







His Highness  
Sheikh Hamad Bin  
Khalifa Al-Thani  
The Father Emir

His Highness  
Sheikh Tamim Bin  
Hamad Al-Thani  
The Emir of State of Qatar





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# ABOUT THIS REPORT



## Transition to GRI-G4

This is our fourth annual sustainability report that sheds light on how we work to preserve our environment, contribute to our economy and community welfare and create a secure working environment for our employees. The theme of the report "Working together" is to convey our employee-focused approach and our priority toward welfare of the community. Qatar Fertiliser Company (QAFCO) is proud to present its first sustainability report prepared in accordance with the updated Global Reporting Initiatives (GRI)-G4 reporting guidelines, achieving the "Core" level.

Figure 1. QAFCO Sustainability Journey



Figure 2. QAFCO Objectives

Aligned with the objectives of the Qatar National Vision (QNV) 2030, our report comprises five sections given below:

- **Business transparency and integrity**
- **Contributing to our nation's economic growth**
- **Workforce development and social responsibility**
- **Focus on product quality and**
- **Environmental liability**

Since its implementation in 2010, the Qatar Energy and Industry Sustainability Sector (QEISS) Programme has proven to be a watershed program to support the sustainability agenda among the industrial sector. Our report is also our commitment to our continued participation in the QEISS Programme and, as such, will emphasize on this year's focus, i.e., workforce and social responsibility.



G4-3, G4-29, G4-30, G4-32

## Reporting period and boundaries

The reporting period is the calendar year 2014 (January 2014–December 2014). The report covers our fertilizer-manufacturing units in Mesaieed and our head office and other facilities in Qatar. It, however, does not cover our subsidiary units including, **Gulf Formaldehyde Company and Qatar Melamine Company.**

## Data collection

The data collection is supported by our members representing different departments. While the environmental performance data are gathered from internal reporting procedures and the Environmental Management System (EMS), social performance data are from corporate reports and data on customer relations, product quality, safety, health and human resources, captured by our Enterprise Resource Planning (ERP) system. The relevant economic data are retrieved from our audited annual financial reports for the reporting year.

## Sustainability assurance

Given our transition to GRI-G4 guidelines, we have not opted for third-party assurance this year. However, our report has been thoroughly reviewed by our Sustainability Reporting Committee for its accuracy and completeness as per the relevant GRI disclosures and indicators. We aim to receive external assurance on our subsequent sustainability reports.

## We welcome your feedback

We would like to know your thoughts on our sustainability report and how we can improve further. Please share your feedback with **Dr. Hamed Ahmed Al-Marwani** at [sustainability@qafco.com.qa](mailto:sustainability@qafco.com.qa)

## Good to know

This report has been made possible with the support of QAFCO's Sustainability Report team lead by **Dr. Hamed Ahmed Al Marwani** - Chief Administration Officer, QAFCO and **Mr. Ibrahim A Al Jaidah** - Public Relations Manager, QAFCO. Other members of the team include

### Human Resources:

**Mr. Mohamed Al-Raheemi**  
**Mr. Hussain A Gafoor**  
**Mr. Sai Kumar**

### Treasury: Mr. Mohamed Fakhri

### Safety: Mr. Ahmed El Bestawy

### Environment: Mrs. Aisha Rafique

### Projects: Mr. Tejonadh Gajula

### Production Support: Mr. Harshal Tirpude

### Contracting & Procurement:

**Mr. Anand Dumont and Mr. Suresh Menon**

### Legal: Mr. Mustafa Eltahir

### Product Handling & Logistics:

**Mr. Naguib Gesudaraz**

### Training & Development:

**Mr. Orestes Briones**

### Public Relations:

**Mr. El Fatih Mustafa and Mr. Arun Kumar**



# CEO STATEMENT

## Linking with QNV 2030



I am delighted to connect with you to mark the release of our 4th annual Sustainability Report 2014. As I am writing to you, QAFCO has achieved its production targets for the year, producing 5.5 million tons of Urea and 3.6 million tons of Ammonia, generating a revenue of about QAR274 million.

Beyond doubt, the fertilizer industry is playing a major role in overcoming the ever-alarming food security challenge due to growing population and urbanization by maintaining land fertility. Currently, 70%–80% of the world's food is produced using fertilizers, and being a responsible fertilizer manufacturer for more than four decades, QAFCO is aspiring to have a leadership role in producing high-quality fertilizer, in a sustainable manner.

QAFCO is committed to adhere with the grand objectives of QNV 2030 and has accordingly, aligned its internal vision and strategy. 2014 has been a milestone year for us as we have taken several serious steps toward this alignment.

We are in the process of institutionalizing organizational re-structuring to improve upon the operational efficiency. Through this plan, the employees are encouraged to take up bigger responsibilities, by eliminating several middle-management positions, through dedicated development training programs. It is important to mention that this is being done with zero retrenchment on personnel. Our proposed Enterprise Risk Management (ERM) system will support us in the evaluation and management of our risks in a structured and efficient manner across the functions.





*QAFCO is committed to adhere with the grand objectives of QNV 2030 and has accordingly, aligned its internal vision and strategy. 2014 has been a milestone year for us as we have taken several serious steps towards this alignment."*

We are indebted to our workforce for reaching us where we are today and we reciprocate in the same manner, ensuring safe working environment and supporting high quality of life. This year, we conducted health and safety audits for the first time and implemented nearly 90% of the audit safety recommendations. We had the honor of being bestowed with the IFA Green Leaf Award for our health, safety and environmental systems and performance. In 2013, all necessary preparations were put in place to achieve the "Chartered Institute of Procurement & Supply (CIPS)" certification which happens to be a Global benchmark reference that certifies the Contracting & Procurement functions are aligned to the industry practices. The Certification was achieved in the 1st quarter of this year.

We recognize that product and technology innovation is vital for us to achieve optimum production and stay ahead of our competitors. This year we have initiated the process for achieving the ISO 50001 certification, among the very few companies in the region, for efficiently managing our energy resources. Our new initiative to produce value-added urea products based on research will be done using our already purchased pilot granulator to produce balanced fertilization that would increase the yield and reduce the environmental impacts. We have made significant efforts to improve

our waste management and working towards "Zero Liquid Discharges" plan. By 2018, we expect to recycle 90% of the wastewater for irrigation or other purposes and avoid any discharges to the sea.

Sustainability has become integral to our business strategy and we are happy to witness substantial improvement in our sustainability performance indicators as highlighted in our report. However, we believe that our journey has just begun as there is a lot more to accomplish. I am confident that QAFCO through its employees and stakeholders will continue to contribute towards a sustainable nation and the world.

I thank you all for your continued trust in us and invite you to provide your valuable feedback on our sustainability efforts and the report 2014.

**Khalifa A. Al Sowaidi**  
QAFCO Vice-Chairman and CEO

G4-1, G4-2

# BOARD OF DIRECTORS AND GOVERNANCE COMMITTEES

## **Abdulaziz bin Ahmed Al-Malki**

Chairman

Appointed as director on 20 May 2007 and as chairman on 6 March 2011

## **Nasser J. Al-Kuwari**

Director

Appointed on 6 June 2010

## **Khalifa A. Al-Sowaidi**

Vice-Chairman and Chief Executive Officer

Appointed as director on 27 December 1997 and as vice chairman on 6 March 2011

## **Meshaal M. Al-Mahmoud**

Director

Appointed on 12 March 2008

## **Hamad R. Al-Nuaimi**

Director

Appointed on 6 March 2011

## **Saeed M. Al-Kuwari**

Director

Appointed on 6 March 2011

## **Jorgen Ole Haslestad**

Director

Appointed on 1 May 2009

## **Jan Duerloo**

Director

Appointed on 15 January 2013

## **Mr. AbdulAziz A Babiker**

Company Secretary

### **Committee**

### **Duties and Responsibilities**

#### **Internal audit committee**

Oversees areas such as the company's financial statements, compliance with legal and regulatory requirements, internal control framework and the management of internal and external auditor's activities.

#### **Project steering committee**

Oversees expansion projects, i.e., Urea 1 Revamp, Melamine Project and QAFCO 5 and 6 projects.

#### **General tender committee, Limited tender committee, Small tender committee**

Oversees the tendering and contract award process for all purchase orders and contracts.

#### **Project approval committee**

Oversees the approval of internal projects for capacity enhancement, safety, environment, minor plant modifications etc.

#### **Safety and environment committee**

Established under the chairmanship of the CEO to discuss, promote and consider policy matters in occupational health and safety and environmental issues of significant importance to the company.

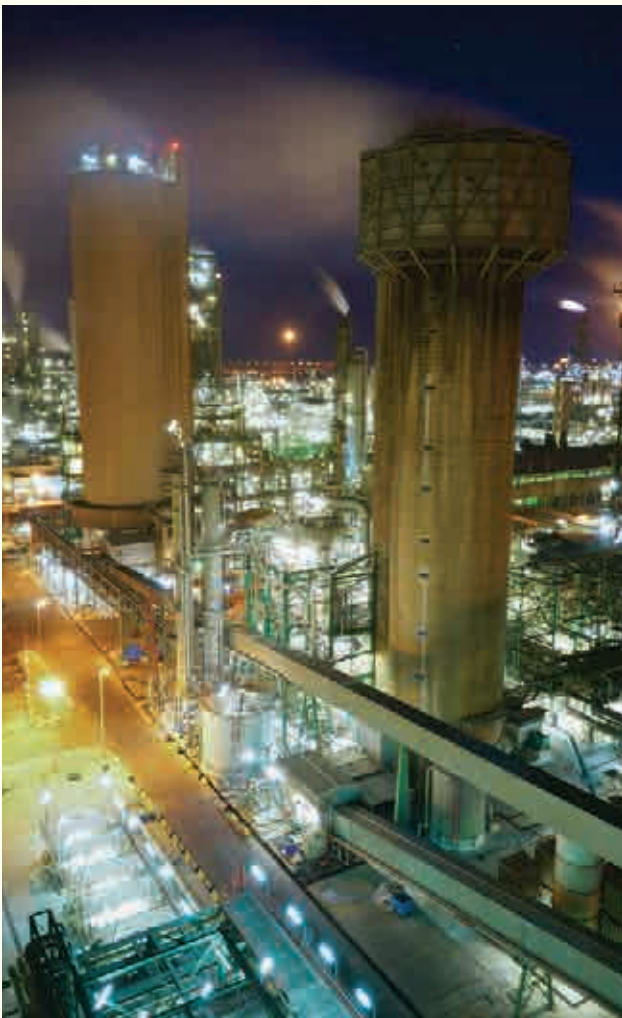
G4-34, G4-38, G4-DMA Compliance

# OUR APPROACH TO SUSTAINABILITY

QAFCO is among the first movers in integrating sustainability into our business landscape. We are committed to ethical conduct of business through its alignment with the ten principles of the United Nations Global Compact (UNGC) that are pivotal to our operations and strategies including areas of human rights, labor, environment and anti-corruption. These principles are also in line with expectations from our business partners and suppliers.

We believe sustainability is a way of doing business, and not a silo approach.

To demonstrate our commitment and approach to sustainability, we have been publishing a sustainability report every year in compliance with the GRI guidelines. This initiative is also linked to QNV 2030 and National Development Strategy (NDS) 2011–16.



## Our stakeholder engagement process

In 2014, during GRI G4 Certified Training we further identified and defined our key stakeholders: QP, Muntajat, shareholders/investors, local community, employees, suppliers and contractors, media, sector peers and government/regulators. These stakeholders have the biggest influence and interest/involvement in QAFCO. Engaging with stakeholders forms a vital part of our day-to-day activities and reporting procedures. We engage with our stakeholders in different ways at different levels (project, management and corporate). Depending on the type of clients, culture and business we align our engagement.

The inputs from our department heads are crucial to us in capturing stakeholder feedback and defining the scope of this report, boundaries, and contents. In the coming years we plan to establish a formal structured process to engage with the key stakeholders to capture and document their expectations and concerns and consider them while identifying the material issues and developing our sustainability agenda. The same will be also reflected in the report. Other decisions, such as the level of detail required to be useful to stakeholders, or expectations of different stakeholders about what is required to achieve clarity, will be also adopted and documented within next reporting periods.

The following table describes key interests/concerns and engagement channels we undertook with stakeholder groups across the financial year.



*Sustainability report shows the stakeholders as well as others, how QAFCO conducts its business and, therefore, provides others a clear picture about who we are, what we are doing and the way we do that"*

**Mr. AbdulAziz A Babiker**  
Legal Manager

G4-15, G4-18, G4-25, G4-26, G4-DMA Investment

Main stakeholders	Stakeholders interest/concerns	Engagement channels/Interactions
 <p>Qatar Petroleum (QP)</p>	<ul style="list-style-type: none"> <li>Economic contribution (revenues, production)</li> <li>Climate change and energy (energy, greenhouse gas (GHG), flaring/venting, natural gas used)</li> <li>Environment (water, SOx, NOx, spills, waste)</li> <li>Health and safety (injuries, illness, incidents, Loss of Containment, heat stress)</li> <li>Workforce (female employment, employee satisfaction, training and development, Qatarization)</li> <li>Society (community investment, human rights)</li> </ul>	<ul style="list-style-type: none"> <li>QAFCO and QP's long-term agreement (QP supplying NG feedstock since 18 June 1994)</li> <li>Performance information requests</li> <li>SDIR Programme (Annual SDIR template; annual sustainability report; 5-year plan for sustainability, forums/workshops, awards)</li> </ul>
 <p>Muntajat</p>	<ul style="list-style-type: none"> <li>Product quality and responsibility</li> <li>Product information/labeling</li> <li>Quality and cost of services</li> <li>Customer satisfaction</li> <li>Response to complaints</li> <li>Safety information</li> </ul>	<ul style="list-style-type: none"> <li>Audit reports</li> <li>Customer feedback</li> <li>Material safety data sheets (MSDS)</li> <li>Compliance with safety and quality requirements</li> <li>Efficient production</li> </ul>
 <p>Shareholders and investors</p>	<ul style="list-style-type: none"> <li>Maximization of shareholder value</li> <li>Transparency, compliance with good ethical principles</li> <li>Good corporate governance</li> <li>Good risk management</li> <li>Dividends and return on investment (ROI)</li> </ul>	<ul style="list-style-type: none"> <li>Regular board meetings</li> <li>Annual general meetings</li> <li>Annual financial statements</li> <li>Annual sustainability report</li> <li>Investor communication materials</li> <li>Investor website</li> <li>Code of ethics</li> </ul>
 <p>Suppliers and contractors</p>	<ul style="list-style-type: none"> <li>Clear and transparent procurement criteria (price, health and safety, environment, human rights, etc.)</li> <li>Long-term partnerships</li> <li>Stability of operations and reliability</li> </ul>	<ul style="list-style-type: none"> <li>Invoices</li> <li>Evaluation process</li> <li>MSDS</li> <li>Suppliers meeting and events</li> <li>Participation in conferences and events</li> <li>Products safety and quality information</li> </ul>
 <p>Analysts and media</p>	<ul style="list-style-type: none"> <li>Comprehensive and up-to-date information</li> <li>Good availability and accessibility</li> </ul>	<ul style="list-style-type: none"> <li>Press releases</li> <li>Meetings and interviews with CEO</li> <li>Information events</li> <li>Public communications</li> </ul>
 <p>Employees</p>	<ul style="list-style-type: none"> <li>Qatarization and local hiring</li> <li>Employee benefits</li> <li>Labor practices grievance mechanisms</li> <li>Decent labor practices (equal opportunities, career mobility and training and development)</li> <li>Response to issues, future plans, current positioning and available prospects</li> </ul>	<ul style="list-style-type: none"> <li>Accommodation, transport allowances, compensation</li> <li>Mesaieed School</li> <li>Management systems, website, memos, emails</li> <li>Whistle-blowing policy</li> <li>Training and development program</li> <li>Employee Performance Appraisal System (EPAS)</li> <li>QAFCO day</li> </ul>
 <p>Government and regulatory authorities</p>	<ul style="list-style-type: none"> <li>Economic growth</li> <li>Social well-being</li> <li>Natural resources conservation</li> <li>Lobbying issues</li> <li>Compliance to laws and regulations</li> <li>Qatarization</li> </ul>	<ul style="list-style-type: none"> <li>Alignment with QNV 2030 and Qatar NDS (2011-16)</li> <li>Press notes</li> <li>Audit reports</li> <li>Participation in conferences/forums/roundtables/meetings</li> <li>Al-Besheriya Island conservation</li> </ul>
 <p>Sector peers</p>	<ul style="list-style-type: none"> <li>Fair trade and competition practices</li> <li>Long-term partnerships</li> <li>Best available technologies</li> <li>Reporting standards</li> <li>Product responsibility</li> <li>Innovation</li> </ul>	<ul style="list-style-type: none"> <li>WEBS portal</li> <li>Benchmarking studies</li> <li>Conferences/forums/ industry meetings</li> <li>Associations: International Plant Nutrition Institute (IPNI); UNGC; Responsible Care (RC); IFA Product Stewardship; AFA; Gulf Petrochemical and Chemical Association (GPCA)</li> </ul>
 <p>Local community</p>	<ul style="list-style-type: none"> <li>Impact of products and operations on the community</li> <li>Local community engagement</li> <li>Education</li> <li>Resource conservation</li> </ul>	<ul style="list-style-type: none"> <li>Sponsorships (exhibitions, conferences, etc.)</li> <li>Donations</li> <li>Community investment (Sahara project, sea water heat exchanger project, fish hatchery project)</li> <li>Environmental awareness at QAFCO school</li> </ul>

G4-2, G4-18, G4-24, G4-26, G4-27

## Prioritizing our sustainability impacts: materiality assessment



GRI Training for QAFCO Employees

In 2014, two GRI-G4-certified training sessions were conducted for a total of 24 employees who represented various departments at QAFCO. The training not only helped us to enhance our data collection and reporting process but also facilitated internal stakeholder engagement and communication among employees responsible for data collection and development of the contents of the sustainability report.

During the certified training, we mapped our key external stakeholders and identified a gross list of sustainability aspects through an analysis of GRI-G4 aspect list. The gross list was checked against GRI's sustainability context and stakeholder inclusiveness tests.

