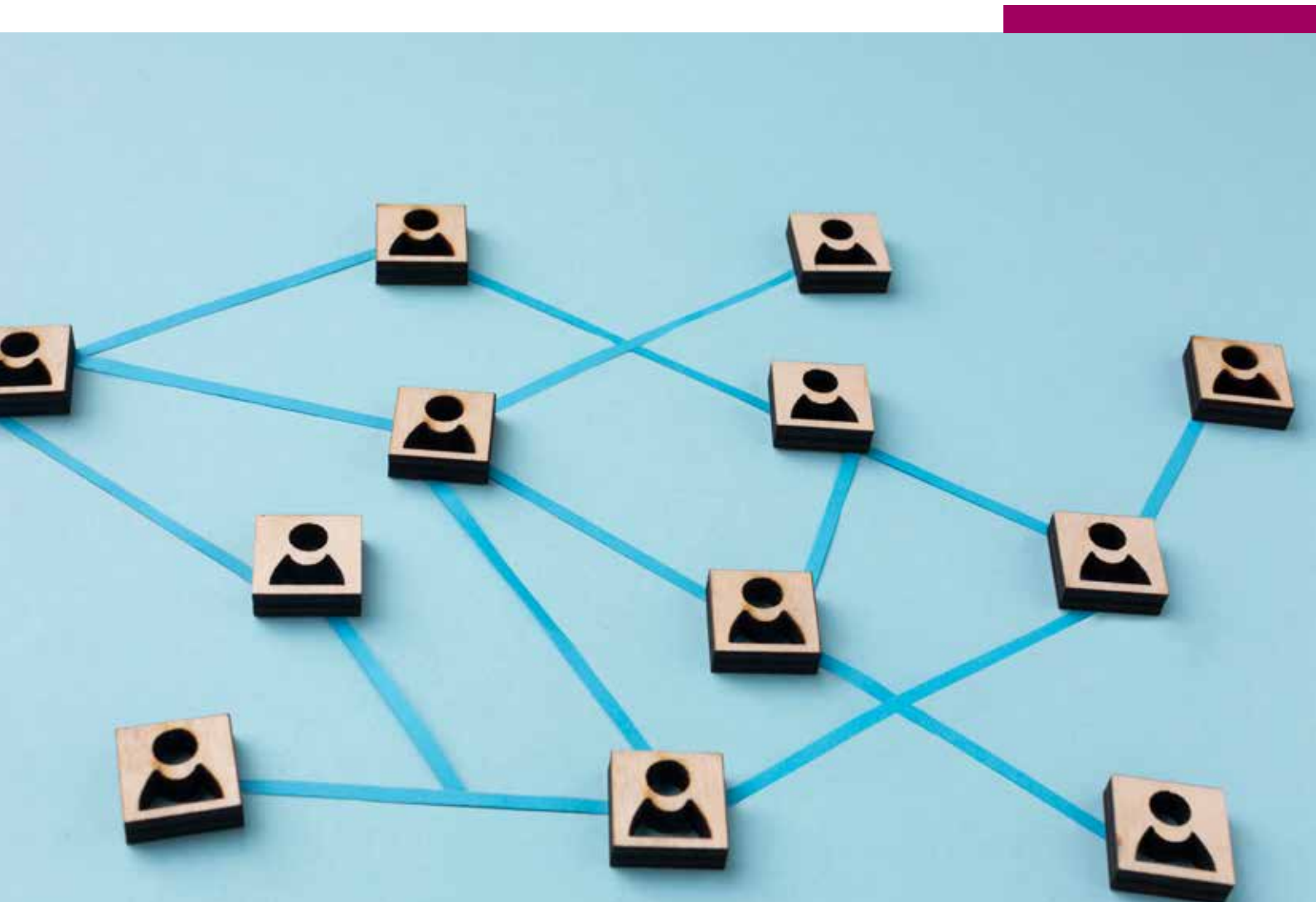
The BoD is comprised of the Chairman, Vice-Chairman, Chief Executive Officer (CEO), and five other directors that represent all shareholders. In compliance with the Commercial Companies Law, an annual meeting is held between the BoD and shareholders, referred to as an Ordinary General Assembly (OGA). Matters related to the BoD's remuneration are also discussed at the annual OGA, approved through a shareholder's resolution.



Audit and Risk Committee (ARC) is a subcommittee of the Board which consists of 4 members representing each shareholder. The Vice Chairman of the Board is the Chairman of the ARC. The Internal Audit function functionally reports to the ARC and administratively reports to the CEO. ARC meetings are held at least once in each quarter. Internal Audit and Enterprise Risk Management (ERM) function reports to the ARC on a quarterly basis.

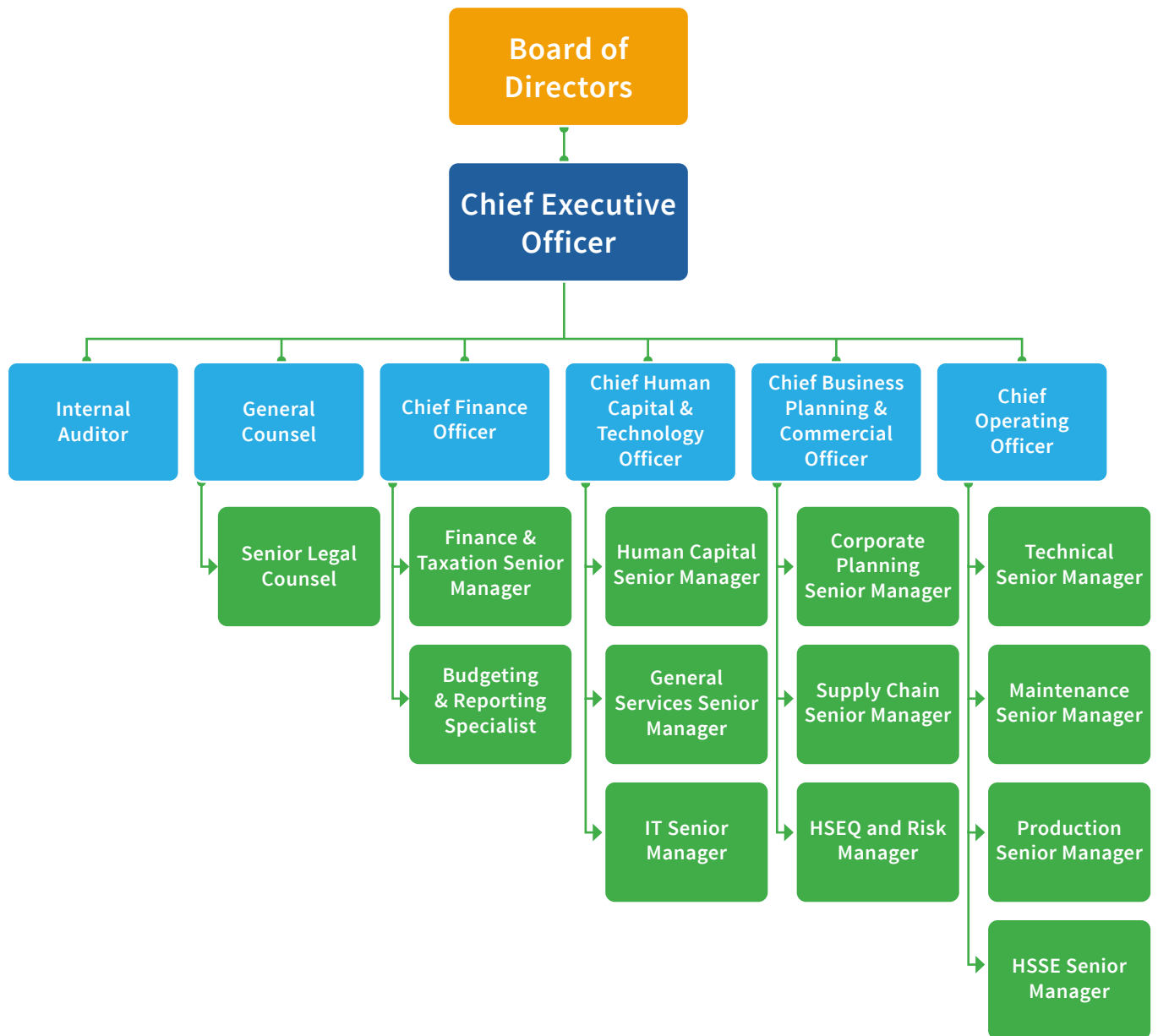
In 2021, QAFAC reported an ongoing review and update of QAFAC's Corporate Governance Manual to reflect the changes in the Article of Association. QAFAC's Corporate Governance Manual revisions and updates are now complete incorporating the changes in the Articles of Association approved by QAFAC's shareholders and BoD. The Corporate Governance Manual was submitted to the Board in December 2023 without objection. The new Articles of Association has been approved by the Ministry of Commerce & Industry and published in the official gazette.

In 2022, QAFAC revised its organizational governance structure to adopt a more focused approach to managing matters of human capital, technology, sustainable production, supply chain and risk. While the leadership team comprises of the same individuals, the roles and responsibilities have been revised to reflect the strategic direction of the organization.





Organizational Structure



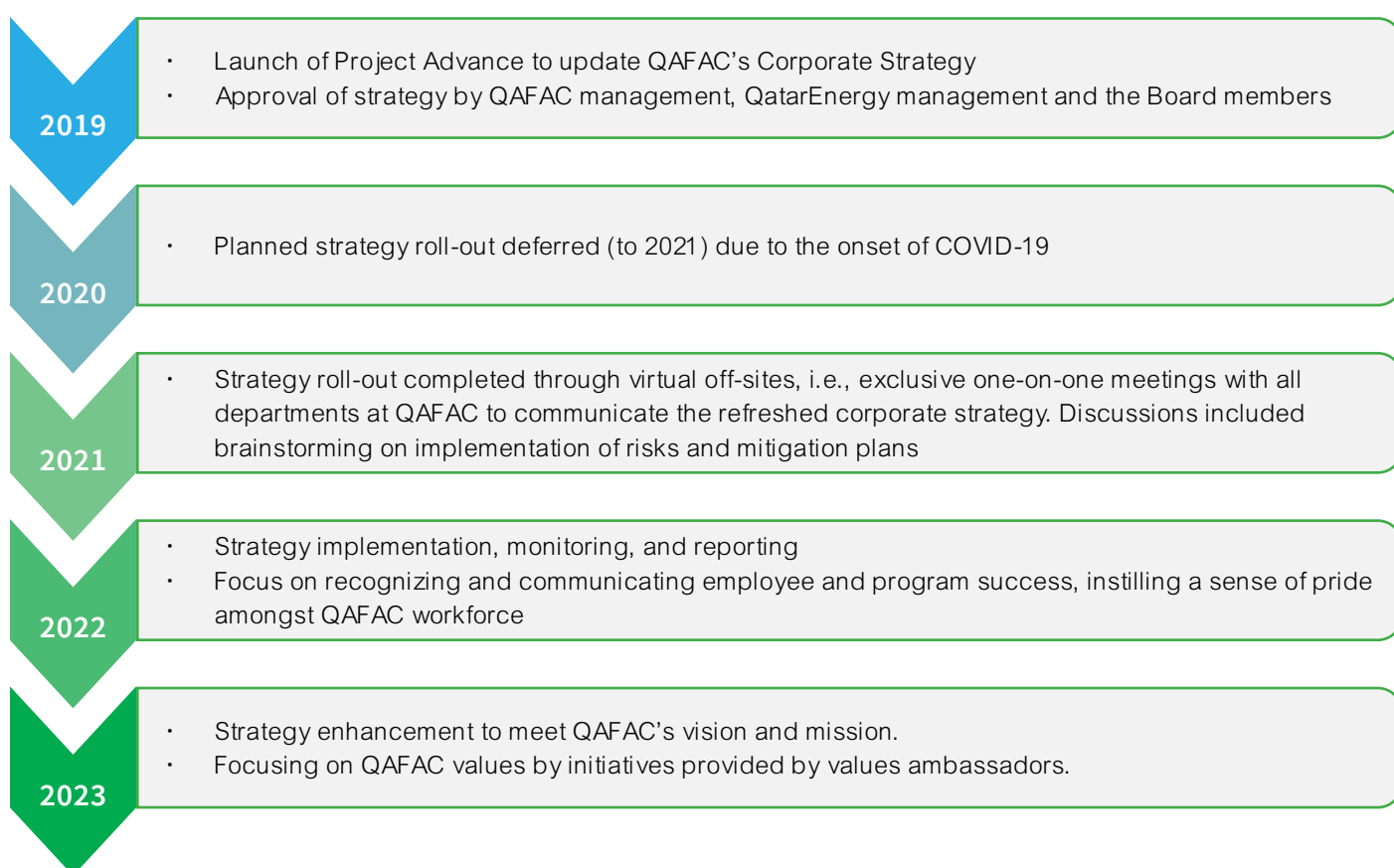
11.18 Managing the Impacts

Strategy

QAFAC continued to efficiently manage its leadership in economics, operational safety, reliability, and satisfy all its customer requirements. QAFAC acknowledges the inevitable changes in the markets and customer preferences which helped ensure preparedness and contingency planning to adapt to the changes. QAFAC's Corporate Strategy activities are aligned with the policies and procedures of QatarEnergy, QAFAC Management Guidance, QAFAC Risk Management, and QAFAC Operational Excellence.



QAFAC's Corporate Strategy consist of three priorities which are Leadership Economics, Growth Engines, and Sustainability. Relevant key performance indicators (KPIs) are continuously tracked and monitored to understand and respond effectively. These KPIs are distributed amongst the relevant departments, wherein monthly reports are generated and submitted by the concerned department (e.g., HSSE, Production, Technical, IT, etc.) for a strategic review. The strategic review at COO level is monthly and on quarterly and an annual cycle, QAFAC's Chief Executive Officer (CEO) together with QAFAC Leadership Team (QLT) reserves the authority to review and oversee QAFAC's performance against established KPIs. As a result, QAFAC's performance and progress in achieving its strategic priorities are projected to strengthen for the foreseeable future.



11.19 Risk Management

Organizational management is one of the critical components for business performance. In 2021, QAFAC has undergone reshuffling of departments which includes integration of corporate planning, corporate risk management and corporate strategy departments. This ensured a streamlined approach to integrating the enterprise risks into the corporate planning of QAFAC and vice-versa. QAFAC has identified eight major risk categories which will continuously ensure the proper management and minimization of consequences of its risk management. This was based on the ISO 31000:2018 or the Enterprise Risk Management (ERM) framework. The eight categories are presented in the following:



Human Capital Risk	Strategic and Reputational Risk	Health, Security, Safety and Environment (HSSE) Risk
• Risk of knowledge capital and/or intellectual assets loss due to ageing workforce nearing retirement, insufficient documentation, employee turnover and lack of systematic process for knowledge transfer • Rapid advancements in operation technology, market competition and limited avenues to acquire related technical education may cause delays in acquisition and retention of human resources	• Growth risk for MTBE sales caused by substitutes and alternatives • Geopolitical instability leading to disruptions • Volatility/fluctuation in feedstock prices impacts to production costs • Market volatility/fluctuation in Methanol and/ or MTBE prices impacts to revenue stream	• Failure to implement a robust system Health, Security, Safety and Environment management system to proactively identify hazards to prevent incidents or injuries, to ensure a safe and healthy work environment and to effectively manage the safety of the environment

Technology (IT and OT) Risk	Operational Risk	Legal and Regulatory Compliance Risk	Financial Risk
• Ineffective IT infrastructure to manage hardware and software failures, viruses, data protection and cyber attacks • Business disruption due to dependency on single telecom service provider which may lead to single point of failure of network services	• Maintainability of aging plant inbound supply chain disruptions. • Unplanned shutdown due to utility supply disruption • Non-acceptance of conventionally produced Methanol due to shift in consumer preference and changes in environmental laws	• Expiring operational agreements may impact business continuity • Litigation or loss incurred due to negligence in compliance with market regulations	• Inaccurate budgeting/ forecasting and insufficient liquidity

Financial Risk

- Inaccurate budgeting/forecasting and insufficient liquidity



Case Study: Strengthening Cybersecurity and Audit Protocols

Introduction:

In today's digital landscape, cybersecurity and audit protocols stand as linchpins in fortifying an organization's digital infrastructure, shielding sensitive data, and ensuring adherence to regulatory standards. This case study delineates pivotal initiatives undertaken to bolster cybersecurity and audit frameworks within an organizational context.

Key Initiatives:

- **National Cybersecurity Agency Assessment:** Following an evaluation by the National Cybersecurity Agency (NCSA), the organization's IT risk was deemed low, with an overall cybersecurity maturity level of Managed, which is targeted achieved level. This assessment underscores the effectiveness of existing cybersecurity measures in mitigating potential risks.
- **Enhanced Cybersecurity Awareness:** Embracing the significance of cybersecurity awareness, the organization actively participated in International Cybersecurity Awareness Month in October. Through targeted campaigns and educational initiatives, stakeholders were sensitized to evolving cyber threats and equipped with strategies to bolster their cyber resilience.
- **Engagement in Cyber Drills and Compliance:** Proactively engaging with initiatives by both the NCSA and QatarEnergy, the organization participated in cyber drills to simulate real-world cyber incidents. By adhering to national and organizational cybersecurity directives, the organization ensured alignment with best practices and regulatory requirements.
- **Contribution to Risk Assessment:** Integrating cybersecurity considerations into Enterprise Risk Management (ERM) frameworks, the organization actively contributed to risk assessments. Additionally, participation in IQ Audit Risk Assessments facilitated a comprehensive understanding of cybersecurity vulnerabilities and their implications on organizational resilience.
- **Audit Excellence:** Demonstrating commitment to audit excellence, the organization successfully completed ISO and internal audits with minimal findings. This achievement underscores the efficacy of internal controls and governance structures in safeguarding organizational assets and preserving data integrity.

Conclusion:

In an era with cyber threats and regulatory complexities, the organization's concerted efforts in fortifying cybersecurity and audit protocols stand as testament to its commitment to safeguarding digital assets and upholding regulatory compliance. By proactively embracing cybersecurity best practices and fostering a culture of audit excellence, the organization remains poised to navigate evolving threats and emerging challenges in the digital landscape.



11.20 Remuneration policies

QAFAC strives to have a diverse workforce that includes individuals from a range of nationalities, racial backgrounds, genders, and employable ages who can collaborate to achieve the company's goals and objectives. QAFAC looks for individuals who are not just the best fit but who also bring a unique value proposition, skills, and technical know-how to the organization. QAFAC is committed to fostering a progressive, welcoming, and growth-oriented workplace culture. The desire to create a high-performing organization drives us to create policies that safeguard employees, provide competitive benefits, preserve a diverse workplace, and prioritize employee satisfaction. QAFAC believes that one of the important factors in its success as a business is to embrace diversity, inclusivity, and a global mindset.

QAFAC recognizes the importance of a diverse and inclusive workforce. QAFAC's efforts include programs that promote equity and inclusion, training, and career development opportunities for women as well as address the challenge of youth unemployment through the different initiatives put in place. QAFAC intends to enable its employees to bring their unique selves to work each day, to allow them to stay motivated and continuously contribute to the success of the organization. Additionally, QAFAC's Employee Relations policy, along with the Allowances and Benefits warrants that all employees are provided equal opportunities, enjoy benefits, are treated, and compensated fairly, and are always protected from discrimination, harassment, and abuse.

During the past couple of years, improving gender diversity has been a focus area for QAFAC, and the company has taken several initiatives to empower its female employees and make sure that diversity and inclusion are components of all the decisions made. In 2022, female employees accounted for 7.73% of total workforce, 7.69% in senior management positions.

11.21 Code of conduct, Ethics and Culture

Ethics and Culture

The organizational culture of QAFAC is guided by its core values of Safety, People, Excellence, Integrity, and responsibility. These values underscore its commitment to achieving overall excellence that demonstrates a genuine commitment and integrity to safe operations, people, and the environment. QAFAC strives to incorporate QAFAC values into every decision it makes, carefully evaluating how the results relate to its objectives and business goals.

QAFAC is guided by its Code of Ethical Conduct and Conflict of Interest policies, as well as an employee handbook titled "The Chemistry of Our Business - The QAFAC Code of Conduct. QAFAC chartered new paths and possibilities to formalize its organizational culture with revised code of conduct (CoC), enabled by the steadfast support of QAFAC's Executive Leadership Team (QLT) and QatarEnergy guidance. QAFAC's revised CoC consists of 19 policies, addresses QAFAC's environmental, social and governance (ESG) focus areas. These policies were approved and rolled out in 2023.

Through the formalization of the policies referred to above, QAFAC underlines its commitment to



ethical business practices. Policies establishing commitment to human rights have been formulated. Existing anti-corruption and anti-bribery policies have been strengthened. These policies are part of the suite of policies that are approved in 2023. QAFAC has never encountered human rights issues in its operations since commissioning of its plant in 1999. Similarly, QAFAC has not had an incident of forced labor, and discrimination based on gender, color, ethnicity, or any other factor since the organization's founding. In addition, no corruption was found during the fiscal year under review.

11.22 Projects and Future plans

Project Description	Describe in brief how the project would help in achieving sustainability goals of the Organization
Near Zero Liquid Discharge (N-ZLD)	The objective of the project is to promote water conservation as well as gain commercial benefit by utilizing the treated effluent, resulting in a substantial annual saving of 604,440 m³ and 69 m³/hour load of water sourced from KAHRAMAA. The N-ZLD plant, once fully operational, will recover approximately 85% of QAFAC's wastewater for utilization as makeup water in its demineralization plant. The remaining 15%, which is mainly brine water, will be discharged to the sea. The project construction will begin after successful award of construction contract.
Revamp of Current Boilers to reduce NOx emissions	To reduce NOx emissions from B-3201 and B-3202, QAFAC has completed the replacement of Ultra-low NOx burners in TurnAround-2023.





Qatar Fertilizer Company (QAFCO)





12. Qatar Fertilizer Company (QAFCO)

12.1 About QAFCO

QAFCO stands proudly as the world's largest single-site exporter of urea, supplying the world with essential agri-nutrients for more than 50 years. QAFCO was established in 1969 with a view to diversify the economy and utilize the nation's enormous gas reserve through producing ammonia and urea. After successfully implementing several expansion projects over the past four decades, the Company has evolved into a world-class fertilizer producer. QAFCO is now a private joint stock company (Q.P.S.C) that is owned 100% by Industries Qatar and is an affiliate of QatarEnergy.

In addition to its ammonia and urea operations, QAFCO has diversified into two industrial market segments, namely melamine and urea formaldehyde through its subsidiaries: Gulf Formaldehyde Company (GFC) and Qatar Melamine Company (QMC). QAFCO owns 70% shares in GFC and 100% shares in QMC. Furthermore, QAFCO aims to continue exploring new sustainable value-added products to expand its product portfolio.

QAFCO's vision is to be the world's leading urea producer by 2030. Driving towards a greener earth, QAFCO believes that caring for the environment is not only a regulatory obligation, but a moral one. QAFCO is fully compliant with the Consent to Operate agreement set by Qatar's Ministry of Environment & Climate Change and aims to continuously improve its operations without compromising health, safety, and the environment.





12.2 Policies and Practices

In QAFCO, business ethics are at the core of all QAFCO's business activities and are embedded in its organizational values of Excellence, Teamwork, Safety, and Integrity. These values create an environment that respects individuals and is the foundation for QAFCO's future successes and aspirations.

QAFCO's values are incorporated in its Code of Conduct where a clear commitment to the human rights of all individuals is established. QAFCO is committed to adhering to the highest standards of ethical and legal conduct for its operations and subsidiaries with the full support of its stakeholders. Approved by QAFCO's Board of Directors and Chief Executive Officer, the Code of Conduct is published online and available to everyone, including third parties and customers. QAFCO suppliers and all its employees are subject to compliance with the Code. Moreover, regular training is being held at QAFCO for employees on the applicable provisions of the Code.

In the event of a deviation from its Code of Conduct, QAFCO has established a channel for reporting of fraud, corruption, unlawful activity or misconduct, available to all QAFCO employees. This channel provides an avenue to raise concerns, which then are duly investigated. Anyone who is reporting such deviation will receive full support and protection from QAFCO.

12.3 Sustainability Management at QAFCO

Along the journey to being the leading urea producer globally, sustainability remains a special focus for QAFCO to continue to meet the world's growing demand for urea in a responsible manner. One of the measures QAFCO has implemented in this regard is the forging of meaningful partnerships with the agriculture and education sector, learning and spreading awareness on how to evolve the existing agricultural practices in Qatar, and implementing sustainable solutions in the field. With the world's growing need for food security, the best way forward is to focus on solutions that could increase crop yields through ensuring plant nutrient use efficiency.

Moreover, and in-line with QatarEnergy's direction, QAFCO is currently working on its Sustainability Strategy. The plan shall be in alignment with Qatar National Vision 2030 and the United Nations Sustainable Development Goals.

12.4 Key Performance highlights

The price of fertilizer is the key metric that influences company revenues. As farmers must apply nitrogen fertilizers year-on-year to maintain crop yields, urea is an essential component for the global food supply chain. Significant changes in urea prices are driven by changes in supply, energy prices, crop prices, weather patterns, and trade flows.

QAFCO endeavors to align profitability with environmental and social stewardship. The company has a strong track record of returning capital to its shareholders through dividends and shared buybacks. QAFCO is fully compliant with the applicable tax laws in the State of Qatar. The QAFCO financial statement is audited externally by tax consultants on an annual basis and are approved by the general assembly. Any concerns in relation to tax compliance are raised to the General Tax Authority, Industries Qatar, and QatarEnergy tax teams.

The table below presents the statistics for the QAFCO's economic value with the most recent data from 2022 and 2023:



The table below presents the statistics for the QAFCO's economic value with the most recent data from 2022 and 2023:

KPI	Actual 2022 (QAR)	Actual 2023 (QAR)	Variance YOY (QAR) 2022 v 2023
Direct Economic Value generated:			
Revenues	14,531,756,350	7,479,854,405	(7,051,901,945)
Economic Value Distributed:			
Operating Costs	9,286,152,029	5,729,496,980	(3,556,655,049)
Employee wages and benefits	633,263,229	667,789,645	34,526,416
Payments to providers of Capital	4,175,026,485	2,876,890,000	(1,298,136,485)
Payments to Governments (Tax payments)	175,089,317	697,561,946	522,472,629
Community Investment	78,942	68,540	(10,402)

Other Key operational highlights, explained in subsequent sections:

Highlights	2022	2023
Energy Intensity	29.7	30.6
GHG Intensity ratio	0.84	0.88
Fresh water recycled	5.92%	5.85%
Total Recordable injury rate	0.44	0.39
Fatalities	0	0
Spending on Local suppliers*	88%	92%
Qatarization	24.22%	25.20%

*includes goods imported or sourced by local suppliers from out of the state of Qatar



12.5 Energy and Emissions

QAFCO's strategy centers on operational excellence, with a focus on continuous improvement for streamlined processes and minimized environmental impact while still creating value. By keeping the energy consumption and efficiency in mind, QAFCO strives to create value through:

- Adopting the latest technologies and processes to improve the efficiency and sustainability of production processes.
- Providing environmental and social benefits through sustainable production practices and community engagement initiatives.
- Producing and selling high-quality ammonia and urea that are essential fertilizers that are sustainable crop production of premium grade melamine. For the melamine exports of the year 2023, the Company reached a new record of 60,920 MT by surpassing the previous record of 60,140 MT in 2022. Furthermore, in 2023, the plant achieved its highest ever yearly production of 60,844 MT by surpassing the previous record of 60,523 MT in the year 2013.
- Building relationships with all stakeholders and delivering economic value for shareholders, employees, and the communities where QAFCO operates. As part of its strategic initiatives, QAFCO is set to develop a comprehensive stakeholder map by 2024.

QAFCO seeks to become a leader in energy efficiency in its sector. Energy consumption within QAFCO consists of natural gas, electric power and steam. As QAFCO seeks to reach its maximum production levels, QAFCO remains committed to optimizing its energy efficiency by maximizing the utilization of natural gas for optimal economic outcome and environmental performance improvement. Additionally, QAFCO is working on several initiatives to increase energy efficiency and improve production output.

QAFCO understands its impact on the environment and believes that it is important to protect, conserve, and preserve it. The Company constantly strives for mitigation measures to reduce its GHG emissions to ensure the environmental sustainability of its processes and products. QAFCO's climate action strategy revolves around reducing the Scope 1 GHG emissions, particularly those from processes and combustion sources. The Company's initiatives to support this strategy includes:

- Adopting the Continuous Emission Monitoring System (CEMS)
- Setting GHG reduction target
- Ensuring transparent and accountable environmental management
- Introducing new compressed natural gas (CNG) buses for staff transportation - moving away from Diesel engines usage
- Replacing CO₂ compression gas turbines with electric motors - this transformative undertaking has had a significant impact on gas consumption, reducing by 0.89 GJ per Tonnes of production, demonstrating QAFCO's commitment to operational excellence.



In 2022, QAFCO and QatarEnergyRenewable Solutions signed an agreement to construct the Ammonia-7 plant (also known as QAFCO 7 Project). The plant will have a capacity of 1.20 million tonnes per annum (MTPA) of blue ammonia, making it the largest facility of its kind in the world. Ammonia-7 aims to capture and permanently store 1.40 million tonnes of CO₂ annually. The plant is expected to begin operations in the first quarter of 2026 as part of its integrated facilities. This aligns with the global efforts to reduce GHG emissions and positions QAFCO as an industry leader in sustainable ammonia production.

QAFCO is continuing its efforts to pursue diversification into higher efficiency and “cleaner” products with the objective of improving nutrient use efficiency of crops and reducing emissions on the production side. With the world’s growing need for food security, we believe the best way forward is to focus on solutions that could increase crop yields and minimize the loss of mineral nutrients.

The table below presents the statistics for energy consumption for the year of 2022 and 2023:

KPI	Actual 2021 (QAR)	Actual 2022 (QAR)	Actual 2023 (QAR)	Variance 2021 v 2022	Variance 2022 v 2023
Energy consumption (amount of energy usage in GJ):					
- Natural Gas = Feed +Fuel	181,460,311	182,843,007	183,980,366	1,382,696	1,137,359
Electric Power Purchased	1,526,003	1,564,410	1,714,784	38,407	150,374
- Electricity Exported	(169)	(12)	(178)	157	(166)
Total energy consumption	182,986,145	184,407,405	185,694,972	1,421,260	1,287,567
Total Monetizable Production (in Metric tonne)	6,159,960	6,209,772	6,074,970	49,812	(134,802)
Energy Intensity (GJ/Tonne)*	29.7	29.7	30.6	-	0.9

- *QAFCO production including UFC contribution to urea, urea contribution to melamine, ammonia contribution to urea.
- Conversion factor used: MMBtu to GJ – 1.0546 (Standard).
- Organization-specific metric (the denominator) chosen to calculate the ratio – Total tonnage of products (Urea, Ammonia sale, UFC, and Melamine).
- ISO 50001 Energy Management systems methodologies are applied to estimate/calculate, review energy performance.





The table below presents the statistics for the emission for the year of 2022 and 2023:

KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	Target 2024
Total GHG emissions (Metric Tonne of CO₂eq)	5,564,250	5,225,725	5,341,155	(338,526)	115,430	5,409,000
Direct emissions (scope 1):	5,361,081	5,014,790	5,114,189	(346,291)	99,399	5,199,000
CO ₂	5,356,793	5,010,638	5,110,115	(346,155)	99,476	5,199,000
Methane (CH ₄) (Metric Tonne of CO ₂ eq)	2,203	2,133	2,093	(70)	(40)	2,189
N ₂ O (Metric Tonne of CO ₂ eq)	2,085	2,019	1,981	(66)	(38)	2,072
Indirect emissions (scope 2):	203,170	210,935	226,966	7,765	16,031	210,000
CO ₂	203,170	210,935	226,966	64,583	16,031	210,000
GHG Intensity ratio (Metric Tonne CO₂eq /production excluding pentane)	0.90	0.84	0.88	(0.06)	-	-
Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions:						
NO _x	2,470	2,494	2,172	24	(322)	2,357
SO ₂	1,423	1,332	1,004	(90)	(328)	1,332
Other air emissions (NH₃)	4,496	3,107	4,259	(1,390)	1152	-





12.6 Water Management

Qatar is located in a water scarce region and factoring in the climate change repercussions, water security is one of the most important environmental issues. QAFCO understands business risks and opportunities relating to water scarcity and is committed to promoting responsible water management. The Company acknowledges the fundamental need for more detailed work on water conservation, efficiency, and productivity. The strategy adopted by the company is to use water efficiently and recycle and reuse it wherever possible.

QAFCO is in compliance with the “Consent to Operate Permit” from Ministry of Environment & Climate Change (MoECC). QAFCO is constantly monitoring the quality and temperature of wastewater discharges to the sea. The seawater used for cooling is also tested to make sure it remains within the parameters established by the Ministry of Environment & Climate Change.

Ammonia and urea manufacture are highly energy-intensive processes and require water for process cooling and steam generation. Seawater is used as the main cooling medium and is also used to produce desalinated water; the process water is then recycled and reused completely within the process. QAFCO is also increasing its focus on reusing water in core operations and production processes and committed to the elimination of wastewater discharge to sea. Accordingly, the Zero Liquid Discharge (ZLD) project is under execution to recover maximum process wastewater. Recovered wastewater will be used internally for other processes and will minimize QAFCO’s reliance on water supply from other sources.

Moreover, by incorporating and modifying operating procedures during plant startup and rundown activities, QAFCO has already significantly reduced discharge to sea. Final sanitary wastewater is treated in its sanitary wastewater treatment plant and is used as irrigation water for greenbelt within the company premises.

Before discharging, QAFCO treats its wastewater at site. Treated wastewater is analyzed against MoECC standards. For compliance of consent to operate permit, QAFCO is regularly monitoring water effluent parameters like pH, BOD, COD, T.S.S, NH₃-N, free residual Chlorine, heavy metals – Chromium, Lead, Sulphides etc.





Shown below are the statistics for QAFCO's water management incorporating the year 2022 and 2023:

KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023 YOY	Remarks/Reasons for Variance
1. Water withdrawal by source (million m3):	1,297.24	1,328.18	1,307.58	30.94	(20.60)	
Seawater (million m3)	1,296.30	1,327.20	1,306.40	30.94	(20.8)	Sea water used for Cooling circulation purpose only.
Third-party water withdrawal (produced fresh water) (million m3)	0.94	0.98	1.18	0.04	0.21	
Total Water Withdrawal (million m3) – excluding produced water (desalinated water)	1,297.20	1,328.10	1,307.60	30.9	(20.5)	
2. Water discharge by destination (million m3)						
Surface water	0	0	0	-	-	
Seawater	1,279.00	1,309.80	1,288.80	30.8	(21)	
3. Water recycled (as fresh water)						
Volume (Million m3)	0.053	0.056	0.057	5.66%	1.79%	irrigation water recycled/ KAHRAMAA
% recycled	7.15%	5.92%	5.85%	(1.23%)	(0.07%)	

Note: QAFCO revised its water management calculation, and therefore there is a significant change in data compared to previous years.





12.7 Waste Management

QAFCO has continuously improved its waste management and treatment mechanisms to minimize the necessity to treat and dispose of the waste materials. A summary of all waste shipments for non-hazardous waste is reported to the Ministry of Environment & Climate Change periodically. Hazardous waste is stored at an approved hazardous waste storage facility and disposed of locally by specialist companies.

Shown below are the statistics for QAFCO's waste management incorporating the year 2022 and 2023:

KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023
1. Waste Generated (MT)	5,211.00	3,469.50	6,571.9	(1,741.5)	3,102.40
2. Waste diverted from disposal (MT)	808.30	360.70	1,052.94	(447.6)	692.24
3. Waste directed to disposal (MT)	4,402.70	3,108.80	5,518.96	(1,293.9)	2,410.16
4. Waste prevented (MT)	281.10	152.50	97.02	(128.6)	(55.48)
5. Waste directed to disposal-by-disposal operation	4,402.7	3,108.8	5,518.96	(1,293.9)	2,410.16
Hazardous waste (Offsite):	61.7	302.88	231.12	241.18	(71.76)
Incineration (with energy recovery)	61.05	8.80	5.06	(52.25)	(3.74)
Landfilling	0.65	294.08	226.06	289.97	(68.02)
Non-hazardous waste (Offsite):					
Landfilling	4,341.00	2,790.50	5,287.83	(1,550.5)	2,497.33





12.8 Employment

QAFCO believes that its greatest asset is its people, and continuously aims to motivate and retain its highly skilled workforce. Recognizing the link between a diverse workforce and success, the Company offers equal opportunities to all employees, reinforcing its status as Employer of Choice. For compensations, employees are given based on internal approved salary structure.

To inspire and motivate staff to exceed expectations, recognition programs have been implemented, and awards have been designed to spotlight and appreciate diverse talents and contributions of the workforce. QAFCO strives to cultivate a positive work culture and views its success as a collective narrative shaped by its core value (i.e., Excellence, Teamwork, Integrity, and Safety) which is the commitment of each employee. In 2022 and 2023, there were no incidents of discrimination.

The numbers below represent all staff working with QAFCO on a direct hire basis/sponsored by QAFCO in 2022 and 2023:

	2022			2023		
Staff	Male	Female	Total	Male	Female	Total
Permanent	1,069	40	1,109	1,071	46	1,117
under Learning & Development	85	16	101	78	17	95

Percentage of individuals within the organization's governance bodies (CEO and Chiefs) in each of the following diversity categories in 2022 and 2023 as seen below:

	2022				2023			
Gender	Under 30	30-50	50+	Grand Total	Under 30	30-50	50+	Grand Total
Male	0	2	5	7	0	2	5	7
Female	0	0	0	0	0	0	0	0
Grand Total	0	2	5	7	0	2	5	7

Presented below is the statistics for the percentage of employees per employee category in each of the following diversity categories in 2022 and 2023:





Permanent: 1117 (as per 2023)

	2022				2023			
Permanent	Under 30	30-50	Above 50	Total	Under 30	30-50	Above 50	Total
Male	2.07%	70.87%	23.44%	96.39%	2.33%	68.49%	25.07%	95.88%
Female	0.63%	2.43%	0.54%	3.61%	0.98%	2.51%	0.63%	4.12%
Grand Total	2.70%	73.30%	23.98%	100.00%	3.31%	71.00%	25.70%	100.00%

Trainees & Developpees: 95 (as per 2023)

	2022				2023			
T&D	Under 30	30-50	Above 50	Total	Under 30	30-50	Above 50	Total
Male	57.43%	26.73%	0.00%	84.16%	57.89%	24.21%	0.00%	82.11%
Female	12.87%	2.97%	0.00%	15.84%	15.79%	2.11%	0.00%	17.89%
Grand Total	70.30%	29.70%	0.00%	100.00%	73.68%	26.32%	0.00%	100.00%

Below are the numbers for the new employee hires and employee turnover as well as the overview for parental leave data for both 2022 and 2023:

New Employee Hires								
	2022				2023			
Gender	Under 30	30-50	Above 50	Grand Total	Under 30	30-50	Above 50	Grand Total
Male	14	13	2	29	16	23	2	41
Female	6	1	0	7	6	2	1	9
Grand Total	20	14	2	36	22	25	3	50



Employee Turnover								
	2022				2023			
Gender	Under 30	30-50	50+	Grand Total	Under 30	30-50	50+	Grand Total
Male	3	16	20	39	5	19	22	46
Female	0	1	0	1	0	2	0	2
Grand Total	3	17	20	40	5	21	22	48

	2022	2023
Total number of employees that were entitled to parental leave, by gender.	Female: 56 employees	Female: 63 employees
Total number of employees that took parental leave, by gender.	2 (Female)	1 (Female)
Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	2 (Female)	1 (Female)
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	2 (Female)	1 (Female)
Return to work and retention rates of employees that took parental leave, by gender.	2 (Female) / Retention Rate: 100%	1 / Retention Rate: 100%



12.9 Occupational Health, Safety, and Security

Health, safety, and well-being are fundamental to QAFCO's operations, contributing essential value to business, through the promotion of a positive and inclusive work environment that prioritizes employee well-being. The Company is committed to providing a safe workplace for all people working on its behalf through various risk-based safety and health programs. The initiatives in place include having health safety risk management, conducting comprehensive incident investigation and monitoring for risk prevention, providing relevant training and medical care.

For occupational health services, QAFCO carries out:

1. Pre-employment health assessments,
2. Routine and health surveillance,
3. Return to work assessment following long period of absence from work due to illness or injury, which the main aim is to facilitate the employee to gradually returning to their normal tasks.

The Company also published online health awareness routinely which aligned with the national/global health issues as part of health promotion program. In addition, the Wellness Committee was formed with the aim to organize activities improving the Mental and Physical well-being of employees, which gained excellence participation from the employees in the Wellness Program.

The "Road Beyond Zero" program launched in 2018 is a commitment, both personal and organizational, to create an incident and injury-free workplace. Improvement in its safety performance is the result of the dedication of its employees and systems in place. QAFCO achieved zero Process Safety Total Incident Rate (PSTIR) in 2022 and the rate of 0.10 in 2023.

Moreover, QAFCO continued enhancing Behavior Based Safety program, encouraging employees to report positive safety observations as well as unsafe acts/conditions. QAFCO encourages all employees to report risks and incidents. The company also recognizes and rewards good safety performers.





The incident statistics for the year 2022 and 2023 were as follows:

	2022		2023	
	Employees	Contractor	Employees	Contractor
number and rate of fatalities as a result of work-related injury	0	0	0	0
number and rate of high-consequence work-related injuries	Number is (1) and Rate is (0.45)	0	0	0
number and rate of recordable work-related injuries;	Number is (2) and Rate is (0.90)	Number is (1) and Rate is (0.22)	Number is (0) and rate is (0)	Number is (4) and rate is (0.495)
number of hours worked	12 month rolling manhour (2,229,122 hrs)	12 month rolling manhour (4,636,818 hrs)	12 month rolling manhour (2,292,115)	12 month rolling manhour (8,066,433)
The rates have been calculated based on 1,000,000 hours worked.			0	0.495

QAFCO's dedication to quality, safety and environmental responsibility is reflected in its adherence to rigorous standards. The Company's management system is certified against ISO 9001:2015, 14001:2015, 45001:2018, 50001:2018, and RC 14001:2015, OSHA CFR 1910.119 PSM standard.

Moving forward, QAFCO's dedication to HSEQ remains unwavering. It's not just a goal - but a fundamental part of the Company's organization ethos, ensuring a secure and sustainable future for all stakeholders involved.

12.10 Training and Education

Learning and development underscores QAFCO's culture of development, continuous improvement, integrity, and compliance. QAFCO invests in employee training and development programs to foster a culture of learning and strengthen the workforce abilities through competency-based development and progression. Over 13,937 learning and training hours were completed by employees in 2022 and the hours increased to 18,872 in 2023. Notably, QAFCO achieved 99% completion of a comprehensive Code of Conduct training in 2022. On the other hand, in 2023, the Training Satisfactory Rate reached 92.74% against 80% Target, exceeding the 2022 rate, which was 92%.