To prioritize the most material aspects from this gross list, we created a matrix where we plotted in the X-axis those economic, environmental and social aspects that have significant impact or pose risks in the short or long terms to our business. Along the Y-axis, we added sustainability aspects that influence on stakeholder assessment and decisions. To assess external materiality, we relied on the input provided by employees attending the training who engaged external stakeholders throughout the financial year and therefore better understand their interests, topics and indicators.

All the relevant issues to internal (X) and external (Y) stakeholders were listed out and then prioritized based on their mutual significance to identify the most material ones that are represented in the top-right quadrant of the materiality matrix.

To validate the matrix, we benchmarked our results against main topics and future challenges for the sector reported by peers and competitors. We also share the final matrix with our management representatives who ensured that relevant laws, regulations, agreements with strategic significance and corporate values, policies and goals are taken into account. Their comments were gathered systematically and incorporated in the materiality matrix published in this report.

In our 2014 report, we have made an effort to present our approach and performance on the material issues.

Figure 3. QAFCO materiality matrix



G4-2, G4-18, G4-19, G4-20, G4-21, G4-22, G4-23

# OUR BUSINESS TRANSPARENCY AND INTEGRITY

## Our driving forces

QAFCO is a joint venture fertilizer company initiated in 1969 by the Government of Qatar and multiple foreign shareholders. QAFCO was formed as a way of utilizing the country's vast natural gas reserves and supporting the nation's broader aim of diversifying the economy, by adding value through the petrochemical sector. We are currently the world's largest single-site producer of ammonia and urea, catering to about 15% of the global demand for urea. Industries Qatar (IQ) owns 75% of the company, and Yara Netherland owns the remaining share. QAFCO is headquartered at Mesaieed, Qatar.

## Our vision

Our vision is to become the largest quality producer of urea and ammonia. As envisaged in our vision, "Quality" is in helm of our business. To make our vision a reality, our strategy is to maintain a dynamic presence in the realm of fertilizer industry, to explore new opportunities, to expand world-wide presence and to continue providing our customers with high-quality reliable products.

## Our mission

We shall operate the plants efficiently, safely, and in an environmentally responsible manner to produce and supply ammonia, urea, urea formaldehyde and melamine at the quality required by our customers, and to carry out investments to maximize shareholders' returns.

## Our commitments

- To lead our company in ethical ways
- To increase the competency of personnel and use of adequate technology
- To prevent pollution and control operational and security risks, as well as monitor and record the environmental impacts of our operations
- To implement and continually improve our integrated management systems
- To steward our products and services through each life cycle stage
- To communicate our policies to all stakeholders and engage with our employees on matters related to our systems performance measures
- To comply with all relevant Qatari legislations, regulations and global standards

**Figure 4.** Our corporate objectives



G4-5, G4-6, G4-7, G4-56

## Building workplace integrity

A resilient system of corporate governance and our ethical values define our relationships with our shareholders, management, employees and other stakeholders. We have constantly taken efforts to scale up our corporate governance practices to comply with the Corporate Governance Structure as laid down by the Qatar Financial Markets Authority (QFMA).

Maintaining the highest standards of corporate governance has always been on the agenda for sustainable business of our Board of Directors. To this effect, the management at QAFCO strives to make sure that economic, environmental and social issues our stakeholders raise, from governmental bodies to individuals such as employees, are integrated in our corporate governance structure. This helps us identify scope for improvement, as a company committed to sustainable practices for development.

Figure 5. Corporate Governance structure

SHAREHOLDERS	
Annual General Meeting	Articles of Association
QAFCO holds its Annual General Meeting every February. The Annual General Meeting ranks at the top of the corporate governance structure.	This document is the constitution of QAFCO. It defines the responsibilities of the directors, the kind of business to be undertaken, and the means by which the shareholders exert control over the board of Director.
Nomination	Shareholding Structure
The shareholders appoint their representative in the Board in accordance with the Articles of Association.	QAFCO's shares are divided between IQ and Yara.
BOARD OF DIRECTORS	
Board Rules of Procedure	Audit Committee
QAFCO's Board has adopted its rules of procedure to define its duties, tasks, relationship with the CEO, subcommittees, nondisclosure, annual plan and insider trading regulations.	The Audit Committee consists of at least three board members who supervise corporate accounts, QAFCO's financial reporting and internal audit, financial risk management and the work of the external auditor. Members serve for three years.
MANAGEMENT	
Management and executives	
Our CEO appoints management to assist in his stewardship duties delegated by the board and in day-to-day management, including the organization and operation of the company. The CEO determines the instructions for management. These instructions and authorizations issued to each member of management reflect a joint obligation for these members to safeguard the overall interests of QAFCO and to protect our financial position.	

**Good to know**

### Program Leadership Development for QAFCO Management

In 2014, the management appointed 9 managers and 2 chief officers to further develop and improve their general management, decision-making and leadership capabilities. IESE Business School in Barcelona Spain, hosted this program to our executives. Program Leadership Development to managers and Advance Management Program for chief officers. 1 manager and 1 chief officer completed their program in 2014. The programs comprise 4 modules with 5 -day extensive sessions and interaction on each module. Main focus areas of the course are leadership development, update knowledge, action-oriented, sustainable executive performance and high-level networking.

This initiative will continue until 2016.



G4-34, G4-40, G4-56, G4-DMA Economic performance, G4-DMA Compliance

# Enterprise Risk Management (ERM)

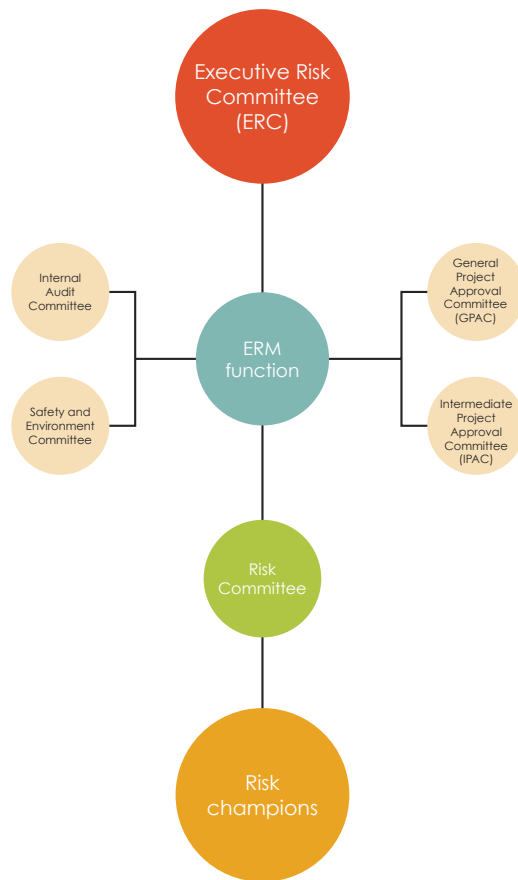
Our risk management governance structure takes on priority to identify and rectify the issues related to business risks, so as to provide maximum security for our shareholders' investments and the assets of the company.

In 2014, QAFCO has decided to adopt an ERM framework program in order to evaluate, prioritize and manage its risks in a more structured, efficient and effective manner.

The ERM framework will assist QAFCO in managing the uncertainty associated with the execution of its business objectives and balance the risk-reward equation.

The risk governance structure ensures that executives at all levels play an active role in the risk management process. In addition, the structure outlines the specific roles and responsibilities of those involved in risk-taking and risk-monitoring activities. QAFCO's internal stakeholders are critical to the process of implementing an ERM program.

Figure 6. Risk Governance Structure



As part of the governance structure, key responsibilities of the Executive management include:

- To review the strategies, policies, frameworks, and procedures in place to govern the risk identification, risk assessment, and risk management processes at QAFCO
- To review the organization's overall risk tolerance and strategy relating to key risks, including strategic, operational, compliance and financial risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks
- To monitor current and emerging risks and approve risk treatment actions for specific items of risk and identifying areas for system improvements and monitoring
- To review the organization's capability to identify and manage new risks, taking into account of the current and prospective macroeconomic and business environment
- To promote a risk aware culture and risk management competence across QAFCO
- To ensure that there is a system/process of risk assessment across the organization in an on-going basis.



## Good to know

### Addressing risks beyond our fence - quantitative risk assessment at Mesaieed Industrial City

Situated immediately outside the industrial area in the Mesaieed Industrial City (MIC) concession area is the Town of Mesaieed, also referred to as our community area, providing residence and facilities for those employed within MIC along with a dedicated area containing light-to-medium industries and contract labor camps which house a workforce of approximately 25,000, with capacity up to 40,000.

In 2014, Industrial Cities Directorate performed a combined QRA study to obtain the updated overall risk profile of the MIC operational area and to identify risk improvement opportunities to ensure effective risk management of the industrial city. As part of this study, QAFCO's existing QRA model was reviewed and updated in 2014.

G4-2, G4-14, G4-34, G4-45, G4-46, G4-47, G4-DMA Anti-corruption, G4-SO3, G4-SO4, G4-DMA Anti-competitive behavior



In addition, we encourage our staff and stakeholders to disclose available information on issues of fraud, corruption and misconduct, while assuring them of our complete support and protection. We have established a whistle-blowing and complaints handling system for posting such issues anonymously. Allegations will be analyzed as the Internal Audit Manager deems fit, in collaboration with the Audit Committee and the Chief Executive Officer.

All QAFCO employees receive an acknowledgment receipt if they make a disclosure, followed by an official correspondence to a preliminary investigation of the matter. The type of disclosures that our employees and stakeholders need to make include the following:

- Unlawful acts requiring the violation of a law, gross waste of company resources, mismanagement, abuse of authorities and specific health or safety issues related to our operations
- Fraud, which basically means any act, including misrepresentation that knowingly misleads, or attempts to mislead a party to obtain financial or other benefits or to avoid an obligation
- Any activity that deliberately attempts to undermine the organization's operations and aims
- Corruption, which means any attempt to offer, give, receive or solicit, directly or indirectly anything of value with the intent of influencing the actions of another party

## Our code of conduct

Our code of conduct sets forth the expectations we have from our employees and contractors on their ethical conduct and compliance as a means of mitigating unethical practices and maintaining the reputation of the company. Our code has been translated into Arabic and English languages and distributed within the company to reach almost every employee and contractor.

Our Audit Committee oversees the status of compliance not only with Qatari laws and regulations but also with QAFCO's code of conduct. On an annual basis, the internal audit department provides the audit committee with a report of any violations occurred and organizational measures implemented to avoid similar violations in the future.

The principles embodied in our code are designed to be consistent with Qatari laws and regulations. We conform to the norms laid down by the Qatar Labor Law that prohibits employment of juveniles.

QAFCO's contract terms and conditions, which are embedded with the principles of Qatar Labour Law, ensures that contractors comply to the law at all times during a contract life cycle besides complying to health, safety, environment and security requirements of QAFCO by providing adequate personal protective equipment to their employees, imparting necessary trainings required by specific services or industry practices and also paying timely wages to their employees and providing accommodations / camp facilities with appropriate amenities and standards set out in the contract terms. In addition, QAFCO, for certain contracts, set out the minimum basic salary that a contractor would be required to pay to its employee, which ultimately results in better productivity by appropriately compensated resources hired through contracts besides development of a sustainable work force for future.



G4-2, G4-14, G4-49, G4-56, G4-58, G4-DMA Environmental grievance mechanisms, G4-DMA Investment, G4-DMA Non-discrimination, G4-DMA Child labor, G4-DMA Force or compulsory work, G4-DMA Anti-corruption, G4-SO3, G4-SO4, G4-DMA Anti-competitive behavior, G4-DMA Compliance

Our business transparency and integrity 13

## Our new organization structure

QAFCO over the years has expanded significantly in terms of geographical size, increased number of assets / asset value, operations (production capacities), product diversity, profitability, manpower, etc. This has driven the need to diagnose the current structures and come up with a re-structure that supports the business and the operations.

In 2014, our organization was restructured to enable us to maintain our strategic direction and increase the efficiency of our processes, work flow and communication at all levels of the organization. We have taken into consideration our stated objectives while restructuring the organization.

Following the revised organization structure/restructuring, QAFCO has worked on the review, revise where necessary, re-evaluated all the jobs and accordingly adjusted the job grades and job families.

Figure 7a. Organization Structure

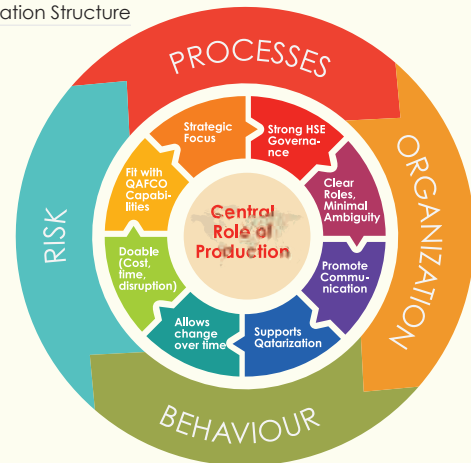
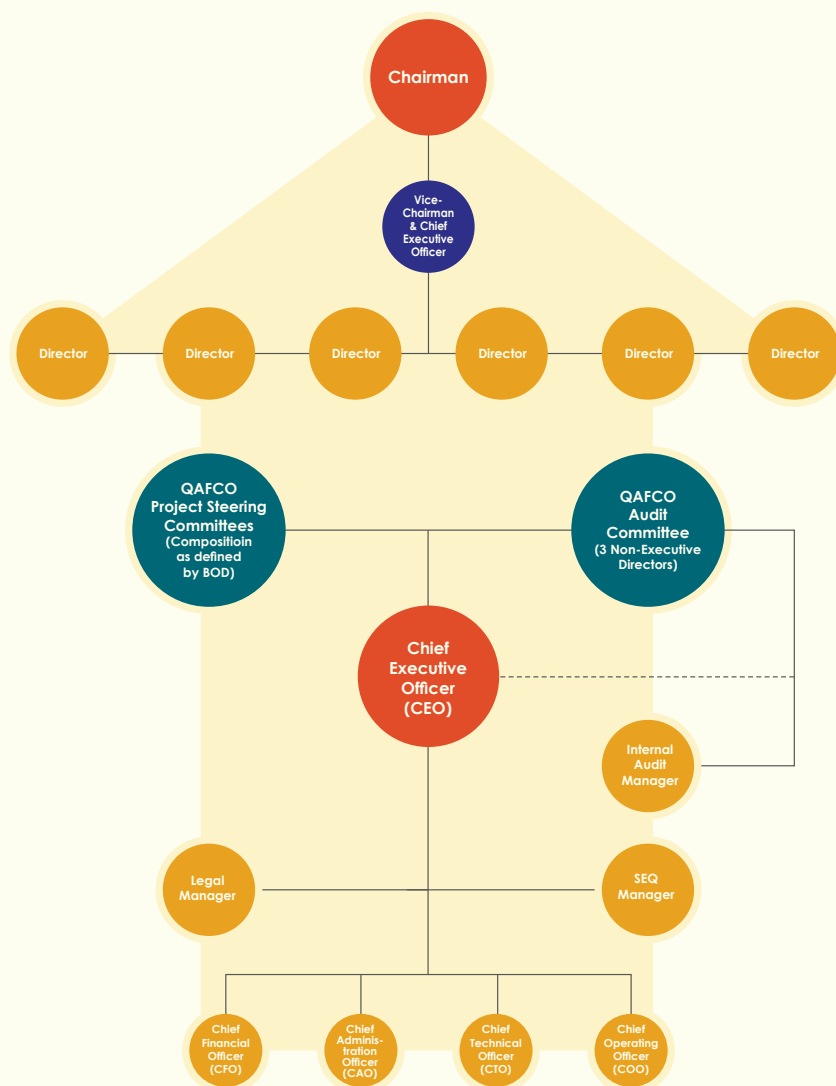


Figure 7b. Board of Directors



### Good to know

#### QAFCO Sustainability Reporting Committee

We have a Sustainability Reporting Committee in place to support our governance framework. Our Sustainability Reporting Committee, which was established in 2013, is responsible for overseeing the data collection and reporting processes. The committee consists of 15 people from various departments such as Human Resource, Operations, Training and Development, Treasury, Legal, Public Relations, Environment, Safety, Laboratory, Product handling and logistics, Projects, and Contracting and Procurement. The committee meets twice a year to discuss issues and concerns pertaining to sustainability. The committee ensures that the right material issues are included in the report and also confirms that the data are presented as required. Following are key responsibilities of the committee members:

- Collating relevant data for sustainability reporting purposes and reviewing contents
- Drafting a sustainability reporting roadmap and facilitating its implementation
- Identifying key functional sustainability improvement areas that need to be implemented
- Raising sustainability awareness within QAFCO

G4-13, G4-34, G4-38, G4-DMA Employment

## Our Rewards and Recognitions

Bearing proof of our commitment to grow sustainably and ensure quality of products and operations, several international bodies and institutions have awarded certifications for our compliance with International Environmental, health and safety standards.

Facility	Management system / Certifications	First certification date	Current validity date	Current certification body
QAFCO 1-6, GFC and QMC	ISO 9001:2008 – Quality Management System	29 May 1996	16 Nov 2017	ABS Quality Evaluations
QAFCO 1-6, GFC and QMC	ISO 14001:2004 – Environmental Management System	30 December 1997	16 Nov 2017	ABS Quality Evaluations
QAFCO 1-6, GFC and QMC	OHSAS 18001:2007 – Occupational Health & Safety Management System	15 December 1999	16 Nov 2017	ABS Quality Evaluations
QAFCO 1-6	RC 14001:2008 - Responsible Care	19 April 2011	16 Nov 2017	ABS Quality Evaluations
QAFCO 1-6	IFA Protect & Sustain Product Stewardship Programme – (Excellence Level)	12 May 2011	18 June 2017	Det Norske Veritas (DNV), Belgium
QAFCO Laboratory	ISO /IEC 17025:2005 – Requirements for the Competence of Testing and Calibration Laboratories	11 March 2011	10 March 2016	Deutsche Akkreditierungsstelle GmbH German Accreditation Body
QAFCO Canteen, Al Banush Club & Al Maha Club	Hazard Analysis & Critical Control Point (HACCP)	5 May 2009	7 July 2015	Velosi Quality Management International Ltd
QAFCO Storage & Handling	Level 1 - Gold System status for bulk in-ship fertilizer	13 November 2014	6 May 2020	Australian Government Department of Agriculture
QAFCO 1-6	Chartered Institute of Procurement & Supply – Standard Certification for Policies & Procedures of Contracting & Procurement functions	First Certification: 7 January 2014		CIPS



*Continual improvement of the quality management systems leads to sustainability"*

*Mr. Saleh Al-Taweel*  
Head of Quality



## Building strategic memberships



Strengthening strategic coalition is a priority during the current global context. The strategic coalition and cooperation will enable business to gain and will enable us to grow and expand more quickly, strongly and efficiently in all fronts of the industry.