QAFCO is constantly on the look for new talent to bring to the organization. To enhance the succession planning within QAFCO, the career development plans were developed following the candidates' assessments. In which these candidates will be the ones that would succeed the preceding employees.

Below are the numbers for the average hours of training classified by employee category and gender:



Average Hours of Training			Average Hours of Training		
By Employee Category			By Employee Category		
	2022	2023		2022	2023
Nationals	2.39	4.24	Managers / HO Sections	0.33	0.37
Expatriate	9.91	12.62	Senior Staff	6.70	7.80
			Intermediate Staff	8.60	8.68

Average Hours of Training		
By Gender		
	2022	2023
Male	15.94	16.32
Female	0.66	0.53

QAFCO offers extensive learning and development opportunities through an online learning platform, contributing to flexible learning for all personnel. QAFCO developed comprehensive technical job competency models that will ensure its people have the right skill levels to perform their job in a safe manner. Through this, fit for purpose learning plans will be rolled out.

Diverse training programs were conducted, which covered safety, quality, and other various aspects for employees and contractors. These included:

- **Technical trainings** (ex., EOT Crane Operation, Rigging & Slings, Certified Maintenance. & Reliability Professional, Energy Optimization etc.),
- **Non-technical training** (ex., Certified KPI Professional, Competency Management, Integrated Business Processes in SAP S/4HANA etc.),
- **HSEQ** (ex., HACCP Level-3, Basic First Aid and CPR, Safety Risks in Ammonia Plants etc.),
- **General Skills** (Problem-solving & Decision-making Skills for Engineers & Technical Professionals, Fundamentals of Leadership, Communication & Teamwork etc.),
- **English language training**

In addition, QAFCO also conducted regular training sessions and awareness programs to enhance governance practices, which covered: Board training, Code of Conduct training, and Compliance awareness months. The Company also established Talent Management & Leadership Development Program.

In 2023, there was a total of 1,094 employees that received the regular performance review. Below are the tables presenting the breakdowns for gender and staff category for both 2022 and 2023:

Gender breakdown:	2022	2023
Male	1,056	1,050
Female	39	44



Staff category:	2022	2023
Senior Staff	436	437
Employee Level Staff	659	657

In 2023, QAFCO Digitalization Plan was developed. Digitalization is an ongoing priority for QAFCO where digital transformation can help enhance business capabilities, build operational efficiencies, and increase agility. Within this year, the Company also implemented the SAP system with over 1,140 sessions of user acceptance testing and 320 instructor-led sessions ensuring better integration.

12.11 Supply Chain

QAFCO recognizes the importance of responsible supply chain management and ensuring that suppliers adhere to ethical and sustainable practices. By integrating ethical and environmental considerations into its supply chain operations, the Company aims to have a positive impact on a local and global scale and is actively working towards enhancing transparency and accountability throughout its supply chain. QAFCO engages stakeholders through its own or third-party assessments, financial audits, and health and safety inspections. Results are communicated to internal and external stakeholders, aligning with Qatar's goals of economic development.

QAFCO has taken rigorous measures to ensure that health, safety, security, and the environment are taken into account by the suppliers, transporters, contractors, and distributors. Service providers and suppliers are selected following procedures for HSSE (health, safety, security, and environment) requirements. Their HSSE performance is evaluated regularly to ensure compliance.

QAFCO is an active participant in QatarEnergy's localization strategy (Tawteen) program initiated with the objective to maximize the sustainable in-country value creation, upskill local talent, develop local Suppliers and Contractors, and promote in-country private investment. QAFCO has already incorporated Tawteen's localization strategy into its procurement process. In 2022, QAFCO had spent 88% on local procurement (cumulative order amount of QAR 908 Mn – computed based on orders issued on local suppliers/contractors) which shows its commitment to the growth and diversification of Qatar's economy and establish sustainable and competitive local suppliers to meet Qatar's energy sector's requirement. While in 2023, the number successfully increased to 92.20%.

12.12 Local Communities

As a responsible corporate entity, QAFCO is committed to its role in driving positive change and contributing to the well-being of the community. From ongoing partnerships with education and agriculture entities to sustainable initiatives, QAFCO remains firm in its commitment to contribute to the development of Qatar's self-sufficiency goals, in a sustainable and environmentally responsible manner.



In 2022 and 2023, QAFCO actively engaged with employees, their families, and the community through organizing a range of activities and workshops such as:

- Online awareness sessions held for employees and their families on various health topics such as cancer and diabetes.
- Physical related activities such as fun run and step count challenge.
- Environmental awareness sessions and workshops organized on importance of recycling, minimizing food waste, and adopting sustainable practices for public, QAFCO employees, and their families.
- Home safety workshop conducted for employees and their families.
- All QAFCO employees attended and participated in group session on safety culture.
- Several planting activities, for employees, their families, and the community.
- Arranged visits to several schools in Qatar to share knowledge about QAFCO, fertilizers industry, and career opportunities.

Expanding community engagement initiatives involves partnerships with local organizations to address social and environmental challenges, support education, and promote economic empowerment. QAFCO has signed Memorandum of Understanding (MoUs) with colleges, universities, and farms to support agricultural research. This collaboration supports the Company's priority for food security by focusing on crop nutrition solutions, in line with Qatar's aim to achieve food security self-sufficiency reliably and sustainably.





12.13 Product Responsibility

To maintain and improve quality of products, QAFCO has implemented a stringent quality management program facilitated by real time monitoring and measurement of production processes, right from incoming raw materials till distribution of final products, supported by sophisticated laboratory analysis at various stages of production processes.

The Company is committed to achieving high levels of customer satisfaction through the reliable supply of high-quality products in an environmentally responsible and sustainable manner coupled with first-class product support. In 2022 and 2023, QAFCO recorded zero concerns/complaints related to the product/shipment logistics from customers. The Company was also awarded Australian Quarantine Inspection Survey (AQIS) Level-1 Gold Certification after having the Annual Audit in 2023.

Total weight of materials that are used to produce and package the QAFCO's primary products during the reporting period includes around 3.3 million polypropylene / Poly Ethylene 50 kg bags, for export of around 166,160 MT either Prilled or Granular Urea, 56,840 MT Melamine in 1000 kg or 500 kg and 3,300 MT Melamine in 25 kg paper bags, besides bulk shipping, as many customers demand product in bagged form handled semi manually / automatic through ship loaders or containers.

The table below presents the percentage of reclaimed products and their packaging materials for each product category in 2022 and 2023:

% Of Reclaim Product			
Product	For Year 2022	For Year 2023	Packing Material
Bulk Prilled Urea	14.7	15.04	plastic sheets & masking tapes to cover cargo holds for Yara vessel
Bagged Prilled Urea	2.0	0.08	PP/PE bags, sewing thread
Bulk Granular Urea	82.4	82.58	plastic sheets & masking tapes to cover cargo holds for Yara vessel
Bagged Granular Urea	1.1	2.27	PP/PE bags, sewing thread
Anhydrous Liquid Ammonia	100	100	-
Melamine (in 1 MT packing)	72.04	98.1	PP/PE jumbo bags, wooden pallets
Melamine (in 500 Kg packing)	3.35	1.41	PP/PE jumbo bags, wooden pallets, strapping rolls, and buckle
Melamine (in 25 Kg packing)	24.61	0.49	Paper bags, wooden pallets, stretch hooding plastic, slip sheet

The data of this disclosure have been collected through production volume forecast and QatarEnergy / Muntajat product lifting plan.





12.14 Qatarization

In support to Qatar National Vision 2030, QAFCO lays an emphasis on the attraction, development, and advancement of high-potential Qatari nationals. QAFCO was able to achieve 2023 Corporate Qatarization target of 25.20%, which is higher than in 2022 with the rate of 24.22%. The organization has significantly contributed to the development of nationals over the years and assisted their acceleration to key and critical positions. This has been achieved through offering of sponsorships, further education opportunities, and implementation of formal development programs. In recognition of its support for Qatarization in the energy sector, QAFCO was awarded a certificate for its 'Support to Learning & Development' in the Energy Sector's Annual Qatarization Awards 2022.

12.15 Governance Structure

Upholding the highest standards of corporate governance is fundamental to ensuring the long-term sustainability and ethical operation of QAFCO. It is a non-negotiable commitment with a focus on maintaining a robust framework aligned with international best practices. The Company strives to build trust among stakeholders, improve operational efficiency, and make positive contributions to the communities it serves. QAFCO's corporate governance initiatives are guided by a set of core policies and commitments outlined in the Articles of Association, the Code of Conduct, Corporate Governance Committee Charters, and Business Ethics Committee Procedure. These guidelines form the foundation for responsible business conduct and compliance with applicable local and international laws and industrial standards.

The Board of Directors is the highest governing body in QAFCO and has specific responsibilities that facilitate best interests of the company. Appointed by QAFCO's shareholder (Industries Qatar), the Board members consists of four independent members and QAFCO's CEO, who is also the Managing Director. Board Members provide a good mix of industry-specific knowledge, broad business sense, and commercial experience. This balance enables the Board to provide clear and effective leadership to the company and bring information and independent judgment to many aspects of its strategy and performance.

The work of the Board of Directors is assisted by the highest governance Committees: Corporate Governance Committee, Risk Committee, Board Audit Committee. In addition, there are committees created by the Board involved in the company's operation with specific authority determined by the Delegation of Authority, i.e. General Tender Committees and Insurance Tender Committees. In 2022, the Business Ethics Committee was established.

- **Board Audit Committee:** to oversight responsibilities for financial reporting process, system of internal control, audit process, and monitoring compliance with laws and regulations, and Code of Conduct.
- **Corporate Governance Committee:** to oversight implementation of corporate governance in the company, evaluates the Board and provides necessary training.
- **Enterprise Risk Management Committee:** to oversight enterprise risk management activities and advise the Board of the effectiveness of the enterprise risk management framework.
- **Business Ethics Committee:** to oversight business ethical matters, the Committee reports directly to the CEO.



Each of the highest governance committees is chaired by a member of the Board of Directors. The Chairman and Managing Director do not assume or become the Chairman or members in the committees.

Other members in the committees are the senior professionals in the company, shareholder representatives including independent member(s) nominated according to relevant competences; and approved by the Board of Directors.

The Board, along with all Committees, operates on an annual plan basis. Goals and objectives are meticulously set, and performance is monitored regularly. The members of the Board of Directors in each meeting, when approving the agenda, confirm there is no conflict of interest in the topics of the agenda, or otherwise declare the conflict and refrain from the discussion. Any potential conflicts of interest identified, for instance at the level of subsidiaries companies, or committees below the three highest above-mentioned committees, due to involvement of any Board members or position of professionals in the company, will be resolved and reported to/approved by the Board.

QAFCO has implemented a robust Conflict of Interest Declaration process. Employees are required to promptly disclose any situations that could lead to a conflict of interest. The Conflict-of-Interest report is managed by the Business Ethics Committee and on the final instance, by the CEO. The results of the Conflict-of-Interest reports are communicated to the Board of Directors through the Corporate Governance Committee regularly. Failure to disclose may result in disciplinary action, reinforcing the importance of transparency in employee dealings.



12.16 Managing the Impacts

QAFCO 2030 Strategy Map was developed by QAFCO and approved by the Board of Directors in 2018 and was officially launched for implementation in January 2019. The Strategy centers on operational excellence, with a focus on continuous improvement for streamlined processes and minimized environmental impact, with the goal of profitability. To ensure accountability, QAFCO is poised to establish specific and measurable ESG performance targets and KPIs, aligning them with global standards and industry benchmarks. QAFCO's Strategy is reviewed and updated on annual basis to adapt to any internal or external environment changes. The organization's performance is reviewed on quarterly basis and corrective and mitigation actions are implemented as per the direction of the management and the Board. Furthermore, QAFCO's governance bodies, Compliance Management Team (COMT) and whistleblowing system work collectively to detect, prevent, and mitigate any negative impacts on business integrity.

12.17 Risk Management

QAFCO is committed to the efficient and effective management of risks that impact the achievement of its Mission, Vision, and strategic objectives in a sustainable manner. To fulfil this commitment, QAFCO's ERM framework provides coordination across the Divisions and centralizes information with the Risk Management Team to make it available to the risk owners and key decision-making authorities. Risk actions are addressed by the relevant parties and are monitored regularly to enhance their effectiveness.

Risks to the achievement of QAFCO's strategic objectives are identified, assessed, and monitored on a periodic basis in accordance with the ERM framework. The Strategic risk profile is reviewed, developed, and updated on an annual basis by engaging with Risk and Action Owners, Management Team, and Board Members.

The Board oversees the effectiveness of risk management and receives periodic reports (at least quarterly) on the status of mitigating actions to reduce the risk to an acceptable level.

The Governing Body comprising of the Board of Directors (the "Board") and its sub-committees are accountable to stakeholders for organizational oversight. The Enterprise Risk Management Committee (ERM Committee), one of the sub-committees of the Board, assists the Board in providing oversight of the enterprise risk management activities of QAFCO and its subsidiaries, and advises the Board on the effectiveness of the enterprise risk management framework in accordance with its established Charter. To fulfil its responsibilities in line with the Charter, the ERM Committee meets on a quarterly basis to review QAFCO's Strategic Risk Profile as well as the risk management activities carried out within the Company and provides an update to the Board on a quarterly basis.

The response plans to climate related risks are addressed at operational as well as strategic levels. QAFCO is currently executing several projects to mitigate environmental risk. Additionally, sustainability plan has been established and is under approval to provide an overall direction and future target state along with specific actions to achieve those targets.



12.18 Code of Conduct

QAFCO aims to uphold the highest standards of integrity, adopting a strong stand against unethical practices and build a sustainable business. QAFCO is committed to free and fair competition, in compliance with applicable competition and anti-trust laws. QAFCO is committed to adhering to the highest standards of ethical and legal conduct for its operations and subsidiaries with the full support of its shareholders. For that reason, it has established a Code of Conduct that states the requirements and provides guidance to help its employees carry out their duties professionally and with the utmost integrity, consistent with the Company's values and Business Principles. A new Code of Conduct training was established in 2022. QAFCO has zero tolerance to any form of corruption, fraud, or trading in influence. There were no incidents of corruption during 2022 and 2023.

12.19 Remuneration Policies

QAFCO is committed to fostering a progressive, welcoming, and growth-oriented workplace culture. The desire to create a high-performing organization drives us to create policies that safeguard employees, provide competitive benefits, preserve a diverse workplace, and prioritize employee satisfaction. QAFCO recognizes the importance of a diverse and inclusive workforce, and it is our remuneration policy to pay our employees fair and competitive salaries within the overall remuneration package.

Key elements of QAFCO's remuneration policy are:

1. Relate the salary of our employees to the value of the jobs they perform; paying higher individual salaries to those making a greater contribution to the company.
2. Provide an incentive to employees to improve their performance and maximize their contribution to the organization.
3. Give due and prompt reward to those employees who are promoted to positions with higher responsibilities.
4. Provide smooth and appropriate salary progression to those employees assessed to have potential for further development.





12.20 Projects and Future plans

QAFCO's long term strategy aims to maximize production through investments that will lead to increased efficiency and plant availability without compromising health, safety, and environment. To fulfill its commitment towards sustainability, QAFCO has embarked on a journey of implementing several environmental projects which include:

- Installation of Continuous Emission Monitoring Systems (CEMS) to monitor the quality and content of emissions released to the ambient environment.
- Achieving Zero Liquid Discharge to Sea

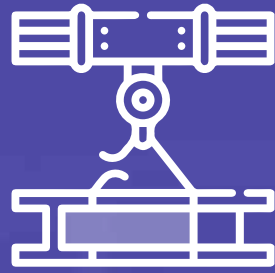
QAFCO shall continue to identify and evaluate opportunities in coordination with QatarEnergy to:

1. Optimize its assets through the enhanced utilization and processing of its natural gas feedstock in a profitable and sustainable manner.
2. To discuss market developments and co-create a path for the Company to realize its full value potential and enhance its market leadership position.





Project Description	Budget outlay (million QAR)	Spent till 2022 (million QAR)	Spent till 2023 (million QAR)	Milestones and timelines for completion	Describe in brief how the project would help in achieving sustainability goals of the Organization
Zero Liquid Discharge (ZLD) implementation for QAFCO 1-4 site project	609	26	228	The effective date of the Contract (EDC) commenced on 28-Nov-2022. Commissioning expected by Dec 2025.	In line with the QAFCO's "mission", i.e. as an environmentally responsible operator and also to comply with the "Consent to operate" requirements stipulated by MoECC. The project will promote sustainable development of the industry. It will ensure stoppage of discharge of process wastewater into the sea. The wastewater will be treated to the desired quality and recycled. This will reduce the stress on the sea environment by improving Marine Water and Ecology.
Continuous Emissions Monitoring System (CEMS) implementation project	54	27	11.60	The effective date of the Contract (EDC) commenced on 29-Oct-2019. Commissioning expected by July 2024.	In line with the QAFCO's "mission", i.e., as an environmentally responsible operator and also to comply with the "Consent to operate" requirements stipulated by MoECC, the project will promote sustainable development of the industry. It will ensure monitoring and control of emissions (NOx, SOx and NH3) reducing the stress on the environment US EPA standards.



Qatar Steel (QS)





13. Qatar Steel (QS)

13.1 About the Company and its business context

Established in 1974 as the first integrated iron and steel plant in the Arabian Gulf, Qatar Steel has solidified its position as a leading force in the steel industry within the Gulf Cooperation Council (GCC) region over a span of 50 years. Beginning commercial production in 1978, the company has relentlessly strived to meet the growing global demand for steel, providing unmatched quality, flexibility, and reliability in its wide range of products and services.

Qatar Steel's production plant is strategically located in Mesaieed Industrial City, 45 kilometres south of Doha, serving as the company's corporate headquarters base. Spanning an impressive area of 1,811,773 square meters, the plant and its accompanying office space have been carefully designed, with an additional 243,750 square meters reserved for future development and expansion.

The plant comprises various operational facilities, including direct reduction plants, electric arc furnaces, ladle furnaces, continuous billet casting machines, rolling mills, and calcinated lime plants. These cutting-edge facilities leverage state-of-the-art technology to ensure efficient and high-quality production of direct reduced iron, steel billets, and reinforcing steel bars (rebar).

13.2 Ownership, Subsidiaries and Affiliates

Since 2003, Qatar Steel has been fully owned by Industries Qatar (IQ), a subsidiary of QatarEnergy with investments in the petrochemicals, fertilizer, and steel sectors.

Qatar Steel operates two primary subsidiaries: UAE-based subsidiary – Qatar Steel Company FZE (QSC FZE) and Qatar Steel Industrial Investment Company. QSC FZE was established in July 2003 to cater to the increasing demand for wire rods and rebar products in the GCC and international markets. It operates two production facilities located in Jebel Ali Free Zone, Dubai, consisting of a wire rod mill and a rebar mill. The wire rod mill has a capacity of 240,000 metric tonnes per year, while the rebar mill has a capacity of 300,000 metric tonnes per year.

Additionally, Qatar Steel formed a joint venture with Qatar Industrial Manufacturing Company (QIMC) to address local environmental challenges related to rebar corrosion. This collaboration resulted in the establishment of Qatar Metals Coating Company (Q-Coat) in Mesaieed, which specializes in the production of an innovative fusion bonded epoxy-coated Rebar.

In 2023, Qatar Steel acquired Al Qataria. This acquisition is planned to be further followed by execution of the diversification into new products (Wire Rod Coil) that is not currently part of Qatar Steel's existing product portfolio in Qatar.

Refer to <https://www.qatarsteel.com.qa/vision-mission-and-values/investment-in-subsidiaries-and-associates/> for an overview of Qatar Steel's Subsidiaries and Affiliates.

Refer to <https://www.qatarsteel.com.qa/chairmans-message/qatar-steel-memberships/> for complete list of memberships.

Refer to <https://www.qatarsteel.com.qa/wp-content/uploads/2022/05/ISO-14001-2024.pdf> for Environmental Management system certificate.



13.3 Policies and practices

Qatar Steel's commitment towards efficient and ethical leadership is driven by the company's Corporate Governance Charter, which provides the principles for the Board of Directors in its foundation of independence and protecting shareholders' rights.

Qatar Steel published a Code of Ethics and Business Conduct in 2010 and has followed it ever since. The Code is available to all employees in the company's intranet. On a yearly basis all employees are required to acknowledge their acceptance of the Code. Additionally, it is also shared with stakeholders based on their request or as per requirement on need-to-know basis. Additionally, the company has established an Ethics Committee and a Grievance Committee, which includes provisions for addressing discrimination and harassment concerns.

Qatar Steel has well developed policy and procedures to address the issues raised by stakeholders such as customer claims, supplier concerns, employee grievances etc.

The "Harassment Grievance Handling Policy" has been implemented and proven to be effective in the organization. The policy encompasses various crucial aspects, including uniform treatment, time limits, employee grievances, employee discipline, domestic inquiries, the company's policy on sexual harassment, and the information security policy.

Qatar Steel has developed a comprehensive Human Rights policy in 2023, which outlines its principles, values, and guidelines pertaining to Human Rights, ensuring that its operations uphold the highest standards in this regard. The Human Rights policy encompasses various aspects, including the promotion of working hours and wages, grievance mechanism, and the prevention of forced labour and child exploitation. It establishes a framework for identifying, assessing, and addressing potential Human Rights risks throughout its operations. The policy will undertake regular monitoring and reporting in order to improve Qatar Steel's efforts.

The Board Charter includes an approved Directors and Officers Remuneration Policy.