Holding a position on the governance body	Participation in projects or committees	Substantive funding beyond routine membership dues	Membership as strategic
<p><b>Gulf Petrochemicals &amp; Chemicals Association (GPCA)</b></p> <p>The GPCA Fertiliser Committee comprises members from leading regional companies. The members are senior managers/decision makers with many years of experience in the industry. Our Chief Executive Officer Mr. Khalifa Al-Sowaidi is Chairman of the GPCA's Fertiliser Committee .</p>	<p><b>Research collaboration with Belgian University of Liege</b></p> <p>In 2014, QAFCO signed an agreement with the Belgian University of Liege to explore the use of urea to improve nutrient capacities of cassava root. The research team will assess the impact of microorganisms to enrich protein content in Cassava, which contributes to the diets of millions in Africans in sub-Saharan countries.</p>	<p><b>Sahara Forest Project</b></p> <p>In 2011, we entered into cooperation with Yara International ASA and the Sahara Forest Project to build a project pilot facility, as an enabler to solve food security issues in lands hit by desertification, but as well as a tool to eradicate poverty through job creation on the large scale in the future.</p> <p>The agreement was signed in 2012 with H.E. Prime Minister of Norway and H.E. Prime Minister of Qatar presiding over the signing.</p>	<p><b>International Plant Nutrition Institute (IPNI)</b></p> <p>We joined as a full member of the IPNI at the IPNI board meeting held in 2012 in Boston, Massachusetts.</p> <p>The IPNI institute's work focuses on nutrient stewardship research and education, world food security, environmental concerns, and related issues.</p>
<ul style="list-style-type: none"> <li><span style="color: #FFC000;">■</span> Memberships and associations in the economic aspect</li> <li><span style="color: #008080;">■</span> Memberships and associations in the environmental aspect</li> <li><span style="color: #00B0F0;">■</span> Memberships and associations in the community aspect</li> </ul>	<p><b>QAFCO sponsors Texas A &amp; M Qatar Conference 2014</b></p> <p>Qatar hosted the QAFCO Texas A &amp; M at Qatar Conference 2014 at the university's premises in the Education City campus. The 2014 conference was the sixth edition held under the sponsorship of QAFCO.</p>	<p><b>International Fertilizer Industry Association (IFA)</b></p> <p>QAFCO is a member of IFA. IFA is managed by its board of directors, comprised of senior representatives of companies from different regions of the world.</p>	

G4-16

# OUR SUSTAINABILITY PERFORMANCE





# CONTRIBUTING TO OUR NATION'S ECONOMIC GROWTH



## Key highlights

Contributing to Society and Organizational growth by adapting sustainable innovative technical solutions to optimize use of national resources."

**Mr. Humoud Al-Mannai**  
Chief Technical Officer



Achieved profit of about of more than  
**QAR 2 billion**  
 as total liabilities fell by around **10%**



Total financial assets worth more than  
**QAR 20,000 million**  
 for the second consecutive year



Ammonia and urea production capacity increase by  
**67% and 87%**  
 respectively between 2011-15



Exported **97%** of prilled urea and  
**96%** of granular urea produced



Exported **15%** of the  
 total ammonia produced



Spent QAR **580 million**  
 on locally sourced goods and services

Through diligent leadership QAFCO continues to excel. Maximising operational efficiency allied with the recognition and development of our most valuable asset, our employees, the company strives towards its aspirations of sustainability and corporate responsibility planning for the future generations."

**Mr. Cees Van Amelsfoort**  
Chief Financial Officer



## How we create value

In 2014, Qatar's exports on petrochemical products jumped by 11.4% to 38.78 billion QAR (USD 10.7 billion), QAFCO being a major contributor. With the commission of our new plants, QAFCO 5 and 6, QAFCO's ammonia and urea production capacity will increase by 67% and 87% respectively between 2011 and 2015, raising QAFCO's share of total Middle Eastern urea exports from 23% to 36%. As a result of these capacity expansions, QAFCO has become the largest urea exporter in the GCC region and a key player in the global fertilizer market with about 27% of global urea export volumes being supplied from GCC countries, including more than 14% contribution from QAFCO.

Our business strategy has helped us respond to the changing market requirements and demand and supply dynamics in the industry. Complying to the market demands, we have maximized production of granular urea to meet the specific demand of our customers based on different territories (such as Australia, US, India) with strict regulatory regimes.

In 2014, we made a Net Profit of more than QAR 2 billion - a sizeable contribution to the bottom line of its parent company - Industries Qatar (IQ), despite higher operating costs for fertiliser production because of increases in natural gas rates under a supply agreement with Qatar Petroleum. Although urea prices were lower in 2014, ammonia prices increased. Therefore we were more flexible in terms of selling more ammonia and we diminished production at one of the urea plants.

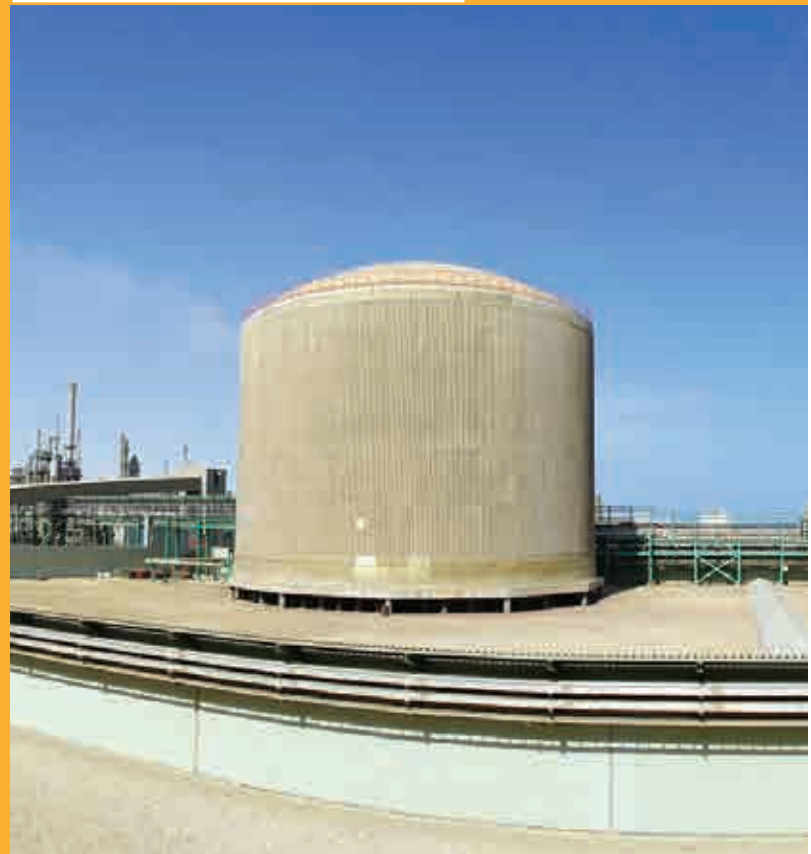
Our financial position remains strong as we enter 2015. Our total liabilities have fallen by about QAR 500 million while our assets still remain above QAR 20,000 million.



## Good to know

We produced 1.1 million metric tonnes of Urea Prilled and 4.3 million metric tonnes of Urea Granular in 2014

With a capacity of 60,000 metric tonnes per year, the plant supplies 5% of global melamine demand. It is the second biggest melamine facility in the world and the biggest in the Middle East.



G4-8, G4-9, G4-DMA Economic performance, G4-EC1, G4-EC8



QAFCO exported  
**15%**  
 of the total ammonia  
 produced in 2014  
 (Total Ammonia  
 production  
**544,000**  
 metric tonnes)



Figure 8a. Ammonia Produced in 2014

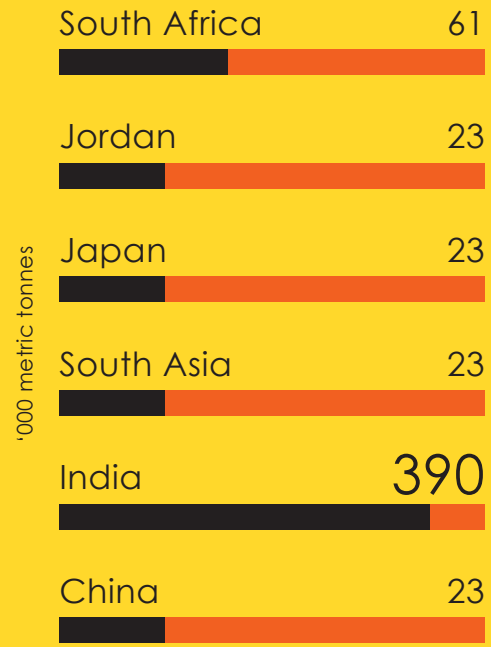


Figure 8b. Ammonia Production 2001-2015

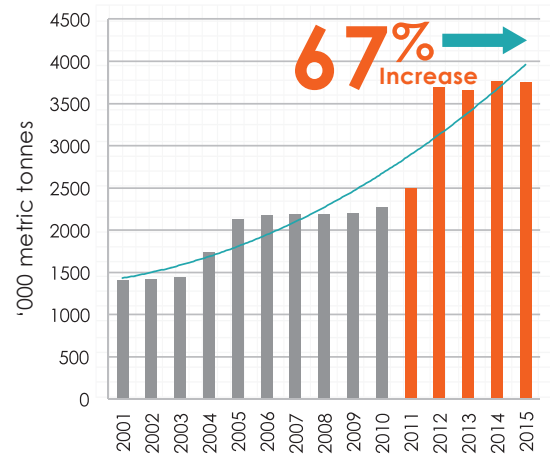
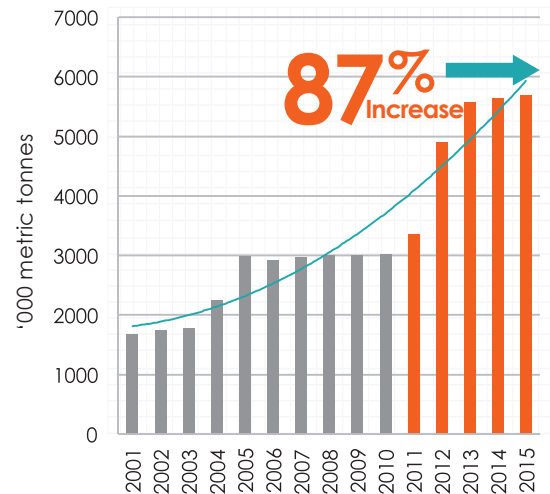


Figure 8c. Urea Production 2001-2015



G4-8, G4-9

# UNRIVALLED SCALE



**Figure 9a.**  
Exports by Shipping in 2014



USA  
1,301 Kt Granular /  
123 Kt Prilled Exports



Canada  
33 Kt Granular



Brazil  
916 Kt Granular /  
71 Kt Prilled Exports



United Kingdom  
80 Kt Granular



Europe  
42 Kt Granular



Sudan  
81 Kt Granular / 27 Kt Prilled Exports



Bangladesh  
130 Kt Granular / 66 Kt Prilled Exports



South Africa  
209 Kt Granular / 101 Kt Prilled Exports



India  
27 Kt Granular



Japan  
12 Kt Granular / 2 Kt Prilled Exports



South Korea  
80 Kt Granular / 4 Kt Prilled Exports



Thailand  
421 Kt Granular / 16 Kt Prilled Exports



Philippines  
65 Kt Granular / 163 Kt Prilled Export



Australia  
721 Kt Granular / 11 Kt Prilled Exports

G4-8, G4-9

## QAFCO exports over total production

 **97%**  
Prilled Urea

 **96%**  
Granular Urea

Total Shipment in 2014 around  
**5,075 kt**


With prices for urea (our main product) stabilizing in 2014 after experiencing a dip in 2013, we are now braced to experience a rise in demand and sales of both of our products. At the same time, we plan to develop production capacities in more fertilizer products and diversify our product base. In 2010, we established the Qatar Melamine Company (QMC) to produce melamine which is a very important milestone in our efforts to achieve product diversification.

For the journey forward, we believe that there is going to be more demand for environment friendly forms of our fertilisers especially from the US and Australia. With the exports set to rise, we are looking to improve our economic impact on the nation through improved business performance in the coming years. Product, process and technology innovation will drive the industry in the next few years and we want to play a leadership role to make use of the opportunities that successful innovation would bring.

We want our operations to benefit the society through the conduct of our business and the products we develop. We aspire to play an active role in delivering improved products that would help farmers in the countries we export to increase productivity and ensure domestic food security.

We provide a lot of opportunities for the Qatari society through employment we create. With a strong workforce of 1,650, we ensure that our employees are benefited economically and socially. We maintain a large network of customers, with utmost care being taken to ensure that they are satisfied with the quality of QAFCO's products. The relationship that we have forged with our customers and employees has enabled to bring in more business and create value both for us and Qatar.



**Figure 9b.**  
 Exports by Trucks in 2014

Destination	Prill (Bagged)	Carpet / Granular
Abu Dhabi	2.5	0.17
Iraq	1.03	0
Jordan	6.25	0
KSA	0	0.15
UAE	1	1.2
Local sale (Qatar)	4.263	0
<b>Total</b>	<b>15.04</b>	<b>1.52</b>

G4-8, G4-9, G4-DMA Economic performance, G4-EC8



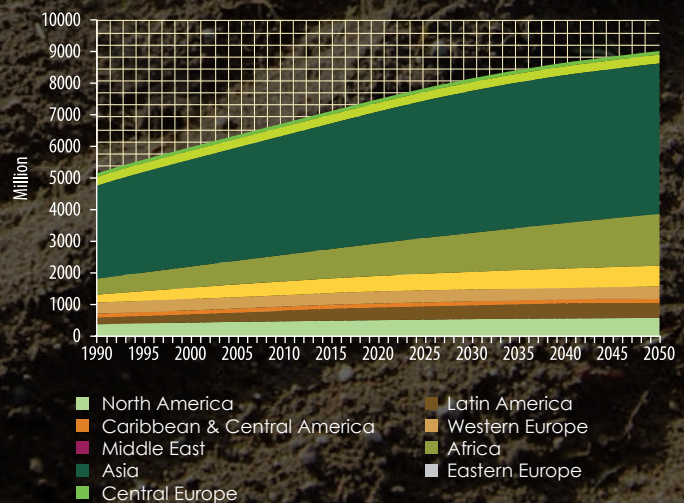
## Our contribution to global community: food security

As estimated by United Nations world population expected to grow to some 8.5 billion people by 2030 and food production will need to increase by more than 50%. With the decrease in agricultural land due to economic upturn, there is strong demand to maintain and enhance fertility of available land where the fertilizer sector will play a major role.

Fertilizer production in the GCC region is growing twice as fast as the global industry average. According to GPCA estimates, the GCC fertilizer industry accounted for approximately one-quarter of global urea trade and for 12% of the global ammonia trade volume in 2013. GCC's fertilizer capacity is expected to increase from 42.7 million tonnes in 2013 to more than 66 million tonnes by 2018. With this capacity growth over the years, the GCC industry demonstrates its potential to be a major global player to address food security challenges by providing access to and making efficient use of inputs and resources.

With the increase in ammonia and urea production capacity, we will significantly contribute to alleviate food security challenge in the coming years.

Figure 10. Global population growth (United Nations)



G4-EC8

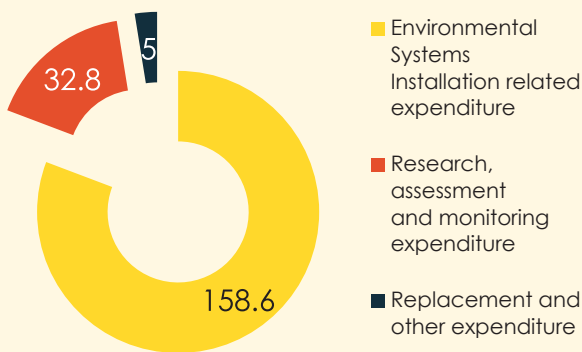
## Prioritizing our investments

In the last year, we invested in several projects and initiatives towards a sustainable growth including:

- Ensure operational continuity
- Improve the environment
- Cost and capacity enhancement projects
- Product quality
- General projects including administration and facilities improvement
- Health and safety projects



Figure 11. Environmental projects spend 2006-2014 (in million QAR)



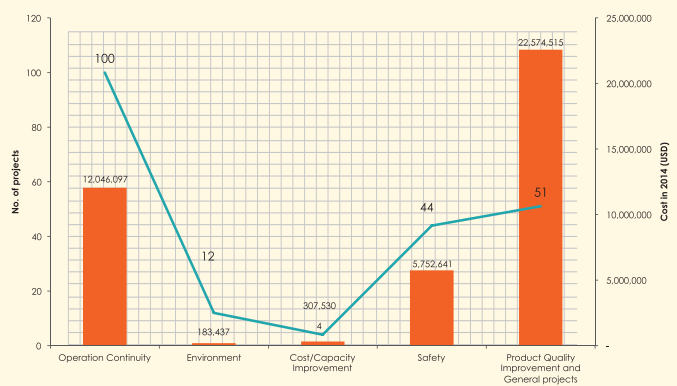
Some key Examples of significant projects since 2006

- ZLD feasibility study (QAR 0.5 million)
- Environmental risk assessment for DeNOx Infrastructure (QAR 160,000)
- Neutralization pit viability study (QAR 9 million)
- Replacement of Freon coolers (QAR 3 million)
- Halon replacement phase (QAR 2 million)

Both product quality and operation continuity are important to us, and we continue to raise the bar by investing and developing new projects. In 2014, we spent more than QAR22 million toward improving product quality and QAR12 million to guarantee operation continuity.