There is also a Sustainability Policy publicly available which highlights the commitment to the topic, and is available at the following link: <https://www.qatarsteel.com.qa/wp-content/uploads/2022/03/Sustainability%20Policy%202022.pdf>

Furthermore, Qatar Steel has published a Responsible Sourcing Policy which is publicly available at the following link: <https://www.qatarsteel.com.qa/wp-content/uploads/2022/06/1.38.1.1.02.01-Policy-Responsible-Sourcing.pdf>

Refer to <https://www.qatarsteel.com.qa/wp-content/uploads/2023/10/Human-Rights-Policy.pdf> for the Human Rights Policy.



13.4 Sustainability Management Approach

Qatar Steel's dedication to sustainability has been an enduring journey that commenced more than a decade ago. Qatar Steel remains steadfast in its commitment to assess the most significant impacts and implement strategies aimed at continuous improvement. Qatar Steel's overarching objectives revolve around driving innovation in low-carbon steelmaking, establishing Qatar Steel as the preferred sustainable steel supplier, reducing environmental footprint, fostering a culture of zero harm, and nurturing human capital while empowering the local community.

Qatar Steel's sustainability management approach serves as the cornerstone for embedding sustainability throughout the company. This approach is underpinned by the integration of several key elements, including the company's Material Topics, Sustainability Policy, Sustainability Framework, Corporate Strategy Map 2022-2026, and the Sustainability Roadmap 2022-2026.

These interconnected tools enable Qatar Steel to effectively measure its progress and continually enhance its sustainability initiatives. They guide the company's efforts not only at a local level, aligning with stakeholders' perspectives and the QNV, but also on an international scale, aligning with the United Nations Sustainable Development Goals (UN SDGs) and the World Steel Association Sustainability Development Charter (worldsteel).

In 2023, Qatar Steel joined as a member of ResponsibleSteel topping over 150 organizations from across the steel value chain and civil society. ResponsibleSteel is the only global multi-stakeholder standard and certification initiative for responsibly sourced and produced steel. Qatar Steel has selected CARES for ResponsibleSteel certification audit which will be initiated in Q1 2024, and these audits will ensure a rich and balanced collection of information and evidence to maintain trust.

Qatar Steel's Impact: The New Sustainability Charter

In March 2022, Qatar Steel proudly joined the esteemed ranks of the World Steel Association (worldsteel) as a member of its revised and expanded Sustainability Charter. This significant milestone underscores its unwavering commitment to sustainability and dedication to driving positive change within the steel industry.

The new Sustainability Charter, a comprehensive framework for sustainable practices, is structured around nine fundamental principles. These principles encompass a broad spectrum of sustainability topics, including environmental stewardship, social responsibility, effective governance, and sustainable economic practices. Within these principles, twenty associated criteria serve as benchmarks for measuring and evaluating sustainability performance.

As a Charter Member, Qatar Steel has successfully demonstrated alignment with these rigorous criteria, presenting compelling evidence of its sustainable practices. This membership affirms its position as a frontrunner in sustainable steel production and solidifies its commitment to long-term sustainable development.

Qatar Steel will continue to embrace the principles and criteria outlined in the worldsteel Sustainability Charter, working diligently to further enhance its sustainability performance.



Materiality Assessment

Qatar Steel's materiality assessment plays a crucial role in understanding the expectations and needs of its stakeholders. In 2020, a complete materiality assessment was conducted, allowing to identify and prioritize the most significant sustainability issues through an inclusive and comprehensive stakeholder engagement process. As part of sustainability management approach, Qatar Steel refreshes its material issues every two years. This process involves reviewing the evolving industry landscape and emerging trends while ensuring consistency with its vision, mission, and values. Additionally, during the annual management review meeting focused on sustainability management, the relevance of these topics is assessed.

Both in 2022 and 2023, Qatar Steel conducted a materiality assessment refresh that identified and prioritized 23 material topics. To identify them, Qatar Steel analyzed regional and international peers, considered industry standards, national and international frameworks, and declarations, and took into account the priorities set by ESG ratings.

Qatar Steel's Sustainability Framework:

Sustainability Framework revolves around seven key pillars, centred on the core theme of "Building the Future". These pillars, identified based on their significant impact on company's performance and stakeholders, form the foundation for sustainable development within the organization. Each pillar is directly connected to the material issues that have been recognized as most critical to company's success and is associated with specific goals and KPIs.

Sustainability Pillar	UNSDGs	Material Issues	Material Topics (GRI 3-2)	Pillar Definition
Building the Future	7 – 8 9 -12	Product Stewardship	Customer health and safety Marketing and Labelling	Contributing to building a sustainable future in-line with QNV 2030
		Innovation, Digitalization, and Sustainable Solutions	-	
Achieving Profitable Growth	8 – 9 10 - 11	Operational Efficiency	-	Contributing to Qatar's economic growth by managing Qatar Steel's growth by seizing possible expansion opportunities in operating units [including internal up-gradation and new capacity additions] and through possible strategic investments.
		Economic Performance	Economic Performance	
Ensuring a Safe and Healthy Work Environment	3 - 8	Occupational Health and Safety	Occupational Health and Safety	Engaging stakeholders, promoting/ driving healthy and safe practices, and supporting the community
		Emergency Response Management		



Water and Effluents	UN SDGs	Material Issues	Material Topics (GRI 3-2)	Pillar Definition
Creating a Balanced Ecosystem	6 – 7 13	Air emissions (GHG and others)	Emissions	Efficient use of resources, awareness of the ecosystem, reducing waste for a better future compliance with regulatory bodies
		Energy (efficiency and intensity)	Energy	
		Materials and Circular Economy	Materials	
		Water and Effluents	Water and Effluents	
		Waste Management	Waste	
		Biodiversity	Biodiversity	
		Environmental Risk Management	Compliance with laws and regulations	
Contributing to National Development	11 – 10 8	Community trust, health, and investment (CSR)	-	Efforts towards building a better society by imparting education, health-care, and employment opportunities for nationals focusing on the youth population
		Qatarization	Market Presence	
Developing a High Performing and Motivated Team	4 – 5 8 - 10	Recruitment and Management of talents	Employment	Developing people to reach their full potential, improving the organization's culture, supporting different stages of career lifecycle, and encouraging a welcoming workplace
		Diversity and Equal Opportunities	Diversity and Equal Opportunity	
		Training and Development	Training and Education	
		Labour Management Relationships	Employment	
Practice Good Governance	8 - 16	Governance, Ethics, Compliance, and Integrity	Anti-corruption	Upholding our Values, Code of Conduct, and Training and developing our team members. Promoting Risk Management Culture and positioning QS for sustained business continuity.
		Procurement Practices	Procurement Practices	
		Human Rights	Policy commitments Embedding policy commitments	
		Reporting and Stakeholder Engagement	Approach to stakeholder engagement	

Corporate Strategy Map:

Corporate Strategy is centred around the development of a more sustainable product portfolio:

5. Qatar Steel aims to optimise production processes and minimize waste generation, thereby increasing overall yield.

6. Qatar Steel intends to periodically carry out scenario planning workshops, focusing on developing long term Strategy covering Expansion/ Acquisition, process improvements, Sustainability etc. Additionally, in line with the Qatar National Vision 2030 (QNV), Qatar Steel is in the process of committing to collaboration with the Science Based Targets initiative (SBTi) and adhering to their methodology for setting ambitious targets.



Qatar Steel's strategy also aims at exploring various cost-reduction initiatives through operational diagnostics. By conducting a thorough analysis of operations, Qatar Steel seeks to identify opportunities for optimizing efficiency and reducing expenses while maintaining its commitment to sustainability and excellence. In 2023, we conducted the 'Qatar Steel Vision 2023 workshop' with a focus on developing a vision for 2030. The workshop covered key aspects such as Qatarization and sustainability, including scenarios related to carbon reduction, digitalization, cost reduction, and cultural transformation.



A person in a dark suit and patterned tie is holding a magnifying glass over a document. The background is blurred, focusing on the person's hands and the magnifying glass.

13.5 Key Performance highlights

In 2022, Qatar Steel experienced a significant surge in revenues (+9.7% year on year), predominantly attributed to a 14% increase in sales volumes, primarily driven by higher production volumes. This was made possible by the successful restart of the DR-2 facility, which provided the segment with enhanced operational flexibility and improved output optimisation. However, despite the overall positive performance, selling prices experienced a marginal decrease of 4%. This decline can be attributed to softening domestic demand and a slowdown in international steel prices. Moving into 2023, Qatar Steel continued its positive trajectory, experiencing a noteworthy 16% increase in net profit.

This significant increase primarily attributed to the increase in non-operating income related to reversal of impairment on non-current assets, specifically related to DR-2 facility that was previously mothballed and restarted in 2022. Furthermore, the additional reversal of impairment in Foulath investments also contributed to the increase of net profit.

Moreover, in light of the highly volatile post-pandemic market conditions, the availability of high-grade raw materials encountered significant pressure during the initial six months of 2022, leading to a surge in prices. Regrettably, Qatar Steel was unable to secure additional materials beyond contracted amounts, and its off take was limited accordingly. Furthermore, on the domestic front, organization faced logistical hurdles as Qatar Steel strived to complete projects ahead of the commencement of Qatar's 2022 World Cup. Thankfully, Qatar Steel's diligent efforts ensured that no disruptions occurred to its project timelines.

Concerning the economic value distributed (EVD), which is an indication of the financial value generated and distributed among stakeholders through purchases, wages, and more, Qatar Steel saw a significant increase in both 2022 and 2023 of almost 28% and 6% respectively, which signifies the company's commitment to integrating sustainability and responsible business practices.



KPI	Actual 2022 (Million QAR)	Actual 2023 (Million QAR)	Variance 2022 v 2023 (%)
Direct Economic Value generated:			
Revenues	4,262	4,264	0.05%
Economic Value Distributed:	4,448	4,693	6%
Operating Costs	3,422	3,639	6%
Employee wages and benefits	426	455	7%
Payments to providers of Capital	600	600	-
Payments to Governments	0	0	0
Community Investment	0.035	0.100	186%

Taxes

The Governance and Risk Committee oversees the implementation of the policy within the organization. Qatar Steel ensures full compliance with tax law and regulations through its Finance Department. There is no standalone Taxation strategy. Taxation risks are included in Qatar Steel's Enterprise Risk Management Framework which is reviewed monthly by the Risk Committee. The board of directors is accountable for the companywide risk management framework and as such all risks are reported from a functional level, then a step-up Risk Committee level, then board audit committee level which then eventually reports to the board of directors. The company's strategy incorporates compliance to all legislation including the evolving taxation legislation. Regular review is conducted by consultants appointed by the IQ Group to ensure compliance and incorporating taxation risk into the business and sustainable development strategies of the organization.

Qatar Steel's risk register is re-evaluated on a regular basis. Any emerging risks identified are evaluated, documented, and mitigated. As an example, although VAT is not applicable yet in Qatar, Qatar Steel identified it in the risk register and appropriate mitigations controls has been implemented. Tax calculations are externally reviewed by tax advisor and auditors on half yearly and annual basis.

The Company has mechanisms in place whereby employees and other stakeholders can raise concerns about the organization's business conduct and the organization's integrity in relation to tax. These are reported to the internal audit department for further investigation. The tax calculations are done internally on monthly basis and signed off by the Finance department. These are reviewed and audited by external auditors on half year and annual basis. An external consultant is appointed by the IQ group to assist with compliance and submission of Qatar Steel's Tax returns.

Qatar Steel complies with the applicable tax laws in the State of Qatar. Qatar Steel's financial statement is audited annually and approved by the general assembly.



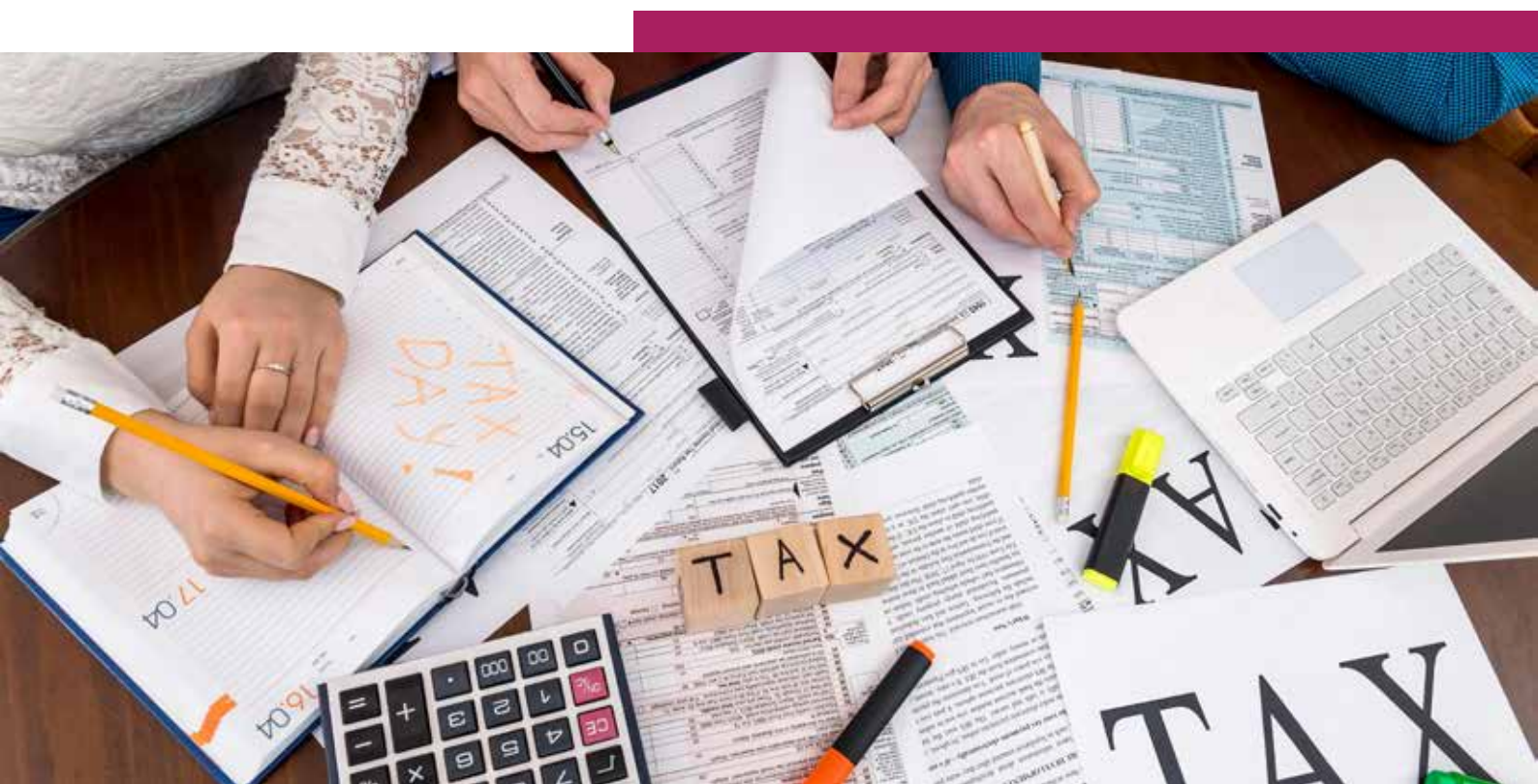
Where needed, independent tax consultants are appointed to provide support in meeting Tax Authority requirements. Any concerns about tax compliance are raised to the General Tax Authority, Industries Qatar and QatarEnergy tax teams. Where required Qatar Steel engages stakeholders to create awareness of tax law and regulations. Furthermore, Qatar Steel ensures suppliers are aware of the applicable tax law and regulation implemented in Qatar. All concerns are discussed well ahead of time with its suppliers during contract drafting stage. Qatar Steel communicates proactively with the tax authority through its tax advisers, IQ and QatarEnergy representatives for any clarifications / concern.

Qatar, UAE, Bahrain, and Saudi Arabia are tax jurisdictions where the entities included in the organization's audited consolidated financial statements are resident for tax purposes.

Other Key operational highlights, explained in subsequent sections:

	2022	2023
Energy Intensity	21.29	21.12
GHG Intensity ratio	1.34	1.34
Fresh water recycled	40%	46%
Total Recordable injury rate	0.92	0.2
Fatalities	0	0
Spending on Local suppliers*	26%	34%
Qatarization	13.29%	13.48%

includes goods imported or sourced by local suppliers from out of the state of Qatar





13.6 Energy and Emissions

Qatar Steel acknowledges the energy-intensive nature of steel production and is committed to reducing energy consumption to minimise its environmental impact. Qatar Steel sets itself apart from competitors in terms of sustainability by employing the Electric Arc Furnace (EAF) route for steel production. This approach is less energy-intensive compared to other widely used steelmaking routes like the Blast Furnace (BF) and Basic Oxygen Furnace (BOF).

In 2022 and 2023, Qatar Steel witnessed an increase in direct energy consumption due to rise in production of DRI, compared to 2021.

Source of Conversion Factor used: US EPA and IPCC, 2006 from US Energy Information Administration and US Department of Energy.

Regular audits are conducted by CARES for ISO 14001 Environment Management System.

<https://www.qatarsteel.com.qa/wp-content/uploads/2022/05/ISO-14001-2024.pdf> Energy Consumption outside the organization is not measured.

Qatar Steel actively contributes to the World Steel Association's Environmental Committee, specifically participating in the Climate Action data collection program. The committee, known as ECO, devises strategies and projects to help members fulfil environmental and climate change obligations, fostering a platform for sharing information and benchmarking in policy and technical realms across its membership.

In 2023, despite the increase in production which caused an increase in energy consumption, the energy intensity witnessed a slight decrease due to operational efficiency.





KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for Variance	2023 reasons for Variance
Energy consumption (amount of energy usage in GJ):							
• Diesel Consumption - Fleet (GJ)	32,672	39,385	49,304	21%	25%	Increased due to rise in production levels.	Increased due to rise in production levels.
• Gasoline Consumption - Fleet (GJ)	2,796	3,264	3,892	17%	19%		
• Natural Gas (GJ)	10,429,123	19,552,830	20,527,047	87%	5%		
• Electricity (GJ)	2,770,400	3,440,315	3,632,055	24%	6%		
Total consumption (in GJ):	13,234,991	23,035,794	24,212,298	74%	5%		
Production (in Tonnes) – Crude steel production	1,001,801	1,081,916	1,146,437	8%	6%		
Energy Intensity (GJ/Tonne)¹	13.21	21.29	21.12	61%	-1%		

Notes: ¹Data regarding energy intensity have been recalculated using the total crude steel produced instead of the total molten steel produced to align with the Worldsteel framework. This has led to no significant impact.

GHG Management

Qatar Steel distinguishes itself by utilizing natural gas as an energy source for steel production. This is a more environmentally friendly alternative to the conventional method of coal burning. In line with the QatarEnergy GHG Accounting and Reporting Programme, Qatar Steel's approach involves managing and reporting GHG emissions as carbon dioxide equivalent (CO₂eq) for Scope 1 and Scope 2 emissions.

Scope 1 emissions encompass direct emissions resulting from fuel combustion (natural gas, and flaring) and from emissions that take place in its processes. Emissions due to combustion of natural gas and flared gas are calculated using emission factors derived from the gas characteristics which are periodically analyzed. Gasses included in the calculations are CO₂, CH₄ and N₂O from Natural Gas combustion, materials, and process emissions. Scope 2 emissions cover indirect emissions arising from the generation of consumed electricity. These emissions are calculated using emission factors provided by QatarEnergy for the electricity imported from the grid.

Qatar Steel has successfully completed the verification process of its 2022 and 2023 data by an external verifier and obtained the Scope 1 and Scope 2 verification statements. Furthermore, to participate in the worldsteel CO₂ emissions data collection programme, Qatar Steel submits CO₂ emission monitoring data to worldsteel annually. In year 2022 and 2023, Qatar Steel received a recognition for 15-year participation in the "Worldsteel Climate Action Data Collection Programme" as climate action data provider (please click here or visit www.qatarsteel.com.qa for the certificate).



Both Scope 1 and Scope 2 absolute emissions experienced an increase in 2022 and 2023 compared to 2021. This notable increase can be attributed to the rise in production levels, primarily at the energy intensive DR2 facility, which heavily relies on natural gas combustion.

The reporting of GHG intensity at Qatar Steel is based on the ResponsibleSteel and World Steel Association framework, which employs the total production of crude steel as the denominator.

It is important to note that although GHG intensity has increased during 2022 and 2023 compared with 2021, Qatar Steel value of 1.34 tonnes CO₂eq/ tonnes of crude steel produced remains approximately 43% lower than the global industry average of 1.91 tonnes CO₂eq/ tonnes of crude steel produced¹ which includes different steel making routes combined such as BF-BOF, DRI-EAF and Scrap-EAF. Even when comparing our intensity to the global average for DRI-EAF route which is equal to 1.37 tonnes CO₂eq/ tonnes of crude steel produced¹, Qatar Steel's value is still lower.

Currently, Qatar Steel is actively evaluating the impact of transportation resulting from its production, including both procurement of raw materials and shipping of finished products. Qatar Steel analyses the percentage of transport taken place via sea or road, while also evaluating environmental footprint in terms of kilometres per tonne of material. The data is verified by third party auditor CARES on annual basis to issue Environmental Product Declaration (EPD) certificate for rebar (please click [here](#) or visit www.qatarsteel.com.qa for the certificate).

Qatar Steel conducted pre-feasibility studies focused on exploring and evaluating various initiatives aimed at reducing its Scope 1 carbon emissions.

In 2023, Qatar Steel collaborated with QatarEnergy to complete the Carbon Border Adjustment Mechanism (CBAM) model for calculating product carbon footprints in compliance with CBAM requirements which will give an opportunity to export QS products in European market.

Currently, Qatar Steel is actively engaged in formulating the Monitoring Methodology Documentation (MMD) to meet the specifications outlined by CBAM. Qatar Steel also participated in Environmental Sustainability workshop organised by QatarEnergy in 2023.

¹ <https://worldsteel.org/steel-topics/sustainability/sustainability-indicators-2023-report/>

Methane Management

To effectively manage and reduce the fugitive emissions, Qatar Steel has implemented a comprehensive program focused on monitoring and controlling natural gas losses. The downward trend of the fugitive emissions, compared to the first period of implementation of leak detection and repair (LDAR), highlights the efficiency of the program implemented. Methane emissions and LDAR findings provided valuable insights into the emission reduction achieved through equipment repairs and allowed for the mapping of new losses. Qatar Steel conducts LDAR surveys annually to monitor components for leaks and repair detected leaks within a specified time frame. The last survey was performed in February 2024.



Other air emissions

Significant air emissions for Qatar Steel, as listed on Consent to Operate (CTO), are those of sulphur dioxide (SO₂), nitrogen oxides (NO_x), and particulate matter (PM). These emissions primarily result from the combustion of natural gas. To effectively assess and control these emissions, Qatar Steel conducts regular monitoring activities. The monitoring procedures employed include Ambient Air Quality Monitoring (AAQM), monthly assessments of ambient air quality at various locations conducted by a third-party entity, utilisation of Continuous Emission Monitoring Systems (CEMS), and manual stacks monitoring.

To mitigate the impact of emissions, Qatar Steel implemented pollution control measures across all emission sources. These measures involve the use of bag house filters at EAFs and lime kilns, cyclone dust collectors, and wet scrubbers at DR Plants. Additionally, the company has established control units to address fugitive emissions, such as conveyor belts, hoppers, and suction hoods.

Due to the increase in production levels over the last two years, Qatar Steel observed a slight rise in PM emissions, with NO_x experiencing a notable increase of 52%. However, the company successfully managed to reduce SO₂ emissions by more than 50%.

QatarEnergy has appointed SGS, UK as the third-party verifier for the GHG reporting and verification. Qatar Steel has successfully completed the verification process in 2023 for Scope 1 and Scope 2 emissions of 2022.

KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for Variance	2023 reasons for Variance
Total GHG emissions (Metric Tonne of CO₂eq)	958,403	1,447,052	1,534,205	51%	6%	Increased due to rise in production levels.	Increased due to rise in production levels.
• Direct emissions (scope 1):	591,301	983,183	1,053,159	66%	7%		
CO ₂	590,788	982,219	1,052,150	66%	7%		
Methane (CH ₄) (Metric Tonne of CO ₂ eq)	264	495	518	88%	5%		
N ₂ O (Metric Tonne of CO ₂ eq)	250	469	491	88%	5%		
• Indirect emissions (scope 2):	367,102	463,869	481,046	26%	4%	Increased due to rise in production levels.	
CO ₂	367,102	463,869	481,046	26%	4%		
Production of crude steel (in Tonnes)	1,001,801	1,081,916	1,146,437	8%	6%		
GHG Intensity ratio - Crude (MT CO₂eq/production)	0.96	1.34	1.34	40%	0		
GHG Intensity ratio - Molten (MT CO₂eq/production)	0.95	1.33	1.33	40%	0		
Nitrogen oxides (NO_x), sulphur oxides (SO₂), and other significant air emissions (metric tonnes):							



• NOx	460	464	705	1%	52%		
• SO2	97	78	39	-20%	-50%		
• Particulate matter (PM)	206	169	208	-18%	23%	Reduction due to improved dust control measures	

Note: The reason for variance in NOx and SO2 in 2023 compared to 2022 is under review.

13.7 Water Management:

Committed to operating responsibly within a water-scarce region, Qatar Steel prioritizes reducing water consumption for the benefit of its operations, the community, and the environment. The company utilizes freshwater, seawater, and recycled water primarily for cooling and process needs. Qatar Steel's water management strategy focuses on three key goals: reducing freshwater consumption, minimizing seawater discharge, and increasing the recycling rate of treated wastewater. It is essential to note that company relies solely on seawater as its primary water source, rather than freshwater resources. The majority of water withdrawn is seawater, utilized for cooling purposes during the process and subsequently discharged back into the sea. Additionally, Qatar Steel procures freshwater from Kahramaa, obtained through the desalination of seawater, which is then utilized in its steel making, rolling mill, and DRI plants. Due to the nature of the steel making and rolling mill processes, the water evaporates and therefore there is no wastewater generation in these plants. On the other hand, the water used in the DRI plant for cleaning and cooling of reformed gas, is then sent to DR water treatment section to abate any ammonia present in the water before being discharged to sea. Part of the treated wastewater is reused in the plant for cooling, irrigation, and other purposes.

Qatar Steel's primary impact on water stems from the discharge of DR wastewater to the sea. Consequently, efforts are concentrated on minimizing the amount of wastewater discharged by reducing freshwater requirements, maximizing recycling initiatives, and implementing stringent controls to ensure compliance with regulations governing water discharge. By taking these measures, Qatar Steel aims to mitigate its environmental footprint and actively contribute to responsible water management.

In 2022, there were notable increases in water withdrawal, water consumption, and water discharge compared to 2021. These increases were primarily a result of production shifting to the DR2 plant, which boasts a higher capacity than the DR1 plant operational in 2021.

In 2023, Qatar Steel achieved a 54% increase in the amount of water recycled compared to 2022 recycled volume, primarily attributed to the utilization of wastewater for EAF slag dust suppression while handling. However, there was a simultaneous 36% rise in freshwater consumption, driven by the operation of previously mothballed plants and related activities.



The absolute volume of water reused witnessed a significant growth of over 38% in 2022 and 2023 compared to 2021. However, Qatar Steel has observed a shortfall in achieving its target relative to the percentage of water reused as the Near Zero liquid discharge (NZLD) plant is under commissioning and will be operational in 2024, where we are expecting to reduce the freshwater consumption by 80%. Major issues related to equipment, process, automation etc. have been faced during cold test run. The OEMs are involved to rectify all issues and finally plant equipment cold test run completed, and currently hot commissioning is in progress. The PGT expected to be completed by end of Q3 2024.

The wastewater discharge to the sea is maintained as per the guidelines set by Ministry of Environment and Climate Change (MOECC - Qatar). In 2023, there were no recorded instances of non-compliance with discharge limits..



KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
Water withdrawal in m3							
6. Water withdrawal by source:							
Seawater:							
• Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)							
• Other water ($> 1,000$ mg/L Total Dissolved Solids)	51,200,551	141,434,412	131,194,834	176%	-7%	Increased due to higher production levels	
Third-party water (purchased from Kahramaa)	437,609	832,186	872,779	90%	5%	Increased due to higher production levels	
TOTAL Water Withdrawal (seawater + third-party water)	51,638,160	142,266,598	132,067,613	176%	-7%	Increased due to higher production levels	
7. Water discharge by destination:							
• Seawater	51,358,254	141,938,090	131,619,963	176%	-7%	Increased due to higher production levels	
8. Water discharge by freshwater and other water:							
• Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	157,703	503,678	425,129	219%	-16%	Increased due to higher production levels	Increase in percentage of recycle wastewater mainly for slag dust suppression while handling
• Other water ($> 1,000$ mg/L Total Dissolved Solids)	51,200,551	141,434,412	131,194,834	176%	-7%		
9. Total amount of freshwater consumed in m3	279,906	328,508	447,650	17%	36%		Increased due to the operation of mothballed plants and activities.



KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
- Water recycled/ reused in m3	95,991	132,629	204,752	38%	54%		Increase in percentage of recycle wastewater mainly for slag dust suppression while handling
- % age of water recycled to total water consumed	34%	40%	46%	18%	14%		
- Freshwater withdrawal intensity in (m3/ Tonne of Molten Steel Produced)	0.44	0.77	0.76	75%	-1%		
- Freshwater consumption intensity in (m3/Tonne of Molten Steel Produced)	0.28	0.30	0.39	9%	28.6%		

13.8 Waste Management

Qatar Steel has developed a comprehensive procedure to effectively manage the identification, segregation, collection, and disposal of waste generated within its operations.

To ensure proper waste management, Qatar Steel's procedures include labelling and inspection of all waste before disposal at compliant storage, treatment, or disposal facilities. Qatar Steel tracks and documents waste movement using a Waste Transfer Note system. This system includes details such as waste description, location, transfer date and time, quantity, driver information, and vehicle registration. Every waste load must be accompanied by a Waste Transfer Note, and contracted waste carriers are required to submit transfer notes at the company's security gates upon exiting the premises.

A quarterly report summarizing all non-hazardous waste shipments is submitted to MoECC. Hazardous waste is temporarily stored in an approved facility and is disposed of locally through third-party contractors under disposal contracts. The waste contractor submits disposal certifications to verify adherence to waste management protocols. Contractor selection is based on strict technical evaluation criteria, and regular performance reviews are conducted. Periodic visits to waste disposal facilities are conducted to assess compliance and ensure proper handling of waste.



Additionally, the Facilities Department has made continual efforts in the management of non-hazardous waste. Qatar Steel implemented waste segregation practices starting from the point of generation, and recyclable waste is diverted to appropriate recyclers using designated containers distinguished by colour codes. Blue, yellow, green, brown, and black containers are used for collecting wood, plastic, domestic, general, and paper waste respectively. These properly labelled and colour-coded steel skips and plastic bins are strategically placed throughout the plant and office areas to facilitate segregated waste collection.

In 2022, Qatar Steel endeavoured to enhance efficiency and sustainability which led us to implement a paperless documentation management system. Under the guidance of top management, the Quality & Sustainability department collaborated with the IT department to launch a project aimed at digitizing and archiving documentation through an IT-based platform. The objective was to transform the organization into a paperless entity. Building on this initiative, in 2023, the project to implement a Document Management System across Qatar Steel continued. The objective remained consistent: to digitize and archive documentation through an IT-based platform, with the aim of transitioning the organisation into a paperless entity and promoting sustainability.

Through the implementation of waste management system, Qatar Steel has successfully achieved a significant reduction in overall waste production during the past two years.

In 2023, there was a nearly 300% increase in waste recycled (diverted from disposal). This substantial rise was primarily attributed to a significant increase in by-product recycling, driven by a higher percentage of EAF slag being diverted from disposal and processed for construction application.





KPI	Actual 2021	Actual 2022	Actual 2023	Variance 2021 v 2022	Variance 2022 v 2023	2022 reasons for variance	2023 reasons for variance
Waste Generated (MT)	252,844	381,523	394,295	51%	3%	By-Product generation increased due to increased production in 2022 compared to 2021.	
Waste diverted from disposal (MT) (Recycled)	109,311	715,398	2,853,410	554%	299%	Recycled as per the approved disposal/ recycling plan.	By-product recycling increased significantly due to increased percentage of EAF slag disposal for construction application
Hazardous waste (Onsite)	71.5	82.4	111.62	15%	35%		Increase due to the availability of disposed oily sludge and grease from old stock
Non-hazardous waste (Onsite)	53,447	58,495	72,309	9%	24%		
Non-hazardous waste (Offsite)	55,793	656,821	2,780,982	1077%	323%		By-product recycling increased significantly due to increased percentage of EAF slag disposal for construction application
Waste directed to disposal (MT)	738	834	949	13%	14%		
Hazardous waste (Offsite) - Incineration (without energy recovery)	2.14	0.13	1.45	-94%	1015%		
Non-hazardous waste (Offsite) - Landfilling	736	834	948	13%	14%		

Note:

- Waste generated includes Oxide fines, dust, slag, scrap etc.,
- 2021 data are restated due to recalculations with no significant impact.
- Waste diverted from disposal i.e., recycled includes the quantity not only generated in the reporting year, but also in previous years.



13.9 Biodiversity Management

Qatar Steel's facility operates in an area primarily intended for industrial usage, with no natural habitats, reserves, or sanctuaries in close proximity, except for the nearby sea. There are two ports, namely the MIC Mesaieed Industrial City Port and Qatar Steel's Port close to Qatar Steel's boundaries and the activities of both are conducted in alignment with Qatar's environmental laws and preventing any detrimental activities.

Environmental Impact Assessment studies conducted prior to new projects have consistently indicated that the area surrounding the plant has low environmental significance and thus a low potential for environmental impacts. To further ensure ecological safety, ecotoxicity studies are conducted whenever new materials are procured.

A comprehensive Biodiversity Impact Assessment conducted in 2021 confirmed that Qatar Steel's operations do not occur in areas of high biodiversity value and do not pose a harmful impact on the regional biodiversity. As a proactive measure to enhance biodiversity within Qatar Steel's premises, the Company undertook a tree plantation initiative in 2021, planting around 139 native tree species that can thrive in Qatar's local climate. In 2022, a third-party contractor was hired to support Qatar Steel's commitment to biodiversity improvement, and approximately 1500 trees were planted in 2023.

Furthermore, a study commissioned in 2021 assessed the ecotoxicity of substances used in plants, identifying Sodium Tetraborate and Titanium Oxide as the only substances of concern. Periodic analyses of seawater and groundwater confirm that these substances remain below detection limits, and regular inspections and audits ensure proper disposal of empty chemical containers.

On October 25, 2022, a representative from HSE Department actively participated in a workshop organized by the MoECC. The primary focus of the workshop was the development of a biodiversity database for the State of Qatar. The workshop highlighted its importance for multiple partners and stakeholders. Through active involvement in this workshop, Qatar Steel demonstrated its commitment to promoting and contributing to the conservation of biodiversity in the State of Qatar.

13.10 Employment

Recruitment and Management of Talents

Qatar Steel employs a strategic approach to attract and retain exceptional individuals. It encompasses targeted recruitment strategies, ongoing skill enhancement programs, and the creation of a supportive work environment. Qatar Steel has a dedicated employee portal under the company's official website. Qatar Steel's primary goal is to maximise the potential of employees and contribute to the overall success of the organisation. By effectively managing talent, Qatar Steel ensures that the right individuals with the appropriate skills are placed in the correct roles, thereby fostering increased productivity, innovation, and competitiveness.



In order to ensure transparency and effectiveness in recruitment processes and talent management, Qatar Steel established a comprehensive framework of processes and procedures. This includes key policies such as the Staffing and Placement Policy, Working Hours and Leave Policy, Allowances and Benefits Policy, as well as the Separation, End of Service, and Insurance Benefit Policy. These policies collectively provide clear guidelines and standards to promote fairness, accountability, and efficiency in workforce management practices, ultimately supporting its commitment to successful recruitment, employee well-being, and talent retention. Qatar Steel is actively pursuing to set a Talent Management Section within Human Resources which will oversee critical tasks such as strategic Qatarization, rewards and compensation, performance management, and succession planning.

Workforce Composition	Unit	2021	2022	2023
By Contract				
Full time Employees*	#	1,062	1,151	1,133
Full time Contractors ¹	#	950	1,058	1,272
Total staff	#	2,012	2,209	2,405
By Gender (full-time employees*)				
Female	#	8	10	12
Male	#	1,054	1,141	1,121
By Age Group (full-time employees*)				
18-30	#	57	58	34
31-40	#	436	435	376
41-50	#	426	480	489
51-60	#	142	175	229
60+	#	1	3	1
By Level (full-time employees*)				
Senior Management	#	27	32	34
Middle Management	#	169	177	184
Staff	#	866	942	911

*Full time Employees are the workers under the sponsorship and payroll of the organization calculated at the end of the year.

¹Full time contractors are calculated as the average number of contract employees working for Qatar Steel.



Qatar Steel's Contract Employees

The organisation maintained a consistent number of contractors throughout the years 2022 and 2023, with an average of 1,058 and 1,272 contractors working with Qatar Steel, respectively. The contractor count ranged from a minimum of 906 & 1054 to a maximum of 1,361 & 1740 in 2022, and 2023 as determined by monthly averages. The nature of organisation, operating in a sector with continuous operations year-round, contributed to the absence of significant fluctuations in contractor numbers.

Qatar Steel hires contractors for a wide range of activities, encompassing skilled and unskilled manpower, security services, service room waiters, IT staff, crane operators, cleaning services, emergency medical service, and various others.

All Contract Employees are ensured to be paid above the minimum wage as all contracts stipulated by Qatar Steel require that the Contractor ensure adherence to "Article 26 – Compliance with Qatar Laws". This Article states that the Contractor is obligated to comply with all applicable laws and regulations in the State of Qatar for the execution of the contract. This includes being responsible for identifying and paying all government levies, duties, fees, and charges related to the work.

Employment and Turnover

In the past two years, Qatar Steel was able to expand their workforce significantly. This achievement reflects Qatar Steel's dedication to strengthening its workforce and ensuring the necessary talent to support its organisational goals is in place.

New Employee Hires	Unit	2021	2022	2023
New employee hires	#	37	106 ¹	27

Note: 1 The increase in hires in 2022 was due to business needs, linked to the increased production.

In order to prioritise the happiness and satisfaction of employees, Qatar Steel has implemented an extensive array of benefits. These include life insurance coverage, wages above the Qatar Labour minimum wage, health care benefits, disability and invalidity coverage, maternal leave support, retirement provisions, education assistance programs, annual leave entitlements, annual air ticket allocation, dependents coverage for visa, air ticket, and medical needs, marriage loan for Qatari males, car loans and furniture grants, company-provided transportation or transportation allowance, company-provided accommodation or housing allowance, as well as gratuity and end-of-service benefits.

Furthermore, as part of Qatar Steel's ongoing commitment to employee engagement, it conducts an employee engagement survey every three years. The most recent survey was conducted in 2021 and the next survey is scheduled in 2024. These surveys allow Qatar Steel to gather valuable feedback from its employees, assess their level of engagement, and identify areas for improvement. In addition, Qatar Steel did a succession planning in order to identify suitable candidates for key strategic positions in 2023. Qatar Steel's continuous efforts have yielded notable results, particularly in reducing voluntary turnover rates among its employees. In 2022, Qatar Steel achieved an impressive low turnover rate of 2.4%, reflecting a remarkable decrease of over 40% in number of employees that left the company compared to the previous year (2021). However, in 2023, there was a slight increase, with the turnover rate rising to 3.9%.



New Employee Hires	Unit	2021	2022	2023
Total number of employees that left the organisation	#	47	28	44 ²
Board Approved Headcount	#	1,076	1,146	1,136
Turnover rate ¹	%	4.4%	2.4%	3.9%

Notes:¹ Turnover rate is calculated as the ratio between the total number of employees that left the organization and the Board Approved Headcount.

² 10 cases were due to retirement cases.

Following the complete data tables:

New Hires and Attrition	Unit	2021	2022	2023
New employee hires				
Total number of new employee hires	#	37	106 ¹	27
Total attrition	#	47	28	44
New employees, by gender				
Female	#	0	3	3
Male	#	37	103	24
New employees, by age group				
18-30	#	4	15	5
31-40	#	15	44	11
41-50	#	13	33	10
51-60	#	5	13	1
60+	#	0	1	0
Employees who left the organization				

New Hires and Attrition	Unit	2021	2022	2023
Total number of employees who left the organization	#	47	28	44
Employees who left the organization, by gender				



Female	#	0	1	1
Male	#	47	27	43
Employees who left the organization, by age group				
18-30	#	5	1	1
31-40	#	21	10	7
41-50	#	17	7	15
51-60	#	4	9	11
60+	#	0	1	10
Turnover rate	%	4.4%	2.4%	3.9%

Notes:1 The significant increase in hiring in 2022 was due to DR2 start-up with an increased production and was based on business need.

Remuneration Processes and Fair Wages

Ensuring non-discrimination and equal treatment is crucial, and a fundamental aspect of this is reflected in providing equal wages. Qatar Steel is fully committed to upholding fair wages for all its employees, with a particular emphasis on eliminating any gender disparities. Qatar Steel firmly believes that compensation should be based on merit and job responsibilities, rather than any other factors.

In order to ensure this, Qatar Steel has developed a remuneration structure for its senior executives that encompasses several components, including fixed pay and variable pay, bonus and annual increment, termination payments, and end-of-service benefits. Additionally, senior executives may be eligible for acting allowances in certain circumstances. In particular, bonuses and annual merit increments for all employees are determined based on individual performance results, company's financial results and annual guidelines received from its parent organisation.

To ensure alignment with inflation and adaptation to social and economic changes, the impact and effectiveness of policy is evaluated every three years. This periodic assessment allows Qatar Steel to gauge the relevance and efficacy of its strategies in light of evolving circumstances.

Fair Wages	Unit	2021	2022	2023
Gender Pay Gap	%	-9	-40	-28
Ratio of average salary of women to men	-	1.09	1.40	1.28
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	-	11.40	9.2	10.14



Incidents Related to Discrimination

In both 2022 and 2023, Qatar Steel recorded no incidents related to discrimination. Additionally, there were no incidents reviewed, and consequently, no remediation plans were implemented during these years.

In terms of benefits related to parental leave, in the following table the data relative to 2022 and 2023 is given:

Parental leave	2022	2023
Total number of employees that were entitled to parental leave, by gender.	All full-time employees	All full-time employees
Total number of employees that took parental leave	0	0
Total number of employees that returned to work in the reporting period after parental leave ended, by gender	0	0
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	0	0
Return to work and retention rates of employees that took parental leave, by gender.	0	0

The Benefits for workers are as follows:

1. Health insurance
2. Annual, Compassionate, Court, Pilgrimage, Industrial Accident/Illness Leave, Hospitalization / Specialist treatment, Iddah (confinement leave for female staff in case of death of husband), Sick, Marriage, Maternity and Special Leaves are treated in a dedicated policy which applies to all workers, independent of nationality and contract (full or part-time),
3. Senior Staff is allowed flexible working hours.
4. People with Medical conditions are allowed reduced working hours.
5. End of Service is provided.
6. Insurance coverage - Employees are covered both for Life and Medical and personnel Accident and occupational injuries.

Only the health insurance implies different benefits depending on nationality of the employee (Qatari and non-Qatari).