In addition, since 2006 we have invested more than QAR196 million in environmental projects including system installation (i.e. groundwater monitoring, water tank and supply system), research (i.e., impact of sodium bisulphite) and replacements (i.e. Halon and Freon coolers replacements).

Figure 12. Project investments in 2014



We are also committed to bringing about social transformation of the Qatari Society through spending a portion of our economic surplus to promote social welfare. In 2014, we spent more than QAR 19 million combined for both internal and external social welfare activities.

“

*We strive to embed sustainability in our projects by effectively translating management strategies that address social issues and maintain a healthy balance with our ecosystem.”*

*Mr. Ali Abdi Jama*  
Projects Manager

G4-EC1, G4-EC7, G4-EN31

## Supporting local companies

Our value chain relies on a wide range of national and international suppliers and contractors. We are committed to support local companies by giving preference to local products and services, wherever possible and applicable. To support this commitment, we try to maximize publishing open tenders in the local newspapers of Qatar in addition to having a "local content" clause in the general conditions that we use for semi-major service/construction contracts. There has been a continuous rise in the proportion of goods and services sourced locally in 2014. We spent approximately QAR 580 million on locally sourced goods and services.

Nearly 95% of our service contract spends are incurred from the engagement of local contractors. Due to the unavailability of certain Inventories material - Process chemicals which drive approximately 5% of the total spend and 12% of spend on Goods and supplies, we face significant challenges in enhancing the extent of our local spend. However, more than 55% of our spent on chemicals in 2014 was local. We are confident that our commitment to promote local economy and support to the local firms providing us with materials and services will enable the local firms to increase the range/capacity of the goods and/or services they offer and thus help us to depend on them to fulfill a higher proportion of our demand in the coming years.

Figure 13. Goods and Services Spend (%)

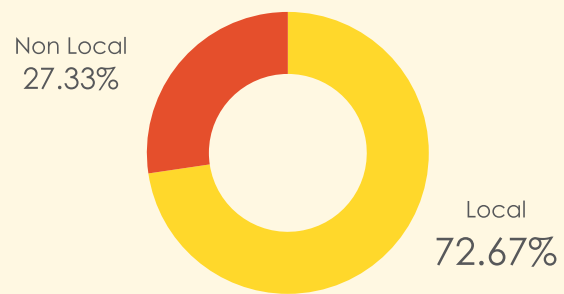
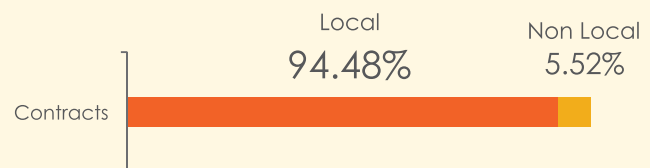


Figure 14. Service Contracts (%)



Our annual expenditure for the supply of goods and services stood at about QAR 798 million in 2014. We have spent nearly three-fourth of this expenditure locally.

Figure 15. Goods and Supplies (%)

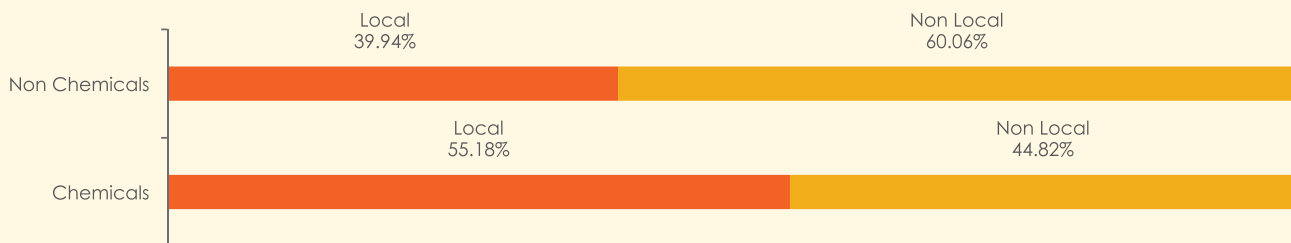


Figure 16. Goods and supplies non-chemical products (%)

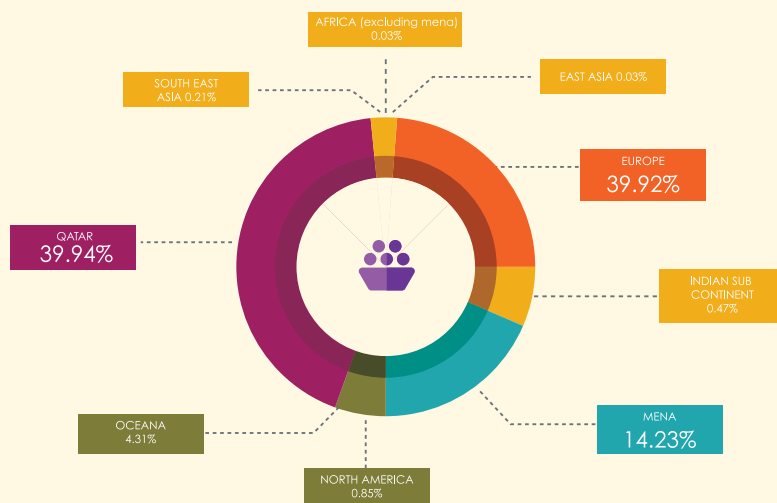
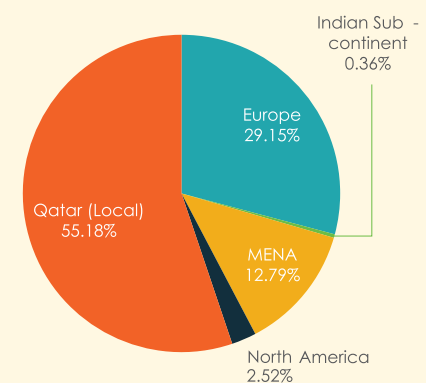


Figure 17. Chemical Supplies (%)



G4-12, G4-EC8, G4-DMA Procurement practices, G4-EC9, G4-DMA Supplier Environmental Assessment, G4-DMA Supplier assessment for labor practices



## Looking forward

We believe that more than four decades as the leading manufacturer of fertilizers in Qatar, has positioned us favorably to deliver economic benefits to our economy and bring about economic transformation in Qatar. We will continue providing sustained value for our shareholders through our business operations and monitoring both the positive and indirect economic impacts on the community and the economy as a whole. We also plan to launch niche production of environmentally friendly fertilisers to meet rising demand in international markets.

G4-2





# WORKFORCE DEVELOPMENT AND SOCIAL RESPONSIBILITY



## Key highlights



**51**  
new  
joined to total  
workforce of  
**1,651**  
comprising 36  
nationalities



Reduced employee turnover by about  
**55%**



**236**  
Qatari headcount representing  
**14.5%** of approved establishment



Conducted three health and safety audits for  
the first time and implemented nearly  
**90%**  
of the audit safety recommendations



Defensive Driving Awareness Program educated  
**206 employees**



Spent approx.  
QAR **19 million**  
on community and workforce welfare activities



QAFCO Flower and Vegetable Show – a record turnout of  
**14,500 visitors**



“Qatarization is an integral part of our policies and strategic planning at QAFCO. We have laid the foundations to effectively and sustainably implement Qatarization at QAFCO.”

**Dr. Hamed A Al Marwani**  
Chief Administration Officer

## Our diversified workforce

In 2014, our workforce, to whom we are indebted for our success, has grown to reach a strong 1,651 including 59 nationals under academic and development programs.

Attracting the right talent and Qatarization is a demanding task at QAFCO due to insufficient availability of nationals, and hence, resulting in dependence on expatriates.

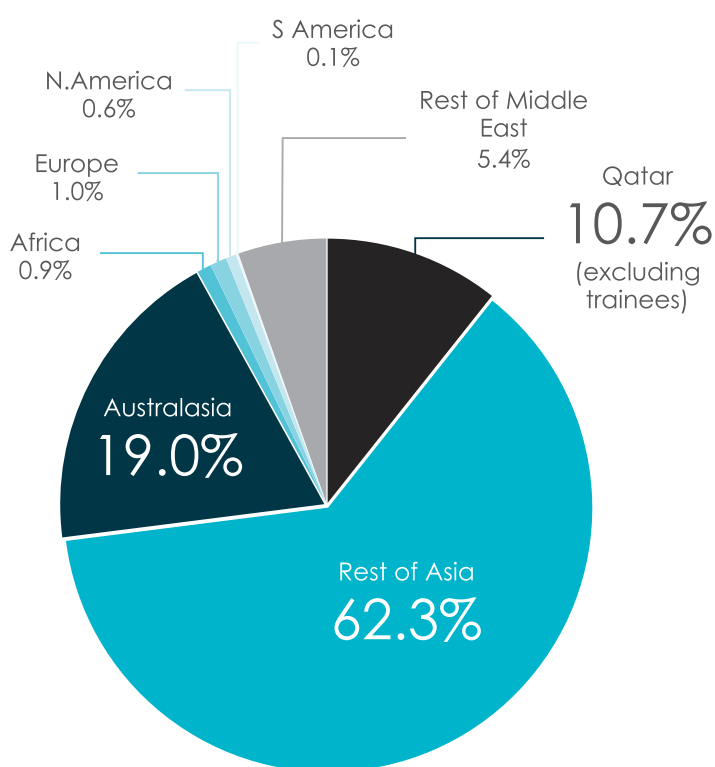
With a view to tackling these challenges, we undertake a systematic workforce plan that allows us to identify the need for and availability of human resources to meet our business objectives while guaranteeing employee welfare. The larger workforce reflects our workforce plan

success, despite the recruitment challenges.

Diversity is central to QAFCO values as, in 2014, our workforce was drawn from 36 different nationalities. Our diverse workforce combines workers from different backgrounds and experiences that together breed a more creative, innovative, and productive workforce.

The technical nature of our work and our location suggest a low rate of female employment at our offices and work place (approximately 2%). Qatari women workers are increasingly becoming part of our workforce.

Figure 18. Diversified Workforce



*The future of QAFCO lies in the hands of the present. We have to take all the necessary measures to make sure that we utilize our resources effectively and efficiently in order to be sustainable for several generations to lead QAFCO ahead."*

*Mr. Hassan Al-Mohammadi*  
Human Resources Manager

Employee category	2014		2013	
	Male	Female	Male	Female
Senior management	5	-	5	-
Middle management	66	1	56	1
Lower management	457	8	447	9
Non-management/ELS	1,037	18	1,008	14
Trainees	55	4	58	3
<b>Total</b>	<b>1,620</b>	<b>31</b>	<b>1,574</b>	<b>27</b>

G4-9, G4-10, G4-EC5, G4-EC6, G4-DMA Employment, G4-LA12

## Attracting and retaining our employees

We recognize that attracting right talent is increasingly challenging as the economy diversifies. In 2014, one of our objectives was to source 100 potential candidates as per the recruitment plan to successfully manage and operate QAFCO plants. This year we added 92 new employees into our workforce.

We integrate our new staff into the organization and set them up, to be in tune with QAFCO's culture. Upon arrival, the new staff is provided with induction programs by the Recruitment Team and Training & Development for smooth integration into the organization. The new staff is also briefed on QAFCO ethical values and expected behaviors considering the diverse and ethical background of the workforce.

We aim at fostering an inclusive workplace to avoid high turnover rates and related costs at the expense of our profits. Our HR Total Rewards Strategy and Compensation Philosophy, in step with our mission and vision statements, allows us to attract competent and quality staff and prevent turnover and loss of key manpower by providing positive work environment and competitive pay package.

We annually conduct an "Employee Satisfaction" online survey to understand the satisfaction level of our workforce and provide management with the knowledge to build positive employee relations and a positive work environment. Our survey focuses on various aspects including promptness in issuing company certificates, efficiency of leave request, process of education assistance and on-call duty response in case of emergency. Any eventual area of concern is reported to the top management and an action plan is developed accordingly. In 2014, the majority of our employees who participated in the survey posted an overall rating of "Excellent" (51%) and "Good" (37%).

The satisfaction level of our workforce is reflected in lower turnover which have reduced from 91 employees in 2013 to 41 employees in 2014, a reduction of 55% from the previous year. To understand why people leave and in order to reduce turnover rates, we conduct exit interviews and further analyse results to understand trends and take appropriate actions.

Our HR Total Rewards Strategy and Compensation Philosophy of pay for performance also rewards high performing employees in a manner commensurate their contribution to organizational and overall company success. It is designed to be competitive and to ensure that key talent, who drive future growth, remains with us. Our compensation approach is to target base pay and benefits at the industry norm, while providing variable

Figure 19. Employee turnover analysis

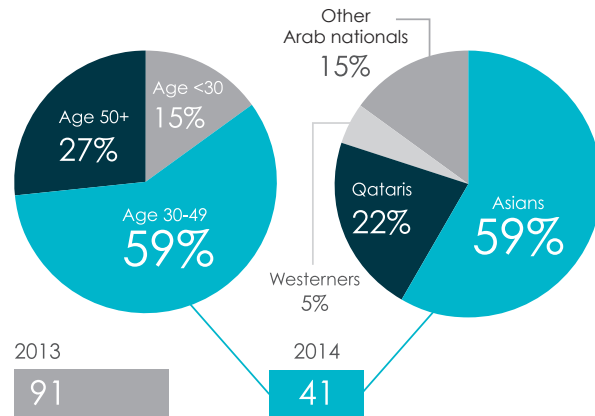


Figure 20. Exit Interview of resigned employees

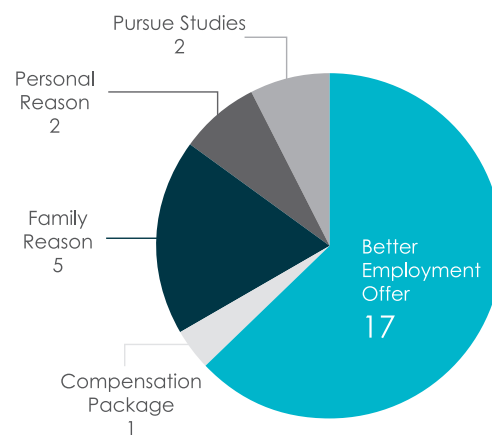
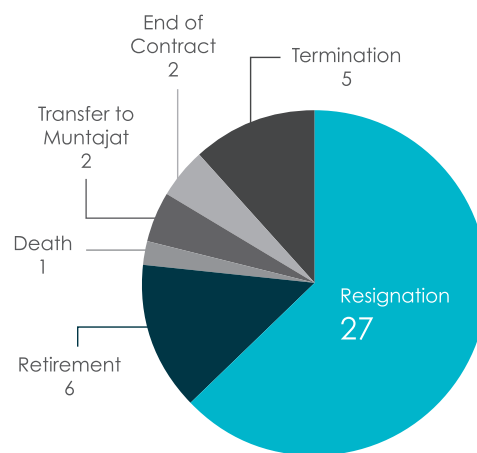


Figure 21. Reasons for Leaving



cash bonuses based on company and individual performance, including bonuses and retirement programs.

Apart from the regular wages we provide company accommodation, travel assistance for family, interest free loans, educational assistance to employees children, insurance coverage, among others. All QAFCO employees on indefinite and definite contracts of

G4-EC1, G4-EC3, G4-EC5, G4-DMA Employment, G4-LA1, G4-LA2, G4-DMA Diversity and equal opportunity, G4-LA12, G4-DMA Equal remuneration

employment are also entitled to an appropriate "End of Service Benefit (ESB)" payments, based on their latest drawn salary.

The benefits we offer to our employees exceed the minimum wages stipulated by the Government. Appropriate compensations are also provided for employees who are required to work in excess of normal working hours. In 2014, we spent more than QAR 41 million to compensate employees working extra hours.



## Good to know

As part of our *HR Total Rewards Strategy and Compensation Philosophy*, we continuously look into the market trends and see the possibility to bridge the gaps by conducting benchmarking studies with the aim to maintain internal equity and remain competitive and at par with competitors both within Qatar and the Gulf region.

In 2014, we carried out a benchmarking exercise using HAY Group to compare QAFCO against reliable external market data on basic salaries and other direct or indirect pay elements.

Based on the scores received, we re-evaluated and adjusted some job grades and related salaries as per market trends.

## Qatarization

Qatarization refers to our strategy of developing a competent Qatari workforce through education and training.

We are committed to pursue the eventual achievement of the Energy & Industry Sector's Qatarization target of 50% (or greater) of quality, competent Qataris holding permanent positions on employment contract.

Our Strategic Qatarization Plan enables us to support the educational sector through partnerships and sponsorships, proactively encouraging recruitment of Qatari nationals and supporting training and development of nationals.

Year-to-year percentage comparisons of Qatari numbers are influenced by the respective annual approved service establishments. In 2014, we recorded a decline in both "Qatari on Employment Contract" and "Qatari Headcount" in comparison with previously reported baselines. This is because a readjustment made in 2014 for the unaccounted movement of employees from QAFCO's Marketing Department to Muntajat in 2013. Also, with an increase in manpower, mainly expats, due to major expansions, and recent resignations by Qatari employees, there is an overall decrease in Qatari nationals percentage.



Figure 22. Strategic Qatarization Plan



<sup>1</sup>Qataris under Academic and Development programs (trainees, developpees and staff on academic study both here in Qatar and overseas)  
<sup>2</sup>Qataris holding a permanent position including Qataris under Academic and Development programs

## Qatari recruitment

The imbalance between the supply and demand for Qatari talent to meet the company's unique organizational needs in the science and engineering fields, and the attrition of experienced practitioners are main challenges to recruitment.

Recruiting qualified and experienced Qatari in the open market remains a limited option. However, at the end of 2014, our Qatari headcount was 236 representing 14.5% of approved establishment and we foresee a steady growth in our Qatari headcount from 15% (start of 2015) to 21% at the end of 2019.

At the beginning of each year, we recruit young nationals on training agreements to train and develop them for future employment at QAFCO. Our belief in investing in the youth of Qatar to create a responsible and qualified workforce is reflected in our sponsorship of 31 students during 2014.

We diligently monitor progress in development programs and provide continued personal support to our trainees / students, whether at their workplaces or institutes of further education.

In addition, we offer summer training to secondary school students or undergraduates selected in conjunction with the Ministry of Education and Labour Department for a period not exceeding three months. The purpose of such trainings is to provide the students with knowledge of the industry and to widen their own academic horizons.

We continued creating promotional opportunities for vertical progression for Qatari employees through organizational restructuring. This is supported by continuing professional development to ensure that the Qataris placed in such key lead positions are competent and confident to perform their duties to the highest possible standards.

In 2014, 11 Qataris pursued post-Qualification practical training programs toward final development to take up an established position at QAFCO.

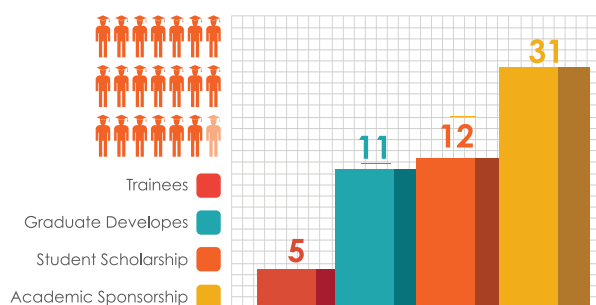
Apart from supporting continued professional development through On-job Development – Programs and Short Courses, we sponsored 43 Qataris in vocational education and training programs or undergraduate programs.

## Networking with the Education sector

As part of QAFCO's Corporate Social Responsibility and Networking Strategy, we forge relationships with universities, schools and other education sectors through involvement and collaboration through:

- Maintaining continued sponsorship of a chair at the local university in the field of Energy Systems and collaboration to host a conference promoting cutting-edge chemistry research

**Figure 23.** Qataris under Training & Development Programme in 2014



Out of 59 Qataris under T&D in 2014,

**8 Qataris**

were recruited within the same year



Summer Internship Training 2014



Closing remark meeting with Head of Training & Development Section among QAFCO Employee Children Summer Training in QAFCO

- Hosting College Advisory Committee (Focus Group) activities on study program syllabi and new program offerings
- Utilizing university laboratories for some of QAFCO's testing requirements on a commercial basis
- Hosting summer training and running an internship program for Qatari students
- Organizing career fairs and sponsorship days
- Hosting and facilitating student's plan design projects
- Facilitating plant and school visits

G4-EC5, G4-EC6, G4-DMA Training and education, G4-LA10

## Empowering our people

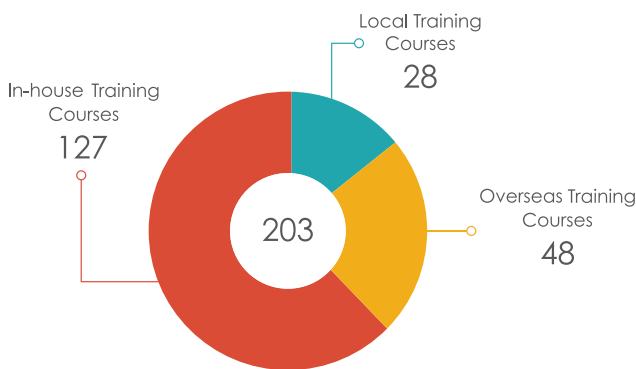
We believe that proper training and development of our employees is a fundamental function of our overall business objectives. QAFCO training and development policies are developed with an objective of enhancing the necessary competencies to maintain our operations profitably, economically, safely and environmentally-friendly. Our Training and Development Section plays a pivotal role in developing our workforce by designing appropriate educational programs, on job development programs and smooth career paths for them.

A total of 203 training courses were conducted in 2014. This included local, overseas and in-house training courses conducted by a dedicated team of trainers in QAFCO and external industry experts and specialists. Employees were also sent overseas on long-term and short-term courses or assignments to gain international experience and get to know another culture first-hand.

On-job development programs are tailored for individual employees to meet their specific job requirements. Employees are given opportunities to attend seminars, courses or postings which would be identified for them by the department.

- **Management courses:** courses related to management skills, leadership, supervisory, planning and organizing, and personal development
- **Communication courses:** English language courses attended by Qataris; English language further development programs
- **SEQ courses:** safety, environment and quality-related courses
- **Maintenance courses:** courses that are related to maintenance and technology programs
- **Operation courses:** production-related courses
- **General courses:** related courses on finance, human resources, ERP and computer courses, administration etc.

Figure 25. Training Courses in 2014



Employee participation in trainings	1,773
Average attendance of the training program	9
Average number of training hours per employee	16

Figure 26. Percentage of Training Man-days in 2014

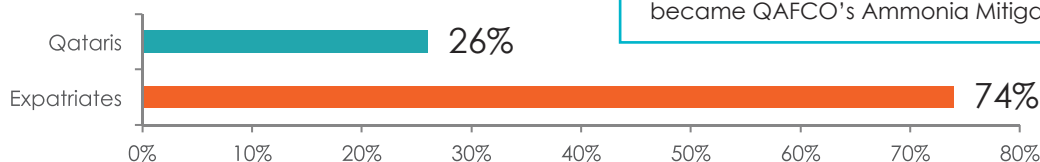
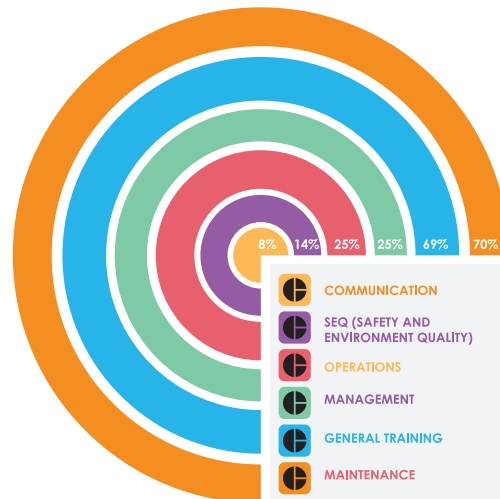


Figure 24. Courses per skills and knowledge in 2014



Our training programs witnessed great interest from participants during the course of the year. On average, each employee attended 16 hours of training in 2014 with a healthy attendance for each program. Of the total training man-days (5,073) delivered to the employees, about 26% and 74% have been attended or provided to Qatari nationals and expatriates employees respectively.



*At the Training & Development Section, we believe that sustainability reporting provides an opportunity for improvement, leading to further employees engagement and empowering employees to make a sustainable positive change in the company."*

*Mr. Ismail Al-Mulla*  
Head of Training & Development



### Good to know

#### Smoke Diving and Ammonia Safety Training in Norway

A total of 126 employees, mostly from Operations and Technical Division, (operators and technicians) were sent to NORWARD Training center in Norway; they passed and certified to become QAFCO's Ammonia Mitigating Personnel.

## Providing a safe and healthy work environment

The fertilizer industry is historically associated with health and safety risks for workers. At QAFCO, we are committed to provide a safe workplace to our people through risk-based safety and health programs across the business. In case of any unfortunate incident leading to an injury, we provide assistance while returning to work through proactive injury management program.

We have set a target to achieve zero lost time accident and zero first aid accident for QAFCO staff as well as contractors on-site. We have worked hard over the years to ensure that we bring down the number of worksite injuries for both our contractors and employees. Another

point of focus for us has been to minimize our reliance on contractual employees.

In 2014, there was one lost time injury in our operations, including a contractor employee, that led to five lost days.

In 2014, our work-related injuries fell to 26 from 43 in the previous year. Unfortunately, we had one incident leading to two fatalities in 2014. While the loop was under the nitrogen pressure as part of purging activity, the diaphragm gasket weld had sheared off completely. This resulted in the diaphragm gasket flying off at high velocity and directly hitting the people in front. The incident was investigated in detail and remedial measures have been undertaken with a view to avoiding further casualties.

Safety performance indicator	2010	2011	2012	2013	2014
Work hours (employees)	2,918,944	3,199,301	3,474,578	3,411,670	3,567,721
Work hours (contractors)	10,226,104	6,084,670	5,326,995	4,664,334	4,598,986
Employee fatalities	0	0	0	0	1
Contractor fatalities	0	0	0	0	1
Employee lost time injuries	0	2	0	1	0
Contractor lost time injuries	0	1	1	1	1
Total recordable injuries (employees)	12	9	7	7	9
Total recordable injuries (contractors)	28	18	30	36	17

We have an ongoing action plan for continuous improvement that enables us to analyze each incident and learn lessons so as to prevent their re-occurrence. Improvements in our safety performance are also the result of the dedication of our employees and the success of our Safety Information System (SIS). This system comprises an incident investigation and prevention program, including emergency preparedness plans, training, safety procedures, protective equipment, hazard inspection and communication, and incentive schemes.

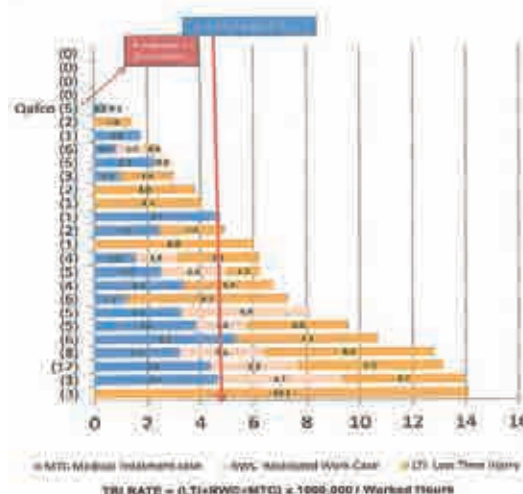
Our QAFCO Safety (including health and security) & Environment Committee (QASEC), under the Chairmanship of the CEO, meets regularly to review and discuss incident statistics and activities and projects related to health, safety, security and environment and their impact. Each year, the CEO selects two employees to be part of the committee and represent the overall concerns and interest of the workforce.

In addition, we have formed internal safety committees to address the health and safety issues, with representation across the management and employee levels. In 2014, we investigated all the 62 incidents that were reported. Based on the investigation, 142 actions have been recommended, out of which 115 (more than 80%) have been already implemented.



### Good to know

**Benchmarking with Yara companies**  
We compare our safety performance globally against fertilizer companies, participating in benchmarking analysis undertaken by the Yara International. Below figure shows our performance in 2014. In addition, of the 26 companies in the Yara, QAFCO was ranked among the best performers on both Medical Treatment Case (MTC), Restricted Work Case (RWC) and Lost Time Injury (LTI).



G4-DMA Occupational Health and Safety, G4-LA5, G4-LA6, G4-DMA Training and education

Safety performance indicators	2010	2011	2012	2013	2014
Safety incident investigation initiated	69	46	62	82	62
Safety incident investigation completed	69	46	62	82	62
Safety incident investigation actions recommended	138	114	134	167	142
Safety incident investigation actions implemented	138	114	128	159	115
Incident investigation pending cumulative from previous years	0	0	0	0	0
Safety incident investigation actions pending cumulative from previous years	0	0	6	14	41

We recognize the importance of having the safety measures across our plants audited by a third party. There are routine inspections from external health and safety inspectors to ensure our health and safety procedures are up to the highest industrial standards.

In a phased manner, we have increased the number of inspections conducted during the year. We successfully completed three inspections in 2014 and have implemented 34 of the 35 audit actions recommended by the auditor. The remaining one audit action recommended is being observed by our internal audit team and is expected to be completed in early 2015.

Induction safety training prior to start of job is mandatory for all QAFCO and contractor employees. In 2014, during shutdown of QAFCO 4 and QAFCO 2 plants, the major challenge was to educate large number of contractor workforces who carried out some critical activities in the plants. Our Safety section arranged safety trainings for the contractors on a daily basis comprising control measures to deal with hazards associated with shutdown activities. In addition, essential QAFCO and contractor employees were trained on Work Permit procedure and authorized as responsible executors.

Safety performance indicator	2010	2011	2012	2013	2014
Audits planned during the year	1	2	2	2	3
Audits completed during the year	1	2	2	2	3
Audit actions recommended	42	55	35	48	35
Audit actions completed	42	55	35	48	34



G4-DMA Occupational Health and Safety, G4-DMA Training and education



Safety awareness and training sessions were conducted for all contractors working for major shutdown at QAFCO 5. Contractor safety officers were selected and were imparted special safety briefing highlighting their roles and responsibilities to be aligned with QAFCO's safety procedures and instructions.

In 2014, we introduced many new training modules, such as:

- Risk Analysis Training
- Fire & Evacuation Training to AlBanoush Club/Al Maha Club employees
- Home & Fire Safety Family Members of QAFCO employees
- Permit Authorization Training to issuers
- Rescue Training
- Joint Auxiliary Fire & Emergency Response Training with neighbouring companies

Qatar is known for having very high road accident rates. On daily basis, we transport large number of employees and contractors and recognize the risks of road accident. In 2014, we increased our efforts to raise awareness on road safety through the 'Defensive Driving Awareness Program for Management and Employees'. This initiative provided personal education to 206 employees, including management executives, allowing employees to have a better understanding on concepts related to safe driving.

Our safety awareness programs spread beyond our premises to reach our immediate community. We utilize various platforms to showcase industry safety information and demonstrate to the visitors the application of safety techniques, daily. In 2014, we initiated 'House Safety Training' for QAFCO employee's families to create awareness on home safety, kitchen safety and use of first-aid fire extinguishers. A total of 32 family members attended the training.



## Good to know

### QAFCO 5 – first ever shutdown in 2014

It was the first ever major shutdown at QAFCO 5 after commissioning and 2,500 contractor workforce was deployed to perform various maintenance activities. Two double extra turn style gates were installed with the QAFCO Registration card facilities in order to avoid traffic congestion and a long queue of contractors at the security gate. We also made MIC Gate 3 more operable and made a single row entry at QAFCO 5 for vehicles to ensure safe traffic movement. Special speed limit controls with RADAR were also installed. In addition, an extra evacuation gate was installed for easy evacuation of all contractors in case of emergency while special assembly points were also established.



G4-DMA Training and education

We also provide employees with preventive and curative health services, such as medical surveillance, vaccinations, illness and injury treatment, health promotion and first-aid training within the company. Further, we assess all workers for exposure to workplace hazards and monitor general health status.

Medical facilities are available within our premises for contractors and employees and a Public Health Centre in Mesaieed area for their families. We have also employed a fully qualified medical officer and staff to provide medical services during normal day working hours at the plant premises.

## Status of our Health Action Plan in 2014

- Updated the records covering all employees who have hypertension and diabetes
- Established a first aid station in QAFCO plants 5 and 6 and completed an advanced first aid training program for contract staff and lifeguards
- Delivered wellness campaign and Fitech program as part of World Health Day on 7 April
- Identified Production staff in QAFCO plants 5 and 6 who are exposed to noise and update audiograms for all staff identified with noise induced hearing loss



Figure 27. Our Health Calendar for the year 2014



G4-DMA Local communities

## Workforce and Community engagement

QAFCO, being the market leader in fertilizer production in Qatar, recognizes the central role it has to play in making the work place better and strengthening the local community. As part of our social responsibility, we devote special attention to workforce and community engagement through various activities that range from sports to cultural events. In 2014, we spent more than QAR 19 million on community and workforce welfare activities.

Every year, QAFCO’s Safety, Environment and Quality (SEQ) department organizes several activities, competitions and field trips to enhance environmental awareness and knowledge among various segments of the community, especially children. Our Public Relations Department also plays a significant role by organizing social events in terms of getting staff and their families together and integrates them into QAFCO’s environment.

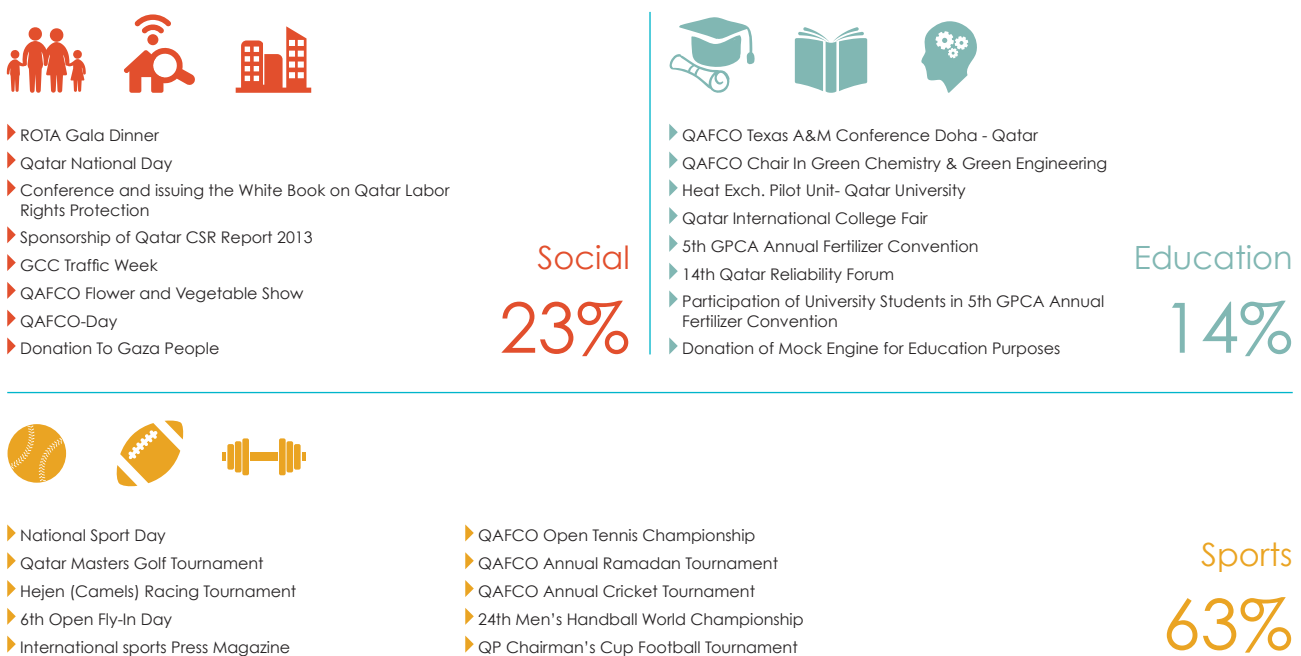
In 2014, our Finance Division conducted “Team Building” sessions based on the central theme “Together Everyone Achieves.” The Information Technology staff and the Office Administration Sections gathered at AlBanush Club for a friendly competition in bowling and table tennis. There was also a Desert Safari trip and some fun-filled team activities such as the highest tower, musical chair, and tug-of-war.