13.11 Occupational health and safety

Qatar Steel has a strong dedication to ensuring the safety and well-being of its employees and contractors. This is highlighted in the Sustainability Roadmap which has set the strategic objective of achieving a Zero-harm Culture and Performance.

Under the Health, Safety, and Environment (HSE) governance procedure overseen by the HSE Committee, Qatar Steel is committed to adhering to legal, regulatory, and licensing requirements related to occupational health and safety. Additionally, dedicated health and safety committees in each department conduct monthly meetings with employees and management to actively seek feedback on the HSE status in their respective sections.

Qatar Steel has implemented an expansive and well-developed safety governance structure that ensures efficient communication from top to bottom. This structure facilitates a seamless flow of messages, concerns, and progress reports, enabling informed decision-making. Furthermore, the organisation utilises key performance indicators (KPIs) and dashboards to measure health and safety performance, contributing significantly to the overall management of the topic, ensuring compliance, and identifying areas for improvement.

Safety campaigns focussing on high frequency incidents were rolled out through different media sources, including desktop screensavers, posters, etc. Preventative Safety campaigns, like Heat Stress Management was conducted, which included handing out of pamphlets, water bottles and car windshield shades to raise awareness of Heat stress during the summer months.

Health and Safety Management System

Qatar Steel has a Health, Safety, and Environment Management System (HSEMS) in place which conforms to the ISO 45001:2018 and ISO 14001:2015 standards. The HSEMS applies to all employees and workers who carry out activities on its premises and is internally and externally audited.

Within the HSEMS, Qatar Steel has developed a comprehensive set of 68 Health and Safety (H&S) procedures that effectively address a wide range of standard requirements. These procedures have been diligently implemented to guarantee the practice of safe work methods throughout its operations.

Qatar Steel's H&S procedures serve as valuable guidelines for adhering to safety protocols, such as Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), Permit to Work (PTW), and Lockout-Tagout (LOTO), during high-risk activities like confined space entry, excavation, hot works, safe lifting, and working at heights, among others.



To foster ongoing enhancements in management system, Qatar Steel actively engages every employee and contractor, valuing their input and ideas. Qatar Steel strives to include as many perspectives as possible, recognising that each individual's unique insights can contribute to the continuous improvement of its organisation. By encouraging open communication and creating a culture that values feedback, Qatar Steel promotes a collaborative environment where everyone feels empowered to share their thoughts.

Qatar Steel provides several channels to facilitate dialogue between employees and H&S management, including the Safety Observation System, Management Safety Meetings, Toolbox talk meetings, HSE surveys, directly submitting unsafe acts and conditions through the Enterprise Resource Planning (ERP) system in the HSE reporting module, or by contacting senior management during safety walks on the shop floor.

All employees and contractors and all processes and activities are covered by the HSEMS. In 2023, we worked on advancing an electronic work permit system with the goal of improving efficiency and streamlining processes, leading to a shift towards a paperless operational framework. Throughout this period, users were able to experience the benefits of digital issuance and execution of work permits. Various HSE audits have been conducted to ensure compliance to HSE systems and procedures.

More than 38 campaigns were conducted by the medical services team to raise awareness regarding health promotions, e.g. World Hypertension Day 2023, World Heart Day 2023, World Mental Health Day 2023, World Diabetes Day 2023, etc.





Process Safety Management

The newly implemented Process Safety Management (PSM) system in Qatar Steel is a crucial tool for addressing human performance in complex systems with inherent risks. This system comes highly recommended by the World Steel Association and is a mandatory requirement in accordance with ISO 45001:2018.

Originally established by the federal Occupational Safety and Health Administration (OSHA) in the USA, the PSM regulation serves as a preventive measure to assist companies in avoiding mishandling or release of Highly Hazardous Chemicals (HHCs). It encompasses various requirements related to the handling, usage, movement, storage, and manufacturing of these harmful substances. Compliance with PSM involves adherence to 14 rules and practices, including Process Safety Information, Process Hazard Analysis, Operating Procedures, Employee Participation, Process Safety Management Training, and more.

In 2022, Qatar Steel launched the Code of Practice for PSM, aimed at defining the minimum requirements necessary to effectively address process deficiencies. This document ensures that proper measures are in place to mitigate risks and promote a secure working environment. By following the guidelines outlined in the code, Qatar Steel can enhance process safety and proactively address any potential issues.

Qatar Steel conducts PSM training quarterly for operational staff from all departments and for a selected group of employees from support services who are involved in change management. Additionally, in 2023 Qatar Steel attended a PSM Conference held by QatarEnergy. This allowed it to gain a deeper understanding of the PSM framework and its benefits in avoiding incidents.

In the upcoming years, as part of future PSM plans, Qatar Steel aims to implement several initiatives. Firstly, Qatar Steel will establish a PSM System Auditing Procedure to facilitate regular and systematic reviews of its PSM systems. Secondly, Qatar Steel plans to launch a PSM Awareness eLearning Training program that will be accessible to all employees. This training will raise awareness about process safety management and equip its workforce with the necessary knowledge and skills to contribute to a safer working environment. Lastly, Qatar Steel will establish a Process Safety KPI Monitoring and Reporting System. This system will enable it to monitor key performance indicators related to process safety and generate regular reports.

Through these initiatives, Qatar Steel is committed to strengthening its PSM capabilities and ensuring the highest standards of safety in its operations.



Occupational Health

Qatar Steel's Qatar Steel Occupational Health Centre encompasses three key areas, one of which is occupational health services. The primary objective of the centre is to maintain and enhance the health and well-being of its employees. This is achieved through various medical examinations, including pre-employment, periodic, and specialised exams for employees exposed to hazards.

The Centre also covers primary health care and emergency medicine, with a dedicated medical services team comprising doctors, nurses, pharmacists, lab technicians, and paramedics. These professionals undertake preventative measures, conduct health awareness campaigns, and administer annual medical surveys. Additionally, they provide non-occupational medical and healthcare services to its employees.

Qatar Steel's medical services team has conducted an Occupational Hygiene survey in the past to monitor workers' exposure levels to various elements. HSE surveys are also conducted where employees can provide feedback with regards to effectiveness of the HSE management system and provide recommendations for improvement. Occupational Hygiene monitoring took place in 2023 to identify potential health risks associated with specific tasks and activities in the workplace.

Enhancements to existing health and safety procedures and tools are also underway. These include the procurement and installation of a new HSE Performance Statistics board, which will display updated HSE statistics such as live temperature readings. Furthermore, a Heat Stress Monitoring Station will be installed atop the HSE Building to provide the heat index data, enabling supervisors to adhere to the necessary requirements and safeguard employee well-being.

Health and Safety Performance

H&S procedures play a crucial role in guiding the adherence to safety protocols during high-risk activities. Qatar Steel's risk management process encompasses a comprehensive approach to identify and assess risks and hazards before commencing any activity, irrespective of its nature. As part of this risk management process, all operational departments are responsible for maintaining an approved Hazard Identification and Risk Assessment (HIRA) Register for routine activities. For non-routine activities, a valid Permit to Work (PTW) is required, which necessitates a HIRA or Job Safety Analysis (JSA) to ensure the incorporation of necessary controls. The Operations team (Permit Issuer) and Maintenance team (Permit Executor) are accountable for verifying the implementation of controls before issuing the permit. Additionally, contractors are also required to submit their risk assessments for review by its HSE department before commencing their activities.

Qatar Steel has also implemented the "STOP Card" system, empowering workers to halt any activity they evaluate to be unsafe or during which they perceive themselves to be in danger. This system encourages a proactive approach to safety by providing a mechanism for employees to report concerns or potential hazards. STOP Card incidents are documented and reported through the Enterprise Resource Planning (ERP) system.



In the event of an incident occurring, Qatar Steel has developed a classification system based on the actual and potential severity of the incident, ranging from S1 to S5, S1 being the lowest severity. S3 and above incidents are assigned to the HSE Manager for analysis and for selection of a Team Leader. The Team Leader will then carry out a Why Tree analysis methodology of the incident and identify corrective actions.

During 2022, Qatar Steel's premises experienced some incidents involving employees and contractors, primarily related to falling from height, hand injuries, and being caught in between objects. To thoroughly investigate these incidents, a comprehensive analysis was conducted using the Why Tree methodology. This analytical approach helped identify the root causes and contributing factors behind each incident, allowing to implement targeted corrective actions and preventive measures. The implementation of enhanced control measures was executed, and in cases where the risk of injuries remained high despite these measures, additional personal protective equipment (PPE) was adopted.

With the goal of becoming a Zero-harm culture and performance organisation, Qatar Steel has established targets to minimise its Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR). These metrics are calculated based on 1 million manhours for both our employees and contractors.

In 2022, the total recordable injury frequency rate (TRIFR) among employees and contractors slightly decreased compared to year 2021 and it continues to be significantly lower than the industry average (see TRIFR, World Steel in the following table). In 2023, there was a decrease in Lost Time Injury Frequency Rate (LTIFR), owing in part to Qatar Steel's Behaviour Safety training program to improve safety awareness among its employees. Moreover, Qatar Steel is implementing pre-task risk assessments to enhance communication effectiveness and bolster safety measures. Please find below full performance data:





Employees				
HS performance	Unit	2021	2022	2023
Total work hour	Hours	2,269,703	2,293,527	2,314,187
Lost Time Injuries	#	1	2	1
Lost Time Injury Frequency Rate (LTIFR)	-	0.44	0.87	0.43
Reportable Injuries	#	1	2	3
Reportable Cases (TRC) frequency rate ¹	#	1.32	0.87	1.30
Minor Injuries Reported	#	2	1	1
Near Missed Reported*	#	17	12	16
Number of fatalities as a result of work-related injury	#	0	0	0
Rate of fatalities as a result of work-related injury	#	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	#	1	2	1
Rate of high-consequence work-related injuries (excluding fatalities)	#	0.44	0.87	0.43
Number of recordable work-related injuries	#	1	2	3
Rate of recordable work-related injuries	#	1.32	0.87	1.30
Number of fatalities as a result of work-related ill health	#	0	0	0
Number of cases of recordable work-related ill health	#	0	0	0





Contractors				
HS performance	Unit	2021	2022	2023
Total work hours	Hours	2,757,025	3,162,839	3,662,362
Lost Time Injuries	#	1	0	2
Lost Time Injury Frequency Rate (LTIFR)	-	0.36	0	0.55
Reportable Injuries ¹	#	2	3	3
Reportable Cases (TRC) ² frequency rate ^{1,2}	#	0.73	0.95	0.82
Minor Injuries Reported	#	4	5	3
Near Missed Reported	#	0	0	4
Number of fatalities as a result of work-related injury	#	0	0	0
Rate of fatalities as a result of work-related injury	#	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	#	2	3	3
Rate of high-consequence work-related injuries (excluding fatalities)	#	0.73	0.95	0.82
Number of recordable work-related injuries	#	2	3	3
Rate of recordable work-related injuries	#	0.73	0.95	0.82
Number of fatalities as a result of work-related ill health	#	0	0	0
Number of cases of recordable work-related ill health	#	0	0	0

Note:

1 Data were restated due to clerical error.

2 Calculated over a 12-month rolling average.



Health and Safety Training

Qatar Steel supports the health and safety of its employees by providing comprehensive training programs. These trainings are designed to enhance their technical competence and raise awareness about potential workplace hazards, enabling them to effectively mitigate risks.

Throughout 2023, Qatar Steel offered HSE related trainings with regards to Accident Investigation, Root Cause Analysis, Behaviour Based Safety, Process Safety, Basic Fire Fighting and Emergency Management, Working at Heights, and Confined Space Entry. These trainings are conveniently accessible through HSE eLearning Platform, ensuring widespread availability and easy access for all employees.

The training modules on Qatar Steel's platform cover two important aspects. The "Employee Participation in HSE and Related Incentives" module aims to educate employees on the significance of their participation in HSE activities. It also highlights the different types of HSE recognitions and incentives provided, encouraging staff engagement and involvement in safety processes.

The "Awareness on HSE Training Courses" module focuses on increasing employees' knowledge about the various HSE training courses offered by the organisation. It helps them prioritise their training needs based on a sample hazard analysis of operational departments.

Qatar Steel recognises Health and Safety Training as being of paramount importance to achieve its goal of becoming a Zero-harm culture and performance organisation and it has therefore established a target to increase its Health and Safety training hours to 33,826 by 2026. In 2022, Qatar Steel experienced an increase in training hours, with 41% for employees and 32% overall (employees and contractors). In 2023, an overall decrease of 40% took place, which is primarily attributed to challenges in securing third-party training providers in the beginning of the year.

Health and Safety Training	Unit	2021	2022	2023
Employee training	Hours	30,892	43,466	20,598
Average hours of training per employee	Hours/employee	29.17	38.30	18.18
Contractor training	Hours	9,185	9,408	11,382
Average hours of training per contractor	Hours /contractor	10.15	8.89	8.95
Total hours of training	Hours	40,077	52,874	31,980
Note: Figures restated due to recalculation.				

In 2023, Qatar Steel introduced an Electrical Safety module that addresses the elimination, removal, and prevention of electrical hazards in both plant and office environments.

Additionally, Qatar Steel will develop technical courses based on procedural and needs analysis requirements.



13.12 Training and Education

Qatar Steel believes that investing in training and development programs cultivates a skilled and adaptable workforce, enhancing the organisation's human capital. As part of its strategic objective to nurture human capital, Qatar Steel has therefore set a specific target to increase training hours per employee. This target is aimed at facilitating the growth and development of its workforce.

By 2026, Qatar Steel intends to achieve a milestone of 54 training hours per employee. Through increased training hours, Qatar Steel aims to empower its workforce, promote continuous learning, and equip employees with the necessary tools and expertise to succeed in their roles.

In 2022, Qatar Steel has established a partnership with the World Steel Association, leveraging their Steel university online programs to provide employees with access to an extensive collection of Metallurgy courses.

In 2023, we revamped the structure of Qatari Development Plans with the objective to enhance employee skills and align individual development with our organizational goals which resulted in the creation of 3 different development programs i.e. DDP (Developee Development Program), IDP (In-Post Development Program), and CDP/SP (Career Development Program/Succession Planning Program).

In 2023, we revamped the structure of Qatari Development Plans by introducing new formats such as DDP, IDP, and CD/SP. Each of these development plans serves specific purposes. Additionally, we diversified the delivery of our training programs by adding Technical, IT, and Soft Skills courses to our annual calendar.

Throughout the year, we successfully executed 121 training programs attended by a total of 1777 employees. These programs comprehensively addressed various facets of our training requirements, encompassing technical areas such as Managing Shutdowns, Turnarounds, Planning & Outages, Project Management Professional, and Steel Metallurgy ("Microstructure, Process, and Properties"). Additionally, Soft Skills were honed through programs on Team Building, Public Speaking, and Change Management, while HSE aspects were covered in sessions on Lock Out & Tag Out (LOTO), Permit to Work (PTW), and Certified Forklift Operation. IT proficiency was enhanced through courses on MS. Office and Cyber Security.

Furthermore, significant emphasis has been placed on enhancing training programs, introduced a range of new technical training topics, including Problem Solving and Decision-Making Skills for Engineers, Preventive and Predictive Maintenance, Process Plant Optimization Technology, Project Management Professional (PMP), Effective Interviewing and Selection Skills, as well as Steel Metallurgy focusing on "Microstructure, Process, and Properties" and Continual Improvement. Additionally, incorporated soft skills courses such as Presentation Skills, Negotiation Skills, and Planning and Organizing.



Qatar Steel has also expanded its internal training program, organizing it around five main categories: HSE Training, Technical Training, Soft Skills Training, English Language and E-learning. In total, 135 in-house training programs were delivered during the 2023 exercise, with a specific focus on 12 local training programs, primarily centred around technical subjects.

Qatar Steel has a policy regarding anti-corruption, which is available to all employees through the company intranet. Ethics & Business Conduct Committee members and Board of Directors (2 nos.) approved the Ethics & Business Conduct Charter in April 2021. This charter is aligned to QS Code of Ethics & Business Conduct Policy, also covering anticorruption practices. All employees (100%) are signing off the Code of Ethics & Business Conduct on an annual basis. Their acceptance, including disclosures like private business, family members, conflict of interest, is recorded digitally. HR also ensures the awareness of the Code of Ethics & Business Conduct for the new employees. Clauses for Compliance with the Company's Ethics and Business Conduct are incorporated in most of the contracts with the Company's contractors.

Training Company-Wide	Unit	2021	2022	2023
Total cost of training	QAR	619,392	1,282,785	1,745,533
Total hours of trainings for female employees	Hours	4	246	550
Total hours of trainings for male employees	Hours	31,215	36,827	41,560
Total number of training hours	Hours	31,219	37,073	42,110
Average hours of training for female employees	Hours/ female employees	0.5	25	46
Average hours of training for male employees	Hours/ male employees	30	32	37
Average hours of training per employee	Hours/ male employees	30	32	37
Average hours of training for senior management	Hours/ Senior Managers	10	21	36
Average hours of training for management	Hours/Managers	21	49	77
Average hours of training for staff	Hours/ Staff	32	31	35
Average hours of training for Nationals	Hours/ Nationals	27	50	58



The training requirements of each employee are used to compile an In-house training calendar, which is subsequently distributed to all employees via departmental training coordinators. In 2022 and 2023, training hours increased by almost 19% and 14%, respectively. The cost of training per employee also saw a significant rise, with an increase of over 91% in 2022 and 38% in 2023. These figures indicate that the organization is actively investing in its employees' skill development and knowledge enhancement during this period.

13.13 Performance Review

Qatar Steel prioritises the growth and development of its employees. To achieve this, Qatar Steel implemented a comprehensive Yearly Appraisal Process that assesses its employees' performance in three key areas: technical performance, behavioural performance, and individually defined objectives. This process allows Qatar Steel to provide constructive feedback, recognise achievements, identify areas for improvement, and support their professional advancement within the company. Within Qatar Steel's performance review process, Qatar Steel thoroughly examines the training requirements of its employees and design customised programs to address their individual needs.

To improve the overall performance of low performers, Qatar Steel implemented a focused Performance Improvement Plan (PIP) in coordination with the Learning and Development Department. In 2022, 17 employees enrolled in the PIP and all of the employees now receive regular performance reviews.





13.14 Supply Chain

In line with Qatar Steel's strategic objective of Championing Sustainability Stewardship, Qatar Steel has established a series of targets related to its procurement practices that will be implemented progressively, aiming to have them all fully in place by the end of 2023.

Qatar Steel's main raw materials are Iron Oxide Pellets, procured from Sweden, Oman, Brazil, and other countries, and Steel Scrap, locally supplied. No major changes took place in 2022.

These targets include the development of a comprehensive 'Supplier Code of Conduct' and the creation of a 'Responsible Sourcing' Policy. Additionally, Qatar Steel will conduct a thorough assessment of all its suppliers to identify their sustainability impact in areas such as health and safety, environment, and human rights. Furthermore, an annual evaluation of suppliers based on environmental, social, and governance (ESG) factors will be conducted, with the outcomes of these assessments being reported in its sustainability reports.

As of today, Qatar Steel has in place tools such as Qatar Steel's Governance Charter and Procurement Policy (please click here or visit www.qatarsteel.com.qa) which serve as frameworks for implementing best practices in the supply chain management. In 2022 Qatar Steel introduced the "Responsible Sourcing" Policy which emphasises its will for fair business practices and health and safety, environmental and human rights protection within supplier organisations, and Qatar Steel expects all suppliers to comply with a Code of Ethics and Business Conduct policies.

To optimise Qatar Steel interventions, a thorough analysis of its suppliers has been conducted to identify key categories. The classification of these suppliers as "key" is determined by two primary factors: the volume of materials purchased from them and the corresponding spending. Based on this analysis, it has been concluded that the key suppliers are those from whom Qatar Steel procures the following raw materials: iron ore pellets, steel scrap, ferro silicon manganese, and ferro silicon. For these suppliers, an evaluation sheet has been prepared based on ESG criteria, with the possible achievable score ranging from 0 to 100. Qatar Steel preferably engages with suppliers having scores higher than 50. Suppliers with established Environmental, Health, and Safety Management Systems are given priority through this scoring process, while those without such systems are encouraged to develop their policies and governance frameworks. Furthermore, Qatar Steel encourages suppliers to adhere to human rights and labour practice standards, including ILO conventions on child and forced labour, non-discrimination, and more.

Qatar Steel's main Raw Materials are:

- Iron Oxide Pellets, procured from Sweden, from a supplier owning ISO 14001, 45001 and 9001 certifications and sustainability certification, and
- Steel Scrap wholly procured locally.



The suppliers screened for their environmental and social impacts are at the moment the suppliers of key raw materials, i.e., oxide pellets, scrap, and ferroalloys. Qatar Steel intends to extend the list of suppliers subject to this screening in the future. In 2022 overall, 76% of key raw material suppliers are certified for ISO 9001, ISO 14001.

The following considerations apply only to the suppliers of key raw materials, who represent around 85% to 90% of raw materials on an economical basis. Significant actual and potential negative environmental impacts identified in the supply chain are: GHG Emissions and Air Quality, Waste Management, Water Efficiency, Biodiversity Conservation, and Energy Efficiency. Significant actual and potential negative social impacts identified in the supply chain are: Occupational Health and Safety, Ethical Business Practices and Legal Compliance, Human Rights and Labor Practices, and CSR initiatives.

The suppliers are required to demonstrate the above compliance through certificates / Sustainability Reports/ third party evaluation reports.

In 2022 there was one new supplier, which was screened for its environmental and social performances. No suppliers of key raw materials identified as having significant actual and potential negative environmental impacts. There were no suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon or terminated as a result of assessment.

All of the key raw materials suppliers are identified as having significant actual and potential social impacts. 91.3 % (in weight) of key raw material suppliers were screened for their social performances, for a total of n° 4 suppliers.