We organized another team-building activity with our IT staff. This served as a farewell event for the team before they shifted to the Administration Division effective 2014.

A “Town Hall Session” was held in 2014 by the Accounts, and Contracting and Procurement sections. Here, each participant was encouraged to express their observations, ideas and concerns on key issues. At the end of the session, vital issues were promptly addressed by the chairman and key staff.



Figure 28. QAFCO Investment on our external community



G4-EC1, G4-EC7, G4-EC8, G4-DMA Local communities, G4-SO1



## National Sport Day

In 2014, we celebrated National Sport day at QAFCO club, with several team games and other fun activities being arranged. At the end of the event, participants were honored with special gift items and awards.

QAFCO sport activities are not strictly confined to the company employees, but extend to organizing matches with sport teams of neighboring companies and with residents of Mesaieed Industrial City, regardless of their professional sectors and affiliations.

Apart from the intra-company events, QAFCO open tennis championship is one of the most famous and oldest tournaments in the country. QAFCO has been organizing prestigious sporting tournaments that drew huge interest among amateurs and professionals. Young athletes, spectators and interested fans eagerly await and look for QAFCO tournaments every now and then.



## QP Environment Fair

QAFCO participated in the QP Environment Fair 2014, which was themed on water conservation. Qatar Petroleum Environment fair was organized at the Qatar National Convention Centre (QNCC). The Minister of Energy and Industry, inaugurated the 8th edition of the fair. The four-day event was themed "Use of Water in the Oil and Gas Industry." It involved 8 QP directorates and departments, as well as 31 companies and organizations that showcased to the community their environmental initiatives.



## Educational Trip

The children of QAFCO Primary School were taken on an educational field trip to Rossa Hassad. They were given a tour of the various greenhouses and the life cycle of flowers was explained to them.



## Qatar National Day

During the Qatar National Day 2014 celebrations, our SEQ department organized a one-day Safety & Environment Workshop for women in QAFCO community, at Al-Banush Club. Two groups of 20 women each attended the 'Safety at Home' Workshop delivered by the Safety Section Team, and the Art of Recycling Workshop delivered by the Environment Team. The Art of Recycling Workshop was designed to encourage women to use waste materials, such as boxes, CDs and paper rolls, in creating a decorative art using the decoupage technique.

G4-DMA Local communities, G4-SO1



## The QAFCO Flower and Vegetable Show

The QAFCO Flower and Vegetable Show yet again showcased our cause to the environment and displayed our social responsibility as well. The event is an example of the community and industry cooperating to forward a cause that is important to all of us — the environment we live in.

The event encourages strengthening of social bonds between all company employees and their families beyond the formal work atmosphere. In 2014, the show exceeded previous years in terms of the number of participants, attracting over 400 competitors, including amateurs, professionals, hotels and schools, with approximately 4,000 exhibits on display. A record turnout of 14,500 visited the show.



## QAFCO Awarded Honorary Membership by Rehabilitation International

Rehabilitation International is a global network working to empower persons with disabilities and provide sustainable solutions for a more inclusive society. At QAFCO, we believe that persons with disabilities are an indispensable part of the workforce and can equally contribute to the economic development, if they are provided with due opportunities. In 2014, our Chief Executive Officer was awarded the honorary membership of Rehabilitation International, in appreciation of QAFCO's support programs. In 2012, we had sponsored the 5th Rehabilitation Conference, of the Rehabilitation International-Arab Region.



G4-DMA Local communities, G4-SO1

## QAFCO Sponsors Spectacular Al Khor Fly-In 2014

Sky dive parachuting by members of the Qatar military and a flight demonstration using powered parachutes were among the highlights of the seventh edition of the Al Khor Fly-In. The two-day event also included fun plane rides for visitors and the opportunity to take a closer look at the many light aircraft on display for the occasion.



## QAFCO sponsors "Kidz Zone" at Commercial Bank Qatar Masters 2014

QAFCO sponsored "Kids Zone" during the four-day day European Tour sanctioned Commercial Bank Qatar Masters 2014. The partnership contract was signed between QAFCO and Commercial Bank following the official pre-event press conference at Doha Golf Club.

The event allowed kids of all ages to have fun trying out a number of different sports with mini basketball, mini tennis, mini golf and mini soccer, which were on offer throughout. Families were encouraged to come along and enjoy everything the tournament had to offer, with world-class golf on the Championship Course and a wide range of family activities in the brand new Kids Zone and popular public village.



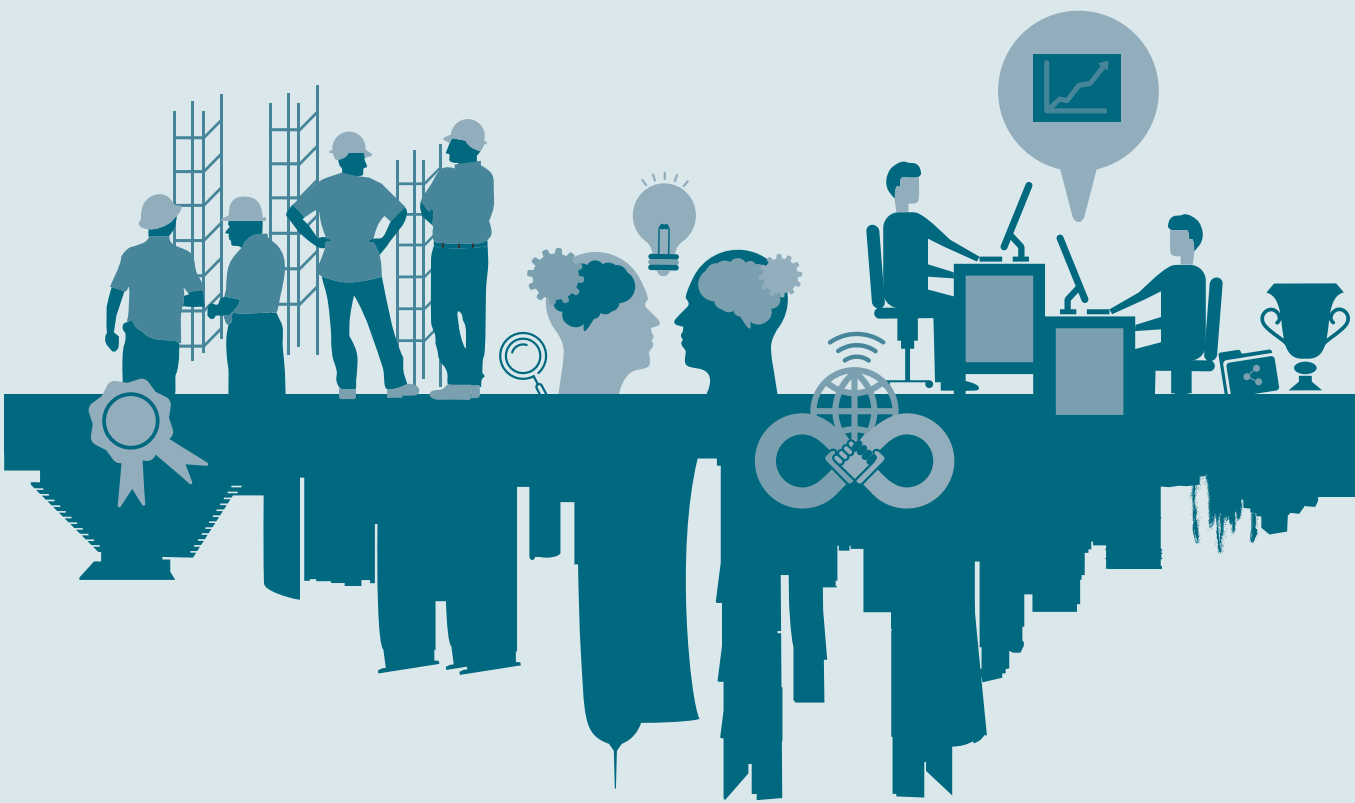
G4-DMA Local communities, G4-SO1



## Looking forward

Over the last few years, we have taken many steps to provide a safe and healthy work environment and dedicated training to our employees for professional and personal development as well as to improve employee and community welfare. We are keen to continue engaging with our employees to make QAFCO the chosen employer for professionals. We will also be pursuing our ambitious Qatarization targets with more purpose in 2015 and beyond.

G4-2





# FOCUS ON PRODUCT QUALITY



## Key highlights



A very high Safety Performance is the prerequisite to operate our plants, a continuous focus on our Product Quality is the guarantee to do so in the future."

**Mr. Thomas Schmitz**  
Chief Operations Officer



- Product handling system awarded a **level –1 gold certificate** by Australian Quarantine and Inspection Service (AQIS)



- Developed a **robust complaint management system** and resolved all complaints within 2 weeks



- Our new initiative to produce value-added urea products based on research will be done using our already purchased **Pilot High Speed Drum Granulation (HSDG)** unit



- Awarded **Standard Award level certification** by the Chartered Institute of Procurement & Supply (CIPS)



- **Sustainable Procurement Training** to 10 QAFCO employees

As envisaged in our vision, "Quality" is the helm of our business. To make our vision a reality, our strategy is to maintain a dynamic presence in the realm of the fertilizer industry to explore new opportunities, expand worldwide presence and continue to provide our customers with high quality reliable products.

The fertilizers we produce include fully refrigerated anhydrous ammonia (fertilizer grade), aqueous ammonia (AQ), prilled urea, granular urea and urea formaldehyde (UFC 85). Our marketing partner firm Muntajat (Qatar Chemical and Petrochemical Marketing and Distribution Co.) purchases, markets, distributes and sells these products to customers.

Ammonia and urea have been our major fertilizer products for almost five decades. We have earned a reputation as one of the leading producers of these products in the MENA region. However, we understand that product diversification is the way forward. Augmenting production, product value addition, diversification and focus on research and development will be QAFCO' drivers of growth in the coming years.

### Urea

Urea is the most widely solid fertilizer across the globe. We produce about 5.45 million tonnes of urea every year, and offer two different types of urea for our customers in the region and abroad – granular and prilled. More than 94% of the urea we produce is exported, with the US (28%) and Brazil (22%) being the main importers. We are aiming to export more than 5.3 million tonnes of urea globally in 2015.

### Ammonia

The production process involves natural gas, steam and air undergoing a series of reactions in the controlled atmosphere of our plants. We produced more than 3.6 million tonnes of ammonia in 2014. India and South Africa (389,731 and 60,898 metric tonnes respectively) are the major importers. We are looking to extend



## Good to know

### Sustainable Procurement Training

Our purchasing portfolio includes not only the catalysts, chemical and energy required for manufacturing, but also machinery, parts, technical services to maintain and operate our plant and utility services like staff transportation, cleaning, catering, office supplies, etc. required to support our office infrastructure and facilities.

In 2014, as part of our strive to be ever more sustainable, we engaged a consultancy company to provide us with training and strategic advice on how sustainability can be embedded into our procurement processes in a consistent, yet adaptable manner, across the business.

A total of 10 employees from the Contracting and Procurement section attended to the training.

our global export markets for ammonia on more than 550,000 tonnes in 2015.

### Other products

Product diversification has access to more markets and help us achieve financial sustainability from any demand-related shocks affecting our two main products, urea formaldehyde (UFC 85) and melamine. UFC 85 is an additive added to urea to increase its strength. Melamine is formed through the thermal decomposition of urea and is used in synthetic resins.

In 2014, we achieved the established capacity of 58,000 metric tonnes in UFC 85 production and more than 56,000 metric tonnes of melamine. Our foray into UFC 85 and melamine production reflects our business strategy of product diversification.



G4-4, G4-8, G4-DMA Supplier Environmental Assessment, G4-DMA Training and education, G4-DMA Supplier assessment for labor practices, G4-DMA Customer Health and Safety

## Product stewardship

To maintain and improve the quality of our products, we have implemented a stringent quality management program facilitated by real time monitoring and measurement of production processes, from the incoming raw material to the distribution of final products as well as by a sophisticated laboratory analysis at various stages of production processes.

Our quality management system was certified ISO 9001 in 1996. We also comply with the internationally accepted health and safety management system Occupational Health & Safety Advisory Services (OHSAS) 18001 and Responsible Care (RC) 14001 that provide us with a structured approach to manage environmental, health and safety risks.

Over the years, our integrated management system has enabled the company to become a corporate leader that takes care of the needs and expectations of its customers and other stakeholders — employees and suppliers along with the community as well as the environment. We have received several certifications and accolades, over the years, as a testimony for this. Our product quality is widely acclaimed within the industry and several agencies have set high rating for our products.

Compliance with global standards of product and process handling, and safety and control of our products is our priority. The QAFCO management has a well-defined policy covering the International Fertilizer Association (IFA) SHE principles that guide our company in sustainable development and in taking care of the safety and security of its stakeholders along the supply chain. Last year, we were the proud recipients of the "Product Stewardship Excellence" certification from the Association.

Furthermore, in 2014 we achieved a milestone in our journey towards excellence in our contracting and procurement policies was given the Standard level certification awarded by the Chartered Institute of Procurement & Supply (CIPS), which demonstrates an effective governance is in place for supply assurance and compliance. The certification was issued following a five-month comprehensive assessment process that is based around a stringent set of criteria, and after reviews conducted by external assessors.



## Good to know

### Department of Agriculture Inspection

In 2014, our fertilizers prilled and granular urea exports to Australia reached a significant 14%. Australia has one of the strictest inspection procedures for imported fertilizer products requiring exporters to maintain high quality standards to minimize the risk of exotic pests and diseases in the country. The Department of Agriculture Inspection is the organization responsible for managing quarantine controls at Australian borders and provides import certification to exporters.

Our product handling system was awarded a level-1 gold in 2014 that gives the customer the highest level of confidence and assurance in the integrity of the consignment in terms of quarantine contamination. As part of our continual improvement and contamination management strategy we will be putting up Yellow Flags along the Jetties and the Handling System during loading to Australia as a reminder and to make people aware that extra care should be taken to avoid any contamination.



*We are on a journey to Procurement lifecycle excellence and everyone here is delighted that QAFCO received the prestigious CIPS certification in terms of global benchmark reference. In 2015, we will continue to identify opportunities to improve our processes so greater transparency, enhanced control and efficiency gains can be generated throughout the Procurement process."*

*Mr. Majid Al-Malki*  
Supply Chain Manager

## QHSE throughout our product lifecycle

Significant quality, health, security, safety and environmental aspects, and risks, related to our operations, activities and products are identified through documented procedures. The Consent to Operate conditions, as specified by the QHSE legal requirements, also help us in identifying these significant aspects and risks.

We have adopted a holistic approach in planning our products, being sure to incorporate the QHSE requirements at each step of the product life cycle, from production, storage, marketing and sales to delivery and use of our products.

### Product realization

We have determined QHSE objectives as requirements for product realization that are in line with QAFCO Group's Integrated Policy, corporate and departmental objectives and our integrated management system.

We have established mechanisms to monitor and verify that our products comply with defined QHSE criteria. We also keep records to provide evidence that our realization processes and resulting products meet those requirements.

### Contractor QHSE assessment

We ensure that products and services procured meet QAFCO's QHSE requirements and qualify for the applicable control mechanisms such as inspection and testing of incoming goods, and accordingly we select our suppliers and contractors.

In 2014, we conducted a contractor competency exercise and evaluated HSE performance of eight of our major contractors who usually provide us manpower

Figure 29. Planning Product Realization



and other technical services. These contractors were assessed for maintaining safety culture at the site, use of personal protective equipment (PPE) by the workers, compliance to HSE requirements in the contract and providing basic facilities to the workers including restrooms, drinking water facilities, training programs, personal protective equipment, condition of the contractor's office and laydown area. The average of the individual scores of the eight contractors exceeded the satisfactory level (71 over 100).

During the assessment, improvement areas were identified (including lack of hygiene awareness, far distances to laydown areas or unbalanced diet) for each contractor. In the coming years, we will continue assessing and monitoring initiatives adopted by the contractors to address these issues.

We have also instituted best performance awards for the contractors performing during planned shutdowns. We provide mandatory training to all contractors' employees before any work commences.



G4-12, G4-DMA Supplier Environmental Assessment, G4-EN32, G4-EN33, G4-DMA Environmental grievance mechanisms, G4-DMA Supplier assessment for labor practices, G4-LA14, G4-LA15, G4-DMA Human rights grievance mechanisms, G4-DMA Customer Health and Safety

## Supply chain to customers

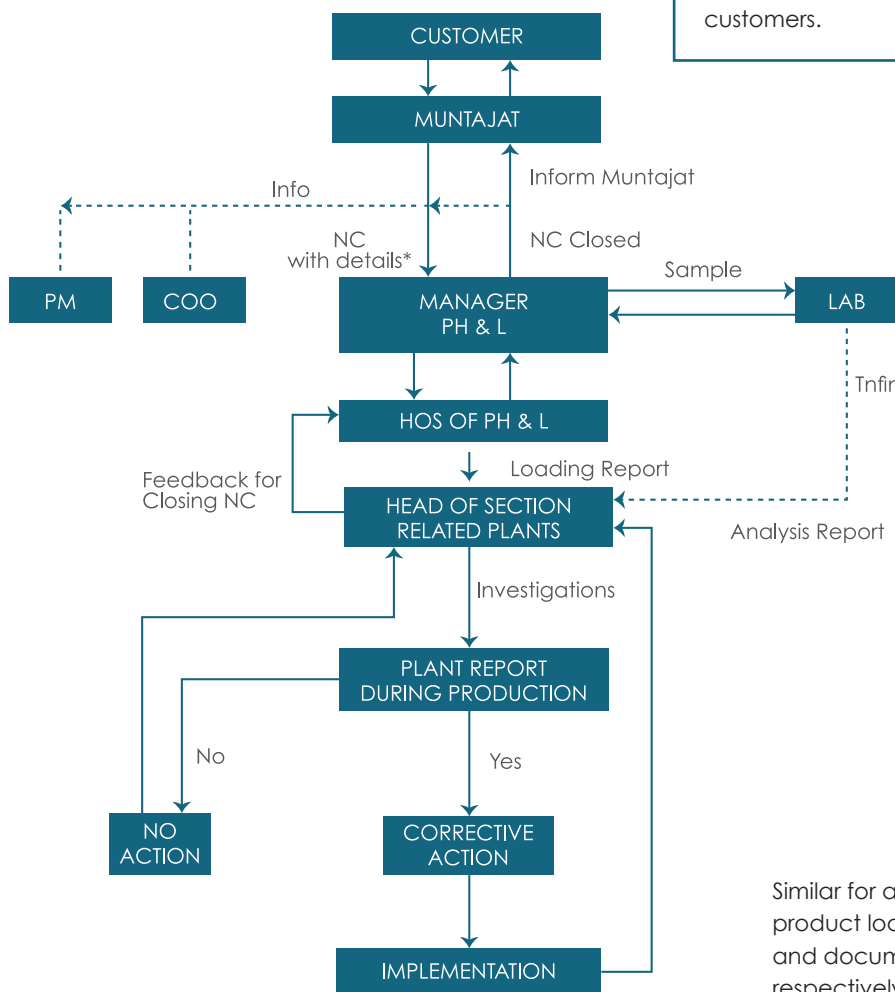
We have a very large market presence, exporting products to more than 30 countries. QAFCO products are sold through selected reputable dealers with whom we have maintained a good rapport and close interaction. Through a contract agreement, we stipulate dealers' responsibility for safety, security and environmental requirements with respect to distribution and use by farmers. All relevant information about product use is disseminated to users.



## Good to know

Within the fertilizer industry, an essential element of successful production is ensuring our product is stored and packaged at an appropriate temperature. Given the hygroscopic nature of urea prills and granules, elevated temperatures can quickly translate into caking during storage, packaging and bulk transportation. When our product quality is compromised by caking it results in breakage and handling difficulties which translate into a lower selling price and dissatisfied customers.

Figure 30. Complaint Management System



## Customer engagement

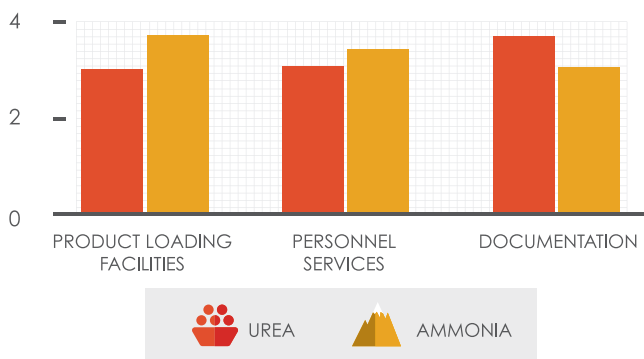
We have established a documented process to measure customer satisfaction for continual improvement towards meeting their expectations.

In 2014, we commissioned a customer satisfaction survey through Muntajat, our marketing partner, for urea and ammonia to understand customer concerns and perception.

For urea, the average satisfaction (out of 5) for product loading facilities, personnel services and documentation fell into the excellent range with 3, 3.3 and 3.7 respectively.

Similar for ammonia, the satisfaction levels for product loading facilities, personnel services and documentation were 3.7, 3.5 and 3 respectively.

Figure 31. Results from customer satisfaction survey



We have an efficient and well-defined mechanism to deal with complaints logged and ensure these complaints are resolved in a timely manner. Complaints received from the customers are registered through a non-conformity system and reported to the management. In 2014, there were five complaints regarding our products, four of which were external. All the complaints were resolved swiftly and closed within two weeks.

G4-12, G4-DMA Supplier Environmental Assessment, G4-EN32, G4-EN33, G4-DMA Environmental grievance mechanisms, G4-DMA Supplier assessment for labor practices, G4-LA14, G4-LA15, G4-DMA Customer Health and Safety, G4-DMA Compliance

## Product end use

We remain concerned about the effects of product use once it is dispatched from our premises, and always seek to promote efficient use adopting life cycle product responsibility.

In 2014, QAFCO to produce various value added urea products in Qatar. The pilot High Speed Drum Granulation (HSDG) Unit, with a capacity of 2.4 tonne/day, will allow QAFCO to develop various urea based products by adding sulphur, ammonium sulphate and a diverse range of other micronutrients. These products would have higher crop yields and lower overall impact on the environment. Construction activities in the pilot plant are expected to kick-off by mid-2015 and the plant will start production by end of next year.



## Our contribution to global community: new product applications

As a social initiative, QAFCO has signed an agreement with the Belgian University of Liege to explore the use of urea to improve nutrient capacities of cassava root. The second most important food in Africa and Asia, cassava is mostly grown by the small-holder farmers largely because of its tolerance of drought and poor soil. The research team will assess the impact of microorganisms to enrich protein content in cassava, which contributes to the diets of millions in the sub-Saharan countries. This cooperation could also lead to the development of natural solutions to daily diet, especially for baby food free from the residue of food additives or antibiotics that weaken their resistance to diseases.

The research collaboration will also look at the possibility of using urea as an essential component of healthy poultry feed to prevent the use of antibiotics in agriculture and livestock production.

The agreement with the university's department of veterinary science was signed by our CEO in the presence of Belgian Walloon Government President HE Paul Magnette.



G4-12, G4-EC8, G4-DMA Customer Health and Safety, G4-DMA Compliance



## Looking forward

In 2015 we are planning to create a Sustainable Procurement Policy and develop an action plan for successful implementation of sustainable procurement.

We will continue conducting customer and supplier assessment exercises and surveys to determine and understand the value we create for them.

We are committed to ensuring the highest product quality, adhering to internationally recognized quality standards and by dealing with challenges at each stage of the product life cycle. As part of this life cycle approach, we are all set to develop value-added urea products by adding more chemicals and micronutrients to reduce the impact on the environment.

G4-2





# OUR ENVIRONMENTAL LIABILITY



## Key highlights



Initiated implementation of Energy Management System according to

**ISO  
50001:2011**



**23%  
decrease**

in Indirect Energy import through energy efficiency improvement



**95%**

of waste recycled & reused



Feasibility study to achieve  
**ZLD**



Recycled about **75%** of total solid waste and reduction on paint waste through installation of IT 3900TM reclamation unit



**NOx** emissions continued to fall



**5-year agreement**

with Texas A&M University at Qatar

**(TAMUQ)**

for sponsoring the QAFCO Texas A&M



Each and every person is responsible towards the environment, whether it is a child or an adult. It is our environment that provides us with the resources to develop a nation. And that's why its important to educate the nation on the importance of protecting our environment. We should strive together to preserve today for our tomorrow."

**Mr. Mohd. Y. Al Eshaq**  
SEQ Manager

Qatar community faces serious environmental challenges that need to be addressed to achieve water security, reduce carbon emissions, and lower risks in the terrestrial and marine environment. Companies like ours must commit for making our nation's future path of development compatible with the protection and conservation of environment.

We believe environmental consideration is critical to upholding responsible business operations, and have worked hard at monitoring, controlling and reducing wastes while conforming to relevant environmental standards. QAFCO has displayed consistent progress in key environmental performance indicators, including waste water generation, GHG emissions, ozone-depleting substances, hazardous and non-hazardous wastes generation, and natural resource management

through the 3R approach. Since 1997, we have established the Environmental Management System (EMS), ISO 14000-certified, with defined processes and procedures for identifying, evaluating and reducing the environmental impacts and at the same time increasing the operating efficiency and ensuring regulation compliance. We strictly comply with the legal guidelines and, in many cases, even go beyond these to safeguard the interests of the planet and the people.

Our established environmental policies showcase the top management's commitment towards environmental protection. Our Health, Safety and Environment Committee (QASEC) conducts frequent reviews and progress meetings to administer that these policies are followed effectively.

## Partnering for efficient energy use

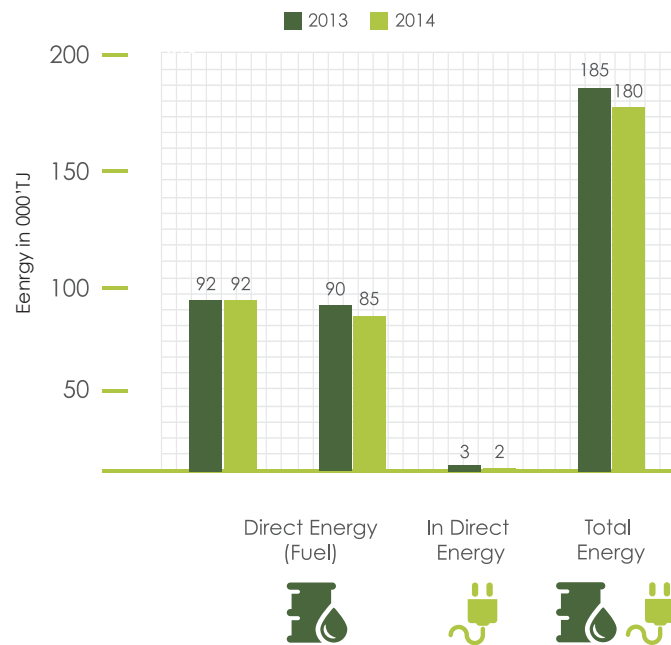
Energy, in the form of natural gas and electricity, is our main raw material. Energy efficiency is a strategic management issue for QAFCO, since we are facing serious energy challenges including increasing costs, risks of supply disruptions and growing environmental impact.

We seek to become a sector leader in energy efficiency and strive to manage our resources proficiently as we have undertaken several energy efficiency and conservation measures over the year. In 2014, we initiated the implementation of Energy Management System in accordance with an the ISO 50001:2011. This will enable us to manage our energy sources and create opportunities for energy efficiency and conservation. An energy policy has been developed along with defined objectives and targets.

We have already established the energy baseline for our products for the ammonia, urea, melamine and Utility plants. The Global Ammonia Plants Benchmarking methodology is being followed for analyzing the energy data and benchmarking. Energy performance indicators (EnPIs) are developed for each operating plant/unit.

In addition, an Energy Management System Core Team has been created. An independent and expert training was provided and team members are certified by the International Accredited Body (AIAO-BAR/BMQR) to carryout Energy Audits & ISO 50001:2011 Energy Management System internal audits.

Figure 32. Energy Consumption (000'TJ)



Total energy used in 2014  
(180,152 TJ)  
has been reduced by  
**3%**  
compared to 2013.

Qatar General Electricity and Water Corporation (KAHRAMAA)

G4-DMA Energy, G4-EN3, G4-DMA Environmental grievance mechanisms

## Partnering for innovative technologies

The main cooling system for QAFCO plants is provided by heat exchanged seawater. Seawater with a temperature over 60°C has a tendency to form salts deposits that increase the risk of corrosion. QAFCO and Qatar University (QU) have signed a Memorandum of Understanding to enhance cooperation in areas related to energy systems. The agreement includes building and commissioning a Heat Exchanger Pilot Plant at QU by QAFCO and appointing a QAFCO Chair in the Energy Systems at the College of Engineering.

The pilot plant will be used for studying sea water behavior on heat exchanger applications. Research work by academics will benefit QAFCO for studying sea water related problems of fouling / metallurgy on a pilot scale as well as the university engineering students for understanding industrial applications, and to study and develop solutions for plant-related problems.

As part of the QAFCO Chair, an applied research program will be created in the area of Energy Systems. The research program will be integrated with the undergraduate student graduation projects and graduate theses, according to QAFCO needs. The Chair will also serve as a platform for Research & Consulting, including organizing workshops, courses and summer training supervision. We will invest about QAR 900,000 annually to support the Chair position.

Furthermore, QAFCO is exploring new grounds to find practical means of energy efficiency. Here, the industry-academia coordination will be of remarkable significance. We have signed an agreement with the Texas A&M University at Qatar (TAMUQ), as QAFCO is sponsoring the QAFCO Texas A&M at Qatar Conference for five years.

This provides a unique opportunity for Qatar’s technical and science communities and industries to come together to hear innovative developments from world-renowned scholars and practitioners. The focus of this year’s conference, nanotechnology and energy,

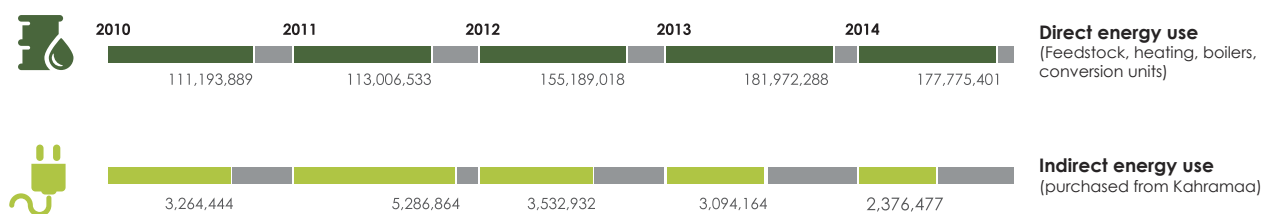
is essential to the evolution of enhanced energy efficiency and the further development of products and processes. The conference featured an impressive technical program and the sessions showcased opinions and research from some of the world’s most respected names in nanotechnology and energy. It also provided a forum for the exchange of ideas and opportunities for future collaborations.

Events such as the conference work toward the goals of the QNV Vision 2030 and the state’s efforts to become a hub of research and a resource for knowledge globally.

Our partnership with TAMUQ will help us discover new grounds for conservation and energy efficiency.



Figure 33. Energy use, Gigajoules (GJ)



G4-EC7, G4-EC8, G4-EN3

## Water conservation

We aim to monitor the water usage and discharge as part of our operations and take significant actions to reduce our water footprint. The production of ammonia and urea require water as a process cooling and steam generation component.

We have significantly reduced our reliance on fresh water purchase by increasing our water generation by about 6% in 2014. Currently about 94%-95% of our water requirement is met internally, through recovery, recycling & reuse.

We constantly monitor quality and temperature of wastewater discharges to the sea. The seawater used for cooling is also tested to make sure that it does not breach the agreed levels, as per regulation. Besides using treated wastewater to irrigate green zones, we are also increasing our focus on reusing water in core operations and production processes. In 2014, the Ministry of Environment (MoE) issued a directive to the operators to work towards Zero Liquid Discharge (ZLD) to the sea. As per the new Consent to Operate Permit from Ministry of Environment, we are committed to no process wastewater discharge to the sea.

### Good to know

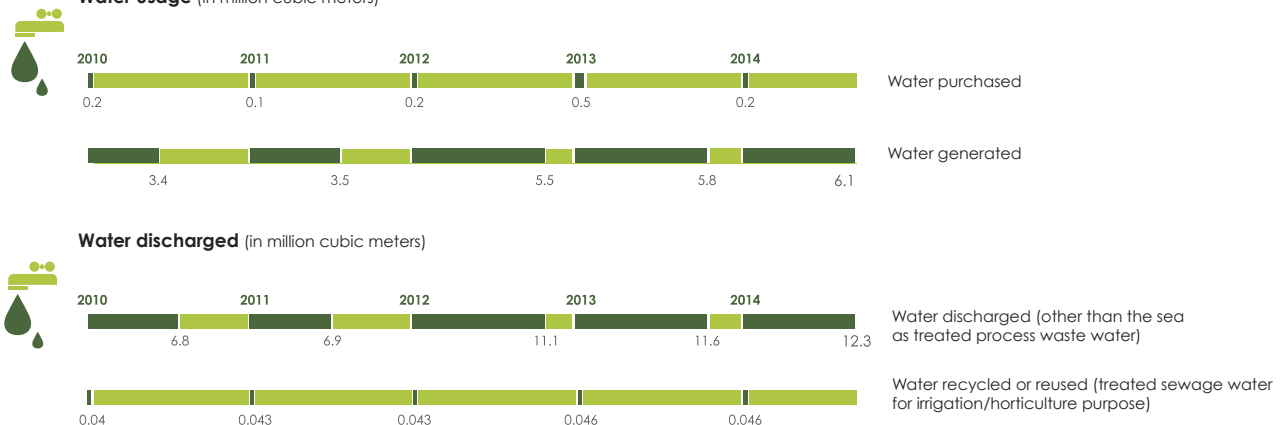
#### Key highlights on ZLD project

- 0.5 million QARs invested on feasibility study
- 150 million QARs to be invested on engineering, procurement and construction phases
- Approximately 90% of the process waste water can be recovered as demineralized water or irrigation quality water
- Irrigation quality water generated to be used for landscaping and the development of a green belt in the QAFCO plant premises
- CAPEX can be substantially reduced through the production of irrigation water through waste water treatment

Accordingly, we conducted a detailed feasibility study to evaluate wastewater recovery options. About 3,100 cubic meter per day of process water quantity is generated within the QAFCO (1-4) plants from approximately 150 identified sources. This includes continuous (76%) and non-continuous (24%) discharge water. Maximizing recovery from process wastewater as good quality, to use within QAFCO for other processes, will minimize our reliance on water supply from other sources.

In 2015, we will be proceeding with the engineering, construction and commissioning of the wastewater treatment unit as per the execution plan developed in the study. The project is expected to be commissioned in 2018.

**Figure 34.**  
Water usage (in million cubic meters)



G4-EC7, G4-DMA Water, G4-EN8, G4-EN9, G4-EN10, G4-EN22

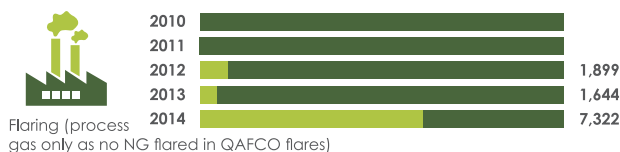
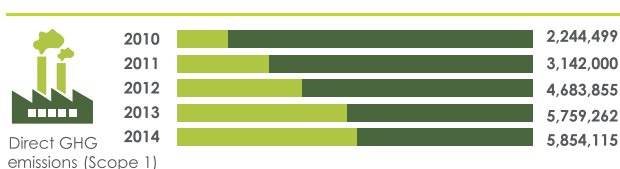
## Emissions and effluents

Our production operations result in the release of air pollutants including nitrogen oxide, sulphur dioxide, carbon dioxide (excess CO<sub>2</sub>), urea dust and ammonia. We have taken various necessary steps to reduce these emissions.

### GHG Emissions

We are assessing the feasibility of integrating the ammonia plant with urea plant that would help prevent the release of huge amounts of CO<sub>2</sub>; however, this depends on the production capacity of urea plants.