No suppliers were identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment or with which relationships were terminated as a result of assessment.

No operations and suppliers considered to have significant risk for incidents of child labour, young workers exposed to hazardous work, or forced labour, as suppliers are requested to provide an ILO declaration to ensure these practices are not in place.

Additionally, since 2016, Qatar Steel held the BRE BES 6001 Issue 3.1 responsible sourcing certification from CARES. This certification ensures that construction products are manufactured using responsibly sourced materials. The BRE standard BES 6001 encompasses various aspects such as organisational governance, supply chain management, and environmental and social considerations, all of which must be addressed to ensure responsible sourcing of construction products.



13.15 Local Procurement

Qatar Steel plays a vital role in fostering the economic progress of Qatar through its active support of local businesses via a supply chain localisation program known as 'Tawteen'. Spearheaded by QatarEnergy, Tawteen is a strategic endeavour that effectively bolsters the domestic economy by creating fresh prospects and enhancing the capabilities of Qatari-based companies, specifically small and medium enterprises (SMEs).

This comprehensive program encompasses three fundamental pillars: the facilitation of new investment opportunities, the implementation of supplier development initiatives, and the introduction of a pioneering In-Country Value (ICV) Policy.

This year witnessed a significant rise in total procurement spending (+74%) attributable to increased production. While the spending on local suppliers experienced absolute growth (approximately 29%), it did not keep pace with the overall spending. This is primarily due to the limited availability of scrap within Qatar, causing Qatar Steel to substitute this raw material with others. As a consequence, spending on local suppliers decreased from 35% in 2021 to 26% in 2022.

In 2023, the total procurement spending experienced an 18% decrease, primarily attributed to a reduced quantity of iron oxide pellets purchased. This reduction was influenced by the surplus from the previous year, 2022. Additionally, the average price of iron oxide pellets in 2023 was lowered compared to the prices recorded in 2022. The total procurement spending in 2023 decreased by 18% due to less quantity of iron oxide pellets purchased since there was a left over from 2022. Also, average price of iron oxide pellets was reduced in 2023 compared to 2022.

Local Procurement	2021 (‘000 QAR)	2022 (‘000 QAR)	2023 (‘000 QAR)
Total procurement spending	1,890,022	3,294,532	2,701,453
Spending on local suppliers	659,497	847,580	926,607
Spending on local suppliers	35%	26%	34%

Spending on SMEs

In its commitment to fostering inclusive growth within the national economy, Qatar Steel places special emphasis on supporting local small and medium sized enterprises (SMEs), defined as enterprises with less than 250 employees, and particularly those from which Qatar Steel procures scrap. In 2023, the decrease in spending on local SMEs is mainly due to the less availability of local scrap. Qatar Steel defined a strategic target aiming at increasing spending on local SMEs. As part of this initiative, Qatar Steel closely monitors the annual expenditure dedicated to these organisations.



Spending on local SMEs	Unit	2021	2022	2023
Spending on local SMEs	Million QAR	151	188 ¹	112

Notes:

1Restated due to recalculation.





13.16 Local Communities

Impact on Local Communities

Qatar Steel's facility operates in an area primarily intended for industrial usage, with no natural habitats, reserves, or sanctuaries in close proximity, except for the nearby sea. There are two ports, namely the MIC Mesaieed Industrial City Port and Qatar Steel's Port close to Qatar Steel's boundaries and the activities of both are conducting in alignment with Qatar's environmental laws and preventing any detrimental activities.

Environmental Impact Assessment studies conducted prior to new projects have consistently indicated that the area surrounding Qatar Steel's plant has low environmental significance and thus a low potential for environmental impacts. To further ensure ecological safety, ecotoxicity studies are conducted whenever new materials are procured.

Throughout the reporting period and since the inception of Qatar Steel's plant operations, there have been no recorded incidents of violations related to the rights of indigenous peoples. This achievement further strengthens Qatar Steel ability to foster trust within the communities where it operates.

Community Trust, Health, and Investment (CSR)

As part of Qatar Steel strategic goals, it is committed to empowering local communities. To achieve this, Qatar Steel has established ambitious targets that include augmenting CSR spending, developing a comprehensive CSR strategy and framework, and implementing a CSR Policy.

Qatar Steel has introduced intense internship programs, lasting eight to twelve weeks every year, for students and/or graduates from various scientific backgrounds. In 2022, twenty students from national and international universities underwent internship programs at Qatar Steel.

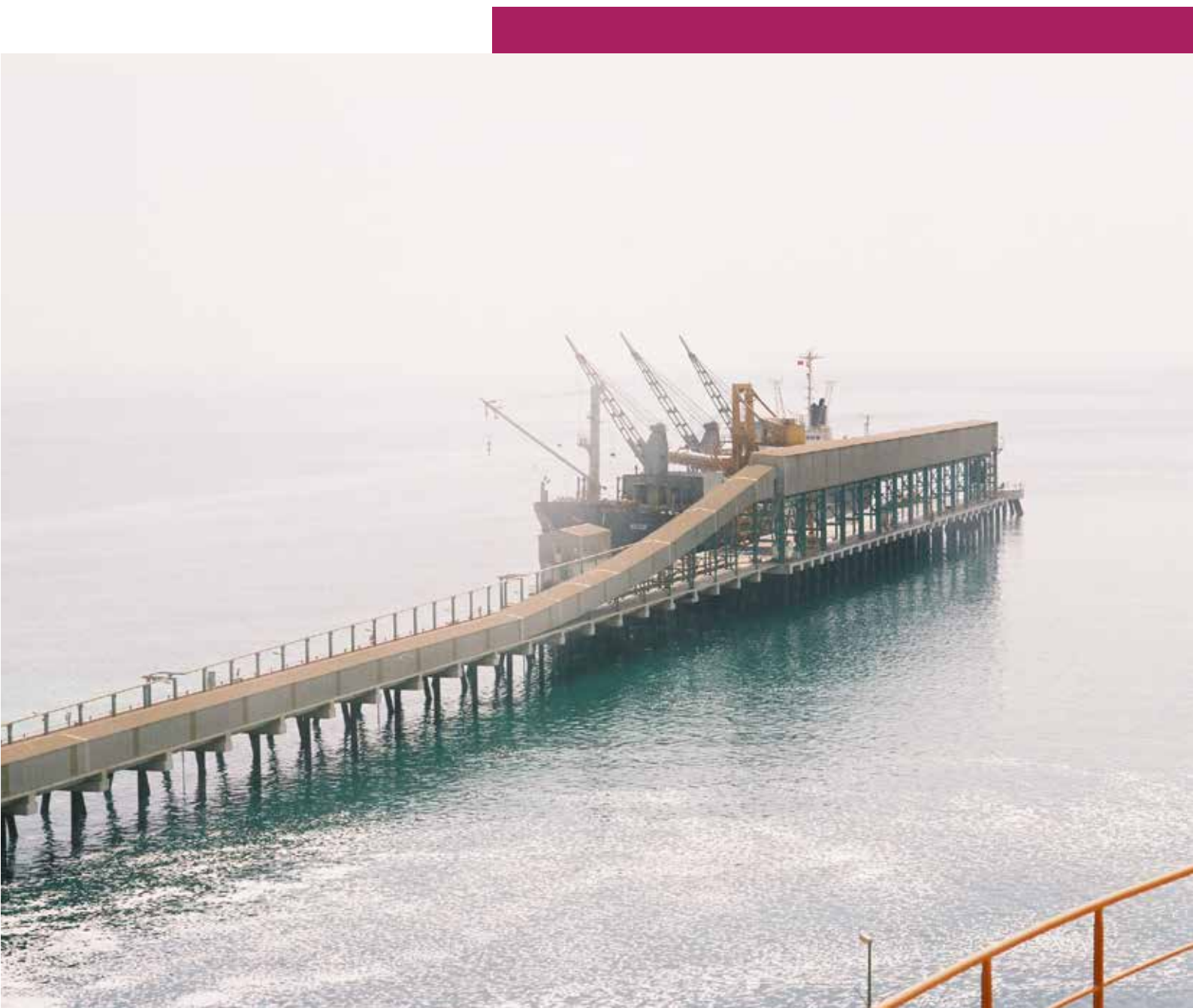
In 2022, Qatar Steel invested 35,000 QAR in local CSR projects. In 2022, this included providing social support to the Qatar Amateur Radio Society, demonstrating its commitment to society, and fostering a positive image. The allocated value for this initiative amounted to 20,000 QAR. Additionally, Qatar Steel extended its social support to a school, promoting the plantation of trees within their premises to enhance greenery. A total value of 15,000 QAR was allocated to this endeavour and a certificate was received from Al Salam School. In 2023, QAR 100,000 was invested in local CSR projects which included contributions of 25,000 Qatari Riyals to the Qatar Cancer Society, 50,000 QR to the Qatar Amateur Radio Society, and 25,000 QR to Al Wakra School for refurbishment projects.



In line with Qatar Steel's commitment to employee well-being and community service, Qatar Steel continues to take proactive measures in organising and participating in events and activities. A list of the events and activities carried out in 2022 and 2023, all designed to promote wellness and foster harmony among its employees and community, can be found in Qatar Steel's 2022 and 2023 Sustainability Report published on its website.

Qatar Steel is liable for the requirement of Mesaieed Industrial City (MIC), QatarEnergy and Ministry of Environment and Climate Change (MoECC). As compliance to its environmental obligations, Qatar Steel is regularly conducting environmental monitoring of ambient air quality, stack emissions, ground water quality, noise level, GHG monitoring & Weather monitoring.

No incidents of violations involving the rights of indigenous peoples were recorded during the reporting period or ever since starting the operation of the plant.





13.17 Product responsibility

Materials and Circular Economy

Qatar Steel aspires to be the foremost leader in recycling and reusing within the Qatar industry sector. To accomplish this ambition, Qatar Steel remains committed to utilising responsibly sourced materials and maximising the utilisation of recycled or scrap materials whenever feasible, while optimising the management of the by-products that are generated within its processes.

Using Recycled Raw Materials in Steel Making

Scrap serves as the primary raw material for recycling at Qatar Steel, sourced from both local suppliers and internal processes. In addition to scrap, the company recycles materials such as MgO-C bricks and reduced briquettes (RBQ) from its operations. Despite ongoing efforts to increase recycling, there was a decrease in the percentage of scrap and overall recycled materials used in processes during 2022. This decline is attributed to a reduced availability of local scrap compared to previous years. To prevent similar situations in the future, we are committed to conducting research to identify new suppliers beyond our local network. However, after restarting of cold briquetting plant, in 2023 we consumed around 22,000 tonnes of DRI fines and DRI dust to produce reduced briquettes and consumed in EAF.

In our pursuit of becoming a leader in material management through reuse and recycling, we have initiated a comprehensive research project. The focus is on identifying potential avenues for reusing and recycling steel by-products in alignment with the World Steel Net-Zero Methodology Pathway. This initiative has uncovered various opportunities. Firstly, we successfully commissioned our by-products briquetting plant, which restarted its operations in 2023. Additionally, we have identified other promising opportunities, including the supply of EAF dust for cement clinker production in a local cement company, recycling lime dust in our DR plant for oxide pellet coating, recycling MgO-C Bricks as a partial replacement of dolomite in EAF, and recycling of DR fines and DR dust in the cold briquetting plant.





Recycled Raw Materials used for Steel Making	Unit	2021	2022	2023
Total raw materials to the process ¹	Tonnes	1,185,516	1,294,368	1,374,999
Scrap used in the process	Tonnes	370,990	308,010	280,519
% of scrap in metallic charge weight ²	%	33	25	21.74
Total Recycled Input Materials ³	Tonnes	376,654	312,243	302,379
Total Recycled Input Materials ³	%	32	24	22

Notes:

¹Total raw materials used for steel making includes Scrap, DRI/HBI, Ferroalloys, Carburiser, RBQ, Carbon Injection Material, Lime, Dolomite, Lump Coke.

²Metallic charge includes DRI, HBI, HBI Chips/Fines, DRI Fines, RBQ and Scrap.

³Total Recycled Materials include Scrap, RBQ (Reduced Briquettes), MgO-C bricks.

By-products Management

Qatar Steel successfully developed a thorough protocol that outlines the steps for identification, segregation, collection, and disposal of waste generated as a result of its business operations. In addition, extensive research was conducted and implemented diverse strategies to effectively recycle by-products internally or externally to Qatar Steel.

In 2022 Qatar Steel accomplished a significant milestone, surpassing its 2026 target for recycling all generated Electric Furnace (EF) slag by externally recycling it for several construction application. Furthermore, Qatar Steel exceeded its initial goal of recycling 84% of all other by-products by doubling the achievement within the reporting period by recycling through a third party.

In 2023, there was a significant increase in recycled by product with almost 300% due to recycling of EF slag exported from old stock.

Recycled by-products (Internally and/or externally)	Unit	2021	2022	2023	2026 target
EF slag	Tonnes	71.35	306,246	1,431,882	-
EF slag ¹	%	0.1	233	972	100
Other by products recycled	Tonnes	108,832 ²	408,713	1,410,976	-
Other by products recycled	%	72	164	577	84
Total recycled by-products	Tonnes	108,903 ²	714,959	2,850,857	-
Total recycled by-products	%	43	188	726	-

Notes:

¹Percentages are calculated as the amount of material recycled during the year, over the amount of the same material generated during the year. Percentages higher than 100 indicate that the by-product recycled was not only produced in the reporting year, but also in previous years.

²Restated due to clerical error.



In pursuit of its goal to become the leader in material management through reuse and recycling, Qatar Steel has undertaken a comprehensive research initiative. Qatar Steel focus has been on identifying potential avenues for reusing and recycling steel by-products aligning with the World Steel Net-Zero Methodology Pathway. As a result, Qatar Steel has identified several opportunities. Firstly, Qatar Steel successfully commissioned its by-products briquetting plant, which restarted its operations in 2023. Additionally, Qatar Steel has identified other promising opportunities, including the supply of EAF dust for cement clinker production in a local cement company, recycling lime dust in its DR plant for oxide pellet coating, recycling MgO-C Bricks as a partial replacement of dolomite in EAF, and recycling of DR fines and DR dust in the cold briquetting plant.

Material Efficiency

To ensure efficient monitoring of its materials management performance, Qatar Steel has implemented a key performance indicator (KPI) that holds great importance for its production process. This KPI is determined by calculating the ratio between the raw materials utilised in the process and the quantity of semi-finished products produced¹. Qatar Steel's material efficiency has remained relatively stable over the past three years, showing little variation.

Material Efficiency	Unit	2021	2022	2023
Material Efficiency	%	84.50	83.59	83.38

Notes: The raw materials included in the calculation are scrap, DRI/HBI, ferroalloys, carburiser, Reduced Briquettes, carbon injection material, lime dolomite, and lump coke. The semi-finished products include billet, bloom, and slab

No incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling. No incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. No substantiated complaints received concerning breaches of customer privacy. Qatar Steel did not receive any complaint about data breach or complaint from regulatory body. No cases were reported in relation to leaks, thefts, or losses of customer data. In 2022, Qatar Steel received 6 customer claims through the Sales & Marketing department relating to product quality and resolved them successfully. In 2023, Qatar Steel received 26 customer complaints and resolved them successfully after conducting the root cause analysis with corrective and preventive action thereby increasing customer satisfaction.



Product Quality and Safety	Unit	2021	2022	2023
Regulations and/or voluntary codes concerning the health and safety impacts of products and service				
Incidents of non-compliance with regulations resulting in a fine or penalty	#	0	0	0
Incidents of non-compliance with regulations resulting in a warning	#	0	0	0
Incidents of non-compliance with voluntary codes	#	0	0	0
Product and service information and labelling				
% of significant product or service categories covered by and assessed for compliance with company procedures for product and service information and labelling	%	100	100	100
Number of incidents of non-compliance with regulations concerning product and service information and labelling, resulting in a fine or penalty	#	0	0	0
Number of incidents of non-compliance with regulations concerning product and service information and labelling, resulting in a warning	#	0	0	0
Number of incidents of non-compliance with voluntary codes concerning product and service information and labelling	#	0	0	0
Product and service communication				
Number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship, resulting in a fine or penalty	#	0	0	0
Number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship, resulting in a warning	#	0	0	0
Number of incidents of non-compliance with voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship,	#	0	0	0





Qatar Steel has received the Certificate of Conformity as per DIN 488 Grade B500B by KIWA Germany & BRL 0501 Grade B500BKOMO certification by KIWA Netherlands (For Diameter D10 ~ D40) in 2023. This product certification will enable Qatar Steel to supply reinforcement bars to Germany & Netherlands.

In addition to a Certificate of Product Conformity as per BS 4449:2005 +A3:2016 Grade B500B by Dubai Central Laboratory Department (DCLD) For Diameter D8 ~ D40. This product certification will enable Qatar Steel to supply reinforcement bars to United Arab Emirates.

The laboratory at Qatar Steel received prestigious recognition from the Public Works Authority by being listed as an accredited lab for 'Ashghal.' in 2023. This noteworthy acknowledgment stands as evidence of our team's steadfast commitment and dedication to maintaining the highest standards of quality and excellence in laboratory testing. The recognition is attributed to our unwavering commitment to ensuring accuracy and precision in all laboratory procedures, utilizing cutting-edge technology and methodologies, fostering a culture of continuous learning and professional development, as well as providing exceptional customer service and support.





13.18 Qatarization

Qatar Steel has implemented numerous measures to enhance the representation of nationals within its workforce, specifically in key positions. We have a dedicated Qatarization portal under the company's official website. These initiatives exemplify its commitment towards supporting Qatar's 2030 National Vision.

Qatar Steel implemented a comprehensive approach to attract and retain local talent:

- **Developing targeted human capital programs for attracting Qataris:** To attract fresh talent, Qatar Steel adheres to local industry best practices by offering competitive pay packages, specialised training programs, and continuous career development opportunities. Qatar Steel's attractive salary and benefits packages include group insurance, retirement benefits, tuition reimbursement, sick leave, and paid vacation.
- **Focusing on education:** Qatar Steel actively supports educational opportunities through scholarships and sponsorship programs, as well as providing alternative work arrangements for newly hired Qatari trainees. Qatar Steel had implemented an On-job Training programs for young graduates. Qatar Steel invested over QAR 2 million in education for Qatari students and Qatar Steel employees in 2022 and 2023 through a scholarship program. This initiative facilitated the education of five Qataris studying in the UK and one attending the University of Doha for Science and Technology in 2022. Additionally, in 2023, eight scholarships and one sponsorship were granted.

Qatar Steel's target is to achieve a 20% Qatarization rate in the next five years. In 2022 and 2023, Qatar Steel observed a slight decrease in its performance, despite hiring new Qatari employees, in 2022 and 2023. However, when considering the overall picture, Qatar Steel performance remains in line with the targets set.

Qatarization	Unit	2021	2022	2023
Qatarization rate	%	14.31	13.29	13.48

Qatar Steel is fully committed to reach the Qatarization target of 20% by 2028. Qatar Steel's comprehensive strategy involves a year-on-year increase of around 3 percentage points in the local content, starting from a baseline of 8.6% in 2019. To achieve this target, Qatar Steel will actively offer full-time job opportunities to qualified interns and intensify the recruitment of local talents. We have designed a five-years Workforce Planning Forecast in which we have identify the number of Qataris that need to be recruited on annual basis and where they will be integrated once they join our company.



13.19 Governance structure

The Board of Directors, consisting of seven highly skilled members, is appointed by the sole shareholder, Industries Qatar (IQ). The key governing bodies within the corporation are the Board of Directors (BoD) and the Board Audit Committee, which comprises Board members. Each member of the Board serves a three-year tenure.

Board Composition	Unit	2021	2022	2023
Members of the BoD	#	7	7	7
Executive members of the BoD	#	1	1	1
Non-executive members of the BoD	#	6	6	6
MALES ON THE BoD	#	7	7	7
Females on the BoD	#	0	0	0

The Board of Directors, consisting of seven highly skilled members, is appointed by the sole shareholder, Industries Qatar (IQ). The key governing bodies within the corporation are the Board of Directors (BoD) and the Board Audit Committee, which comprises Board members. Each member of the Board serves a three-year tenure. The Board Charter governs the conflicts of interests' subject matter, and any conflict of interest is reported accordingly.

To ensure ethical conduct, the Board of Directors have approved a Code of Ethics and Business Conduct Policy. Additionally, two members are appointed as Ethics Committee members to oversee conflicts of interest. Annually, a comprehensive declaration is signed by all board members, covering personal and business transactions, as well as identifying and addressing any conflicts of interest that may arise.

The Board Charter includes an approved Directors Remuneration Policy. In the case of the Board of Directors, their remuneration is determined by IQ on a fixed basis in accordance with the Articles of Association (AOA).

The highest governing bodies are the Board of Directors and the Board Audit Committee, formed of Board members.

The Board and Committees Performance Assessment Policy is part of the corporate governance structure put in place to assess the effectiveness of the Board of Directors and the Board Committees.



13.20 Managing the impacts

Qatar Steel has a robust safety governance structure that links top management to shop floor in a structured manner, with clear reporting lines and mechanisms. The purpose of the governance structure is to drive messages, concerns, and progress from the bottom-up, and cascade decisions top-down while ensuring an effective process. The governance system is equipped with a set of leading and lagging KPI's and dashboards to measure and monitor safety performance in an effective, structured, and sustainable manner to drive decision making.





13.21 Risk Management

Environmental Management and Environmental Risk Management

Qatar Steel places significant value on the preservation of planet's natural environment and is committed to managing its environmental impacts responsibly. Qatar Steel recognises that companies that do not effectively address environmental risks may face challenges to their social license to operate and their financial performance. In line with the QNV, Qatar Steel's long-term sustainability objective is to enhance overall business efficiency through continuous innovation while operating within the limits of the ecosystem and available resources.

Environmental Management

Qatar Steel implemented an efficient Environment Management System (EMS) that complies with the ISO 14001:2015 standard and meets the Environment Protection Regulations established by the Ministry of Environment and Climate Change (MoECC) in Qatar. Qatar Steel strives for continual improvement of its systems and processes, conducting internal and external audits.

Qatar Steel's environmental performance is measured, analyzed, and communicated to stakeholders. Qatar Steel has developed a comprehensive monitoring plan to comply with the Consent to Operate (CTO) permit issued by the MoECC and shares quarterly environmental reports with relevant departments within the organisation, QatarEnergy, and the MoECC. The monitoring and reporting cover topics such as air emissions, noise levels, ambient air quality, hazardous waste management, groundwater quality, by-products management, and the use of recycled materials within its operational area. All reports and records are carefully reviewed and monitored to ensure compliance. Should any deviations from the CTO conditions be identified, strict mitigation measures and recommended controls are implemented. In 2022, Qatar Steel successfully secured CTO permits for the graphite electro coating workshop and fuel station. These permits are valid until 2025.

Finally, Qatar Steel is proud to state that no fines and non-monetary sanctions were incurred for any non-compliance with environmental laws or regulations over the past three years.

Environmental Risk Management

At Qatar Steel, environmental risk assessment is an integral part of comprehensive environmental management approach. Qatar Steel undertakes a diligent analysis of both its direct and indirect environmental impacts, examining its interactions with the environment and those of its business partners. Through this process, it identifies potential environmental risks, and maintains a dedicated risk register that classifies them based on severity and magnitude.



Once identified, each environmental risk undergoes a meticulous analysis to determine suitable mitigation actions. Qatar Steel aims to reduce the likelihood of the risk occurring or minimise its impact if it does manifest. Qatar Steel's primary emphasis is on tackling critical environmental and climate change-related risks. These efforts encompass preventing potential spills, ensuring proper management of hazardous waste, complying with CTO conditions, mitigating risks associated with GHG (Greenhouse Gas) emissions, and effectively managing by-products to minimize associated risks.

Proactively addressing these risks is vital to prevent adverse environmental impacts and ensure the long-term sustainability of operations. Qatar Steel's mitigation actions, for example, prioritise preventive measures such as conducting regular inspections and maintenance activities, and providing comprehensive training to its employees and relevant stakeholders. Qatar Steel invests in state-of-the-art technologies and infrastructure that adhere to stringent environmental standards.

By identifying and mitigating potential environmental risks, Qatar Steel strives to minimise its environmental impact and safeguard the ecosystems in which it operates.

Qatar Steel's Impact: Environmental Risk Management: Dust Control Strategy

Dust is a micron size fines suspended particles of dry matter and it can be generated from all site activities, transport, process etc., or it can merely result from the action of wind, whipping up soil or sand and depositing the dust elsewhere. An example of an environmental risk addressed by Qatar Steel is dust pollution. In compliance with the requirements set by QatarEnergy and MIC (Mesaieed Industrial City), Qatar Steel implemented a Dust Control strategy as a standard operating procedure for all stakeholders. This strategy aims to suppress dust emissions and ensure adherence to environmental regulations.

The Dust Control strategy involves several initiatives to mitigate dust pollution and safeguard both the environment and people's health. These initiatives include introducing industrial-grade pendent-operated water sprinkle tankers, also known as air cannons, to suppress dust at loading points, open yards, and unpaved roads, and implementing interlocking and fixing curbstones along unpaved pathways to prevent dust dispersion.





Qatar Steel's Integrated Enterprise Risk Management (ERM) framework is instrumental in driving value creation by facilitating the achievement of the company's strategic, tactical, and operational objectives. This framework is supported by a culture that emphasises the importance of risk management at all levels of governance, including the Board, Board Audit Committee, Qatar Steel Risk Management Committee, and functional levels. Risk-based decision-making is ingrained in Qatar Steel's culture, with risk assessments integrated into key decisions to mitigate business and strategic risks effectively. The ERM Framework is governed by the Qatar Steel Risk Management Policy, Qatar Steel Fraud Risk Management Policy, and Qatar Steel Business Continuity Management Policy. The Board Audit Committee has been entrusted with the oversight of these policies, ensuring that risks above the Qatar Steel Board Approved Risk Appetite and tolerance levels are properly mitigated or managed.

Company's top 10 risks, which are actively monitored by the Risk Management Committee and the Board Audit Committee, include climate-related risks. To address them, the company prioritises the evaluation and implementation of key initiatives that promote climate-friendly processes and technologies. It is mandatory for all new projects and initiatives across the company to consider climate-friendly approaches. To mitigate the risks associated with floods, the company has comprehensive business continuity plans in place. These plans outline specific measures and strategies to address flood-related risks. Continuous monitoring of operational activities is conducted to ensure that none of these activities contribute to the risks of rising sea levels and flooding.

In 2023, Qatar Steel engaged in the Marsh Business Resilience Forum, attending the presentation and discussion of the 2023 Global Risks Report. This annual report, now in its 18th year, focused on essential global risk themes, including economic pressures, digital technology, climate, and health. Notably, the report underscored a noteworthy transition towards environmental risks being perceived as the most severe in the coming decade. The top four risks and a total of six out of the ten identified were environmentally related. The discussion also provided insights into proactive measures for enhancing organizational resilience.

The forum emphasized the importance of addressing these risks and explored strategies to strengthen a company's future resilience. Key recommendations included proactive measures for mitigating emerging risks, the implementation of a robust risk management and organizational resilience framework, alignment of macro-economic factors with organizational strategies, and the development of effective communication and responsibility alignment. This comprehensive approach aimed to equip companies, including Qatar Steel, with the tools necessary to navigate an ever-evolving risk landscape.

Qatar Steel's risk management draws from established frameworks such as the COSO Framework and ISO31000:2009.

Fraud risks, including corruption risks, hold significant priority within Qatar Steel, as demonstrated by the implementation of a Fraud Risk Management Policy in 2021. All business areas have identified key fraud risks, including corruption, aligning them with the Companywide Risk Management Policy and Code of Ethics.

Company-wide awareness sessions have been conducted, ensuring comprehensive risk identification and assessment throughout the value chain. Emphasis has been placed on internal controls to safeguard assets and regulate behaviours pertaining to fraud and corruption risks.

Corruption	Unit	2021	2022	2023
Operations assessed for risks related to corruption	#	11	16	27
Operations assessed for risks related to corruption	%	69	100	100

No contracts with business partners were terminated or not renewed due to violations related to corruption and during the reporting period there were no public legal cases regarding corruption brought against the organization or its employees.

A key risk faced in 2022 was related to the potential disruption of supply chain pipelines and activities due to the 2022 Qatar World Cup. This major event resulted in a significant influx of people in the country and the implementation of heightened security measures by the State of Qatar to ensure the smooth hosting of the games. However, through proactive planning and organisation, Qatar Steel was able to effectively manage supply chain activities, resulting in no disruptions to operations.

Over the next two years, Qatar Steel will gradually introduce the utilisation of risk stress testing and risk scenario analysis as essential inputs in company's strategy formulation and implementation. This exploration aims to assess the cost-benefit value associated with these risk management tools. By incorporating them into decision-making processes, Qatar Steel can gain valuable insights into potential risks, evaluate their impacts, and make informed strategic choices.





13.22 Remuneration policies

Ensuring non-discrimination and equal treatment is crucial, and a fundamental aspect of this is reflected in providing equal wages. Qatar Steel is fully committed to upholding fair wages for all its employees, with a particular emphasis on eliminating any gender disparities. Qatar Steel firmly believes that compensation should be based on merit and job responsibilities, rather than any other factors.

In order to ensure this, Qatar Steel developed a remuneration structure for senior executives that encompasses several components, including fixed pay and variable pay, bonus and annual increment, termination payments, and end-of-service benefits. Additionally, senior executives may be eligible for acting allowances in certain circumstances. In particular, bonuses and annual merit increments for all employees are determined based on individual performance results, company's financial results and annual guidelines received from its parent organisation.

To ensure alignment with inflation and adaptation to social and economic changes, the impact and effectiveness of Qatar Steel's policy is evaluated every three years. This periodic assessment allows us to gauge the relevance and efficacy of its strategies in light of evolving circumstances.

The Board and Committees Performance Assessment Policy is part of the corporate governance structure put in place to assess the effectiveness of the Board of Directors and the Board Committees.

The Board Charter includes an approved Directors Remuneration Policy. In the case of the Board of Directors, their remuneration is determined by IQ on a fixed basis in accordance with the Articles of Association (AOA).

13.23 Code of conduct, Ethics and Culture

Qatar Steel published a Code of Ethics and Business Conduct in 2010 and has followed it ever since. The Code is available to all employees in the company's intranet. On a yearly basis all employees are required to acknowledge their acceptance of the Code. Additionally, it is also shared with stakeholders based on their request or as per requirement on need-to-know basis.

To ensure ethical conduct, the Board of Directors have approved a Code of Ethics and Business Conduct Policy. Additionally, two members are appointed as Ethics Committee members to oversee conflicts of interest.

The organization has successfully implemented a comprehensive Code of Ethics to guide the conduct of its employees. Additionally, the company has established an Ethics Committee and a Grievance Committee, which includes provisions for addressing discrimination and harassment concerns.





13.24 Projects and Future plans

In 2022, Qatar Steel developed the 2022-2026 Sustainability Roadmap. The Sustainability Roadmap 2022-2026 builds on the previous roadmap and draws a deeper picture of the strategic objectives that will give it a competitive edge over regional and international peers, while ensuring a positive contribution to the QNV. The previous six objectives were expanded into ten with a detailed action plan in place to enable it to capture improvement opportunities and performance gaps within the short and medium term.

The values and objectives that informed the development of the new Sustainability Roadmap are the following:

- Through unwavering focus on innovation, Qatar Steel strives to revolutionize steelmaking practices by integrating environmentally friendly technologies and processes. By embracing sustainable alternatives and investing in research and development, Qatar Steel aims to minimize its ecological impact while meeting the evolving needs of its customers.
- As a responsible steel supplier, Qatar Steel recognizes the importance of reducing its environmental footprint. Qatar Steel actively pursues initiatives to optimize energy consumption, minimize waste generation, and decrease emissions throughout its operations. Through the adoption of efficient production methods and the promotion of circular economy principles, Qatar Steel seeks to contribute positively to the preservation of planet's natural resources.
- Qatar Steel is dedicated to cultivating a zero-harm culture across its organization. Qatar Steel prioritizes the health, safety, and well-being of its employees, contractors, and stakeholders. By implementing robust safety protocols, providing comprehensive training programs, and fostering a culture of accountability, Qatar Steel strives to eliminate accidents and create a safe working environment for everyone involved.
- Qatar Steel values its human capital as a vital asset. Qatar Steel invests in employee development, ensuring that its workforce has the necessary skills and knowledge to thrive in a rapidly changing landscape. By promoting diversity, inclusivity, and equal opportunities, Qatar Steel creates a workplace that fosters creativity, collaboration, and personal growth.
- Qatar Steel's commitment to sustainability extends beyond its organizational boundaries. Qatar Steel actively engages with and empowers the local community, recognizing the importance of forging strong relationships and making a positive social impact. Through initiatives such as community outreach programs, education, and support for local businesses, Qatar Steel strives to contribute to the overall well-being and prosperity of the areas in which it operates.

To facilitate the implementation of Qatar Steel strategy, it created balanced scorecards and established a RASCI matrix, actively involving the management team. These initiatives were undertaken to ensure a clear mapping of roles and responsibilities for each action identified.



Appendix : Index of Key Performance Indicators

KPI #	ESG Key Performance Indicators	Measurement	QAPCO		QAFAC		QAFCO		Qatar Steel		Consolidated	
			2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
ENVIRONMENT												
1	Environmental Policy	Does the Company publish and follow an environmental policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Environmental Impact	Any legal or regulatory responsibility for an environmental impact?	Regulated by Ministry of Environment and Climate Change. Bound by legal requirements (implied under 'Consent to Operate' License) to Assess, Report & Mitigate any environmental impacts associated with direct or indirect effects of Plant operations under the Group									
3	Energy Consumption	Total amount of energy usage in MWh or GJ (Million GJ)	41.228	40.220	24.402	21.509	184.407	185.695	23.036	24.212	273.073	271.636
4	Energy Intensity	Amount of energy used (GJ/Ton)	17.75	17.98	13.58	13.87	29.70	30.57	21.29	21.12	23.93	24.67
5	GHG Emissions	Total amount of greenhouse gas emissions (Million MT of CO2eq)	2.842	2.864	1.112	0.987	5.226	5.341	1.447	1.534	10.627	10.728
		Total GHG emissions intensity (tonnes of CO2eq/ tonnes produced)	1.22	1.28	0.62	0.64	0.84	0.88	1.34	1.34	0.93	0.98
6	Primary energy source	Specify the primary source of energy used by the company	Fuel gas	Fuel gas	Natural gas	Natural gas	Natural gas	Natural gas	Natural gas	Natural gas	Natural gas	Natural gas
7	Renewable energy intensity	Specify the percentage of energy used that is generated from renewable sources	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Water Management	Total amount of water consumption (million m3)	3.686	3.601	1.886	1.711	0.980	1.180	0.329	0.448	6.881	6.940
		The total volume of water recycled/ reused in Million m3 by the organization per year	0.703	0.329	0.503	0.261	0.056	0.057	0.133	0.205	1.395	0.852



KPI #	ESG Key Performance Indicators	Measurement	QAPCO		QAFAC		QAFCO		Qatar Steel		Consolidated	
			2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
8	Water Management	%age of water recycled to total water consumption	19%	9%	27%	15%	6%	6%	40%	46%	20%	12%
9	Waste management - Total waste produced/ generated, recycled, or reclaimed, by type and weight	Production (MT)	10,458	10,486	1,309	2,013	3470	6572	381,525	394,295	396,762	413,366
		Recycled (MT)	40	301	15	44	361	1053	715,330	2,853,410	715,746	2,854,808
SOCIAL												
10	Full time employees	Total workforce	1201	1265	323	327	1109	1117	1151	1,133	3784	3842
11	Employee Benefits	Total amount of employee wages and benefits (in Mn QAR)	746	780	238	256	633	641	426	455	2043	2132
12	Employee turnover	Percentage of employee turnover.	1.03%	1.48%	3.00%	2.70%	1.49%	1.49%	2.40%	3.90%	1.98%	2.39%
13	Employee Training	Average hours of training per employee (Total hours of training for employees divided by the number of employees)	45	42	31	37	12	17	32	37	30	33
14	Health	Does the company publish and follow a policy for occupational and global health issues?	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes
15	Injury rate	Total number of injuries and fatal accidents (employees)	1	0	0	0	0	0	3	4	4	4
		Total Recordable Injuries	1	0	0	0	2	0	2	3	5	3



KPI #	ESG Key Performance Indicators	Measurement	QAPCO		QAFAC		QAFCO		Qatar Steel		Consolidated	
			2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	Injury rate	Total number of injuries and fatal accidents (contractors)	1	1	0	0	0	0	8	6	9	7
		Total Recordable Injuries	1	1	0	0	1	4	3	3	5	8
	Injury rate	Total number of injuries and fatal accidents (employees and contractors)	2	1	0	0	0	0	11	10	13	11
		Total Recordable Injuries (employees and contractors)	2	1	0	0	3	4	5	6	10	11
16	Human rights policy	Disclosure and adherence to a Human Rights Policy? Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
17	Human rights Violations	Number of grievances about human rights issues filed, addressed, and resolved	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
18	Child and Forced labor	Does the company prohibit the use of child or forced labor throughout the supply chain? Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
19	Women in the work force	Women in the workforce (% age and number)	5%	5%	8%	7%	5% (including staff under Training & Development)	5% (including staff under Training & Development)	1%	1%	4%	4%
		Total Women Employees	61	61	25	23	56 (including staff under Training & Development)	63 (including staff under Training & Development)	10	12	152	159

[illegible]



KPI #	ESG Key Performance Indicators	Measurement	QAPCO		QAFAC		QAFCO		Qatar Steel		Consolidated	
			2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
27	CEO pay ratio	CEO pay ratio - Ratio of CEO salary and bonus against the median FTE salary and bonus	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
28	Gender pay ratio	Ratio of Median male salary to median female salary.	NR	NR	NR	NR	NR	NR	1.4	1.28	NR	NR
29	Incentivized pay	Specify the links between (executive) remuneration and performance targets (Yes/No)	Yes	Yes	NR	NR	NR	NR	NR	NR	NA	NA
30	Ethics code of conduct	Does the company publish and follow an Ethics Code of Conduct? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31	Supplier code of conduct	Does the company publish and follow a Supplier Code of Conduct? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
32	Bribery/Anti-corruption code	Does the company publish and follow a Bribery/Anti-Corruption Code? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note:

1. Above data consolidated on 100% basis for assets operated by individual companies.
2. NA – Not applicable
3. NR – Not reported.



Key Definitions

Energy Intensity	Amount of Energy Consumed (in GJ)/Total Production (in Tonnes)
GHG Intensity ratio	Total amount of Greenhouse Gas Emissions (Metric Tonne of CO ₂ eq)/Total Production (in Tonnes)
Freshwater withdrawal intensity	Total amount of water withdrawal (in M3)/ Total annual production (in tonnes)
Freshwater consumption intensity	Total amount of freshwater consumed(in M3)/Total Annual Production (in tonnes)
Water recycled	The total volume of water recycled/reused in m3 by the organization per year / total water consumption.
Waste diverted from disposal	Is the waste that has been prepared for reuse, recycle or for other recovery operations.
Waste directed to disposal	Is the waste that has been directed for Incineration or, landfilling or other disposal operations.
Waste Prevented	By adopting prevention methods like input material choices, product design, collaboration in value chain, reuse and recycle etc.,
Total Recordable injury Rate (TRIR)	A key workplace safety metric that measures the number of recordable injuries per million hours worked in the reporting period.
Lost Time Injury frequency rate (LTIR)	Measures the number of lost-time injuries per million hours worked in the reporting period.
Process Safety Total Incident Rate (PSTIR)	number of Tier 1 and Tier 2 process safety incidents which occurred within the period per million hours worked related to process.
Average hours of training	Workforce training hours/No. of employees trained
Local procurement	Local procurement is sourcing of goods and services from local suppliers who are registered locally (includes goods imported or sourced by local suppliers from out of the state of Qatar) and have a domicile address in Qatar. Local procurement %age = Local vendor spend / Total vendor spend (local + foreign) x 100%
Qatarization	Percentage of Qatari nationals in the workforce/Total Workforce
Spill	accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies, and groundwater.
Employee turnover	number of employees left the organization during the period divided by average number of employees in the company during the same time.





Abbreviation	Description
AOA	Articles of Association
BAC	Board Audit Committee
BOF	Basic Oxygen Furnace
BCP	Business Continuity Plans
BF	Blast Furnace
BOD	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CH ₄	Methane
CO ₂ eq	Carbondioxide equivalent
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CoC	Code of Conduct
CEMP	Construction Environmental Management Plan
CEMS	Continuous Emission Monitoring Systems
CNG	compressed natural gas
CSR	Corporate Social Responsibility
CTO	Consent to Operate
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
ERM	Enterprise Risk Management
ESG	Environment, Social and Governance
EU	European Union
GCC	Gulf Cooperation Council
GHG	Green House Gas
GJ	Giga Joules
GRC	Governance, Risk and Compliance

Abbreviation	Description
GT	Gas Turbines
GFC	Gulf Formaldehyde Company
HAP	Hazardous Air Pollutants
HACCP	Hazard Analysis and Critical Control Point
HBI	Hot Briquette Iron
HIRA	Hazard Identification and Risk Analysis
HRSG	Heat Recovery Steam Generation
HSSE	Health Safety Security and Environment
HSEQ	Health Safety Environment and Quality
ILO	International Labour Organization
JSA	Job Safety Analysis
KPIs	Key Performance Indicators
LLDPE	Linear Low-density Polyethylene
LOTO	Lock out Tag Out
LDPE	Low-density polyethylene
LDAR	Leak detection and repair
LTI	Loss time injury
LTIFR	Loss time injury frequency rate
M ³	Cubic Meter
MSDS	Material Safety Data Sheets
MeOH	Methanol
MTBE	Methyl-Tertiary-Butyl-Ether
MMBTu	Metric Million British Thermal Units
MOA	Manual of Authority
MOECC	Ministry of Environment and Climate Change
MT	Metric Tonne



Abbreviation	Description
MTPA	Million Tonnes per annum
MIC	Mesaieed Industrial City
NH ₃	Ammonia
NO _x	Nitrogen Oxide
NZLDI	Near Zero Liquid Discharge
OJT	On the Job Training
OGI	Optical Gas imaging camera
OSHA	Occupational Safety and Health Administration
pH	Potential of Hydrogen
PHA	Process Hazard Analysis
PSTIR	Process Safety Total Incident Rate
PSM	Process Safety Management
PTW	Permit to Work
QAR	Qatari Riyal
QMC	Qatar Melamine Company
QNV	Qatar National Vision
R&D	Research and Development
RGS	Regenerant Gas Scrubber
RBQ	Reduced Briquettes
SO _x	Sulphur oxides
SNCR	Selective non-catalytic reduction
TA	Turnaround
TOFA	Table of Financial Authority
TVA	Toxic Vapor Analyzers
TRIR	Total Recordable Injury Rate
UFC	Urea Formaldehyde

Abbreviation	Description
VAT	Value Added Tax
VOC	Volatile Organic Compounds
ZLD	Zero Liquid Discharge





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