Figure 35. GHG Emission (Metric Tonnes)



### Good to know

In 2014, we took up several initiatives that will help us to reduce our NO<sub>x</sub> emissions over the years.

- NO<sub>x</sub> reducing program:
  - Introduction of De-NO<sub>x</sub> Technology
  - Installation of Low-NO<sub>x</sub> burner on number of boilers
- Installation of H<sub>2</sub>S removal plant to remove sulfur from the raw gas, when in turn it will reduce the total quantity of SO<sub>2</sub> to the air.
- QAFCO 1 and QAFCO 2 revamp projects to shifting the fertilizer product from prill to granules; hence, it will reduce the quantity of urea dust emission to air.
- Install CO<sub>2</sub> booster pump to send the excess CO<sub>2</sub> from QAFCO 1-4 to QAFCO 5-6 area, as well as to QAFAC.

### Other Emissions

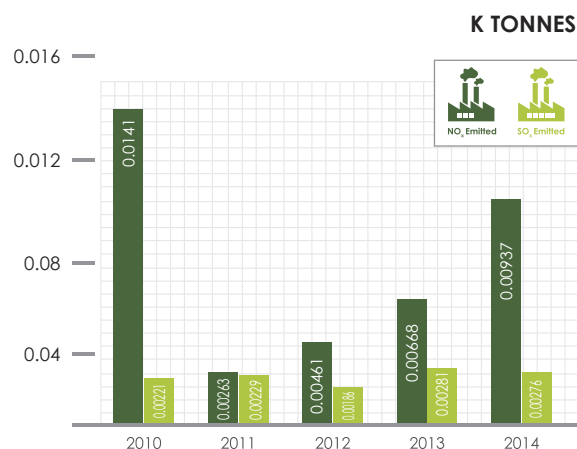
We have significantly invested in R&D in developing solutions for replacing ozone depleting substances. For instance, we have been successful in phasing out Halons from our firefighting systems, replacing it with water mist and Novec 1230. We have invested a total of QAR5 million to eliminate using freon in two air cooler skids.

### NO<sub>x</sub> and SO<sub>x</sub> emissions

We have always strictly adhered to local environmental regulations to achieve the challenging nitrogen oxides (NO<sub>x</sub>) emission limits (125 mg/N m<sup>3</sup>)

QAFCO is a leader in DeNO<sub>x</sub> technology that not only helps to meet our NO<sub>x</sub> reduction challenge in our facilities, but also helps other industries to meet their NO<sub>x</sub> targets. Over the years we have also been able to offer solutions to other Qatari industries and power stations to control their NO<sub>x</sub> emissions.

Figure 36. NO<sub>x</sub> and SO<sub>x</sub> emissions



G4-DMA Emissions, G4-EN15, G4-EN20

## Waste management

We have continuously improved our waste management and treatment mechanisms to avoid the necessity to treat and dispose of the waste materials.

Spent catalysts are the major waste generated, once in five to seven years, categorized as hazardous industrial waste. It is collected under standard precautions and stored in closed containers. The two types of spent iron oxides catalysts, which are generated in bulk quantities, are now sent to Qatar Steel for further utilization at their facilities.

Prior to 2014, the paint waste, again a hazardous waste, approximately 8,000 liters per year, generated from the tool cleaning operations after the spray painting — was disposed of in the scientifically managed landfill site. The storage, handling and disposal have become a major issue since the volume of jobs was going up with new plants and shutdowns, in addition to the disposal cost of QAR 66/liter.

In 2014, we installed an IT 3900TM reclamation unit from inland technology (which uses EP-921 - Low toxicity & volatility) to recycle the tool cleaner. The machine was run on a trial basis and was found to be satisfactory, as the waste generated could be brought down to 2,000 liters per year.

Over the last year, the solid waste generated has increased by 20%, from 12,100 tonnes to 14,500 tonnes. However, we have managed to recycle about 75% of our total waste generated reflecting our efficiency in absorbing the excess waste generated from the expansion in our operations and production units.



## Good to know

### Advantages of recycling painting waste:

- Reduction of the waste generated from painting operations. This means less hazardous materials to handle, store and dispose.
- Replacement of current highly volatile and toxic for human health and environment solvents with a more environmentally responsible solution with extremely low volatility and re-use properties.
- The solution can be recycled for 20 – 25 times and may be with more experience higher rates can be achieved.
- Lack of toxic chemical odor creates an improved workplace environment for technicians.
- Less manpower required for cleaning operations.



G4-DMA Effluents and waste, G4-EN23

Figure 40. Solid Waste in tonnes



Waste volumes and disposal methods (tonnes)	2010	2011	2012	2013	2014	Note
Incineration	n/a	n/a	n/a	55.7	1.5	Wastes generally consisted of paints, and inks, stored for a long period.
Recycling	7,488	7,831	9,000	9,075	10,875	Used Oil by reclamation inside country. Spent catalyst by metal recovery abroad. Industrial wastes such as wood, plastic, and paper/ cardboard are reused.
Total amount managed	12,480	12,630	12,000	12,100	14,500	There is an increase in waste generated due to Q5&6 commission.
Percentage of total waste recycled	60%	62%	75%	75%	75%	

G4-DMA Effluents and waste, G4-EN23

## Conserving our neighborhood

Biodiversity is very valuable and needs to be preserved. Our environmental, health and safety section manages historic environmental liabilities associated with known or suspected contamination of soil at its operating and legacy sites. Furthermore, QAFCO offers support to various initiatives aimed at environmental protection outside the Mesaieed Industrial Area (MIC).



## Our contribution to global community Improved land use

We are taking the initial steps to respond to the changing dynamics of agriculture pattern through the promotion of efficient utilization of our fertilizers leading to increased land yield and reduced environmental impact.

In 2014, we took an initiative to set up the High Speed Drum Granulation (HSDG) Unit to produce Urea+Sulfur and Urea+Ammonium Sulfate products. Both products have properties that allow them to be stored over long periods and delivered over long distances. They slowly dissolve when applied in soil while gradually releasing their nutrients, to support plant growth. These new products avoid emissions of Nitrogen nutrient to the atmosphere increasing Nitrogen use efficiency, leading to financial gain to the farmers, and avoiding Nitrate discharges to water bodies.

This agreement comes in line with our strategy to diversify from commodity urea and our ambitious future vision to provide value-added produce to our customers.



## Good to know

### Abiding by MIC's environmental regulation

MIC has developed a Detailed Master Plan (DMP) to guide development in the MIC area with zoning for petrochemicals, metallurgical, light and support industries as well as commercial, residential and recreational zoning in the community area.

The DMP ensures to secure protection of environment by establishing appropriate standards for the control of air quality, wastewater effluent and hazardous waste storage and disposal for all existing and new industries.

QAFCO, as part of MIC, is committed to abide by the MIC DMP.

### Fish farm and hatchery

To support and improve fish diversity and population, QAFCO is planning to establish a fish hatchery in Mesaieed. After completion, the hatchery will have various native species, enhancing the biodiversity of the local marine life.

### Al-Besheriya island monitoring

In 1999, the Ministry of Environment (MoE) appointed QAFCO as a custodian of the island. Since then, QAFCO, together with the MoE has been conducting clean-up operations on the island where families were also invited to participate. The campaign aimed at installing new containers for rubbish disposal, planting 200 mangrove saplings, and renovating all the shelters on the island.

Whatever fate is set for Al-Besheriya, at present it is safe in our hands. We continue with our effort in monitoring the environmental condition on the island by carrying out a baseline survey, in collaboration with Qatar University, of both the marine and terrestrial zones showing the details of the biodiversity at the island and its surrounding waters.

### Artificial reef restoration

Our increased industrial activities close to the Mesaieed shorelines have had a negative impact on the local marine life. These activities have damaged natural reefs, which provide a rich habitat for fish and other marine species. To preserve this natural habitat, we have taken the initiative to deploy artificial reef balls in selected sites close to the Sealine beach in Mesaieed. A significant improvement and recovery of coral reef has been observed in the area so far.

G4-EN11, G4-EN12, G4-EN13



## Creating environmental awareness in our community

At QAFCO, we promote environmental awareness among the community through campaigns, publicity, education and action programs, with a view to harnessing the community's support for, and contribution to achieving our environmental goals, thereby securing a long-term solution to environmental problems through development of an improved environmental ethic within the community.



*Environment awareness and education is an essential key towards sustainable development. QAFCO believes in environmental responsibility and has always championed environmental initiatives, awareness drives and workshops that benefit the society at large. We have continuously welcomed such initiatives from communities and our neighboring industries as well, to support and encourage them with achieving the goals of the Qatar National Vision 2030. Being certified as a Responsible Care organization only strengthens our resolve further to be an environmental conscious organization at all times."*

*Mr. Khalifa Al Sowaidi*  
CEO of QAFCO

QAFCO participated in waste management events by promoting the "Waste Free Environment Campaign," conducted across the Gulf Cooperation Council (GCC) by the Gulf Petrochemicals and Chemicals Association (GPCA). In 2014, we attended the 2nd GPCA Sustainability Conference, which had as its central theme, People, Planet and Profit.

To mark "Arab Environment Day 2014", our Environment section organized a school field trip to Al-Dosari Zoo & Game Reserve in Al-Shahaniya on 24 November 2014. A total of 101 students and faculty members from QAFCO primary school visited the zoo and inspected the various embalming sections of the reserve. The trip included a documentary film presenting a brief history of the reserve.

QAFCO celebrated Qatar Environment Day with an environmental competition named "Creating Artwork from Waste" with the aim to create environmental awareness among students. The competition saw the participation of various schools and students from the schools of Mesaieed and Wakrah took away the winners' trophy.

On World Environment Day, a series of competitions were organized for approximately 500 school students from Mesaieed and Wakrah, based on the theme "Raise Your Voice, Not the Sea Level." It included drawing competition, art displays on the impact of global warming, video presentations and live demonstrations. There were gift vouchers for winners, certificates for winners and all participants, and special prizes for unique exhibits.

QAFCO has been organizing environmental campaigns in schools to advocate good environmental habits among the young ones. Planting campaigns were organized where children planted their favorite species to help them understand the importance of protecting our trees. The children were then entrusted with the responsibility of caring for their plants within their school.



G4-DMA Local communities, G4-SO1



## Looking forward

QAFCO has always pursued a dual approach of being an innovation leader in terms of environmental challenges and minimizing our environmental footprint by the judicious use of resources.

On energy management, the team is committed to reaching its energy saving targets. Internal audits are planned for early 2015 with ISO 50001 certification following in 2015-16.

On the innovation front, we will continue our efforts towards completion of the "Artificial Reef Restoration" and "Sustainable Fish Farming" projects.

We are committed to embrace the Zero Liquid Discharge (ZLD) objective of the government through recycling our excess water and avoiding wastewater discharge in to the sea.

We also understand the need to work in harmony with the local community to initiate more environmental education and awareness campaigns for the Qatari community.

# ACRONYMS

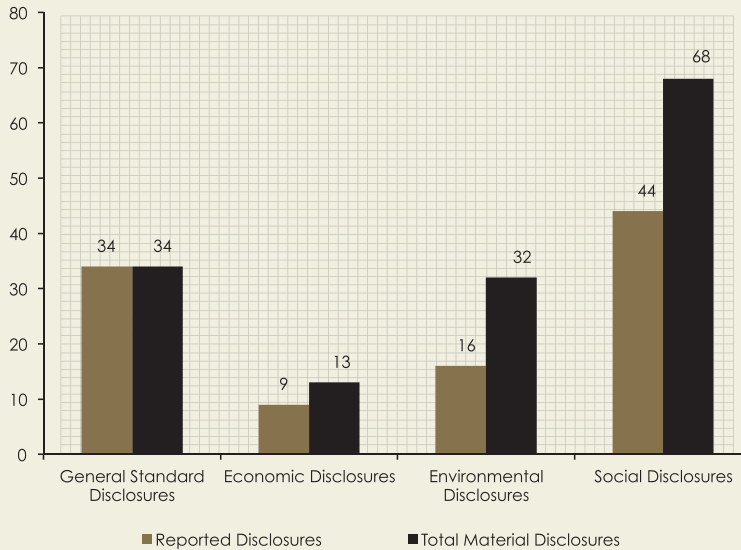
AQ	Aqueous Ammonia
AQIS	Australian Quarantine & Inspection Service
CAPEX	Capital expenditure
CFCs	Hydrofluoro Carbons
CIPS	Chartered Institute of Procurement and Supply
DMP	Detailed Master Plan
EMS	Environmental Management System (EMS)
EnPIs	Energy performance indicators
ERM	Enterprise Risk Management
ERP	Enterprise resource planning
ESB	End of Service Benefit
GCC	Gulf Cooperation Council
GHG	Greenhouse Gas
GPCA	Gulf Petrochemicals & Chemicals Association
GRI	Global Reporting Initiative
HACCP	Hazard Analysis & Critical Control Points
HFCs	Chlorofluoro Carbons
HSDG	High Speed Drum Granulation
HSE	Health, Safety and Environment
HSSE	Health, Safety, Security and Environment
IASB	International Accounting Standards
IFA	International Fertilizer Industry Association
IPIECA	International Petroleum Industry Environmental Conservation Association
IPNI	International Plant Nutrition Institute
KPIs	key performance indicators
MENA	Middle East and North Africa
MIC	Mesaieed Industrial City
MoE	Ministry of Environment

MORR	Management of Occupational Road Risk
MSDS	Material Safety Data Sheets
NDS	National Development Strategy
NOx	Nitrogen Oxides
OFMA	Qatar Financial Markets Authority
OH&S	Occupational Health & Safety
OHSAS	Occupational Health & Safety Advisory Services
OPEX	Operational Expenditure
QAFAC	Qatar Fuel Additives Company
QAR	Qatari Rial
QASEC	QAFCO Safety and Environment Committee
QEISS	Qatar Energy & Industry Sustainability Sector
QMC	Qatar Melamine Company
QNCC	Qatar National Cement Company
QNV	Qatar National Vision
QP	Qatar Petroleum
QRA	Quantitative Risk Assessment
QU	Qatar University
QVC	Qatar Vinyl Company
RC	Responsible Care
RoSPA	Royal Society for the prevention of Accidents
SEQ	Safety, Environmental and Quality
SIS	Safety Information Systems
TAMUQ	Texas A & M University at Qatar
UF	Urea Formaldehyde
UNFAO	United Nations Food and Agriculture Organization
ZLD	Zero Liquid Discharge

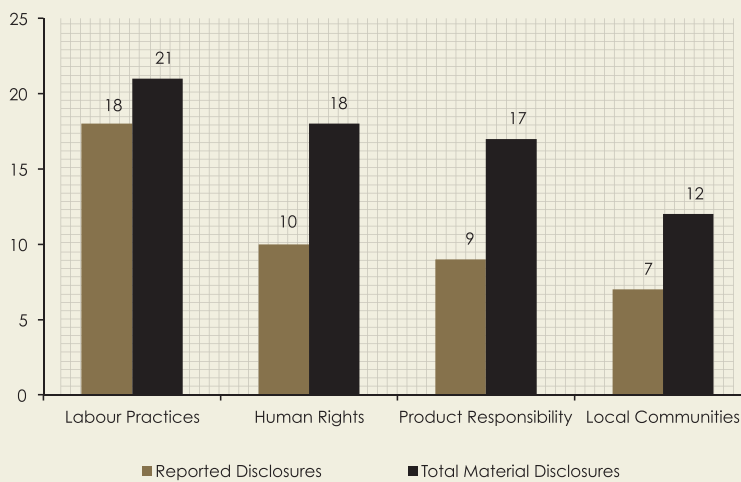
# GRI INDEX SUMMARY

We have chosen the G4 version of GRI reporting while compiling this report. This report follows the in accordance core option of GRI reporting where we report all the standard disclosures along with at least one among the other material disclosures. Overall, we have achieved above 70% reporting of the total material disclosures for the current year with more than 60% of the additional disclosures reported in the report.

**Figure 37a. GRI Index**



**Figure 37b. GRI Index**



In the specific disclosures, we have also mapped our reporting progress on the four sub-sections for the social category of the GRI table namely Labor Practices, Human Rights, Local Communities and Product Responsibility.



For more information please visit

<http://www.qafco.qa/Satellite/Qafco/en/sustainability>

# GRI G4 CONTENT INDEX



General Standard Disclosures			
General Reference	Definition	Page/Direct Answer	External Assurance
<b>STRATEGY AND ANALYSIS</b>			
G4-1	A statement from the most senior decision-maker of the organization	4,5	No
G4-2	Description of key impacts, risks, and opportunities.	4 to 5,8 to 9,12 to 13,27,43,51,62	No
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Name of the organization.	2	No
G4-4	Primary brands, products, and services	46	No
G4-5	Location of the organization's headquarters	10	No
G4-6	Number of countries where the organization operates.	10	No
G4-7	Nature of ownership and legal form.	10	No
G4-8	Markets served.	20 to 23,46	No
G4-9	Scale of the organization.	20 to 23,30	No
G4-10	Breakdown of workforce.	30	No
G4-11	% of total employees covered by collective bargaining agreements.	Collective bargaining agreements are not allowed in the State of Qatar.	No
G4-12	Describe the organization's supply chain.	26,48 to 50	No
G4-13	Report any significant changes during the reporting period.	14	No
G4-14	Addressing precautionary approach or principle.	12 to 13,48	No
G4-15	External charters, principles, or other initiatives endorsed.	7	No
G4-16	Memberships of associations and advocacy organizations.	16	No
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	Entities included in organization's financial statements.	We report on consolidated financial statements including Qatar Fertiliser Company (Q.S.C.C) (QAFCO) and its subsidiaries (Qatar Melamine Group and Gulf Formaldehyde Group). For more information please consult our financial statements year 2014 (pages 51 and 52 ) in the report: <a href="http://www.qafco.qa/Satellite/Qafco/en/Media/Publications/AnnualReports">www.qafco.qa/Satellite/Qafco/en/Media/Publications/AnnualReports</a> . In addition, we internally report to our Management on QAFCO and its subsidiaries stand-alone financial positions through our Annual Management Report.	No
G4-18	Process for defining the report content and the aspect.	9	No
G4-19	Material aspects identified.	9	No
G4-20	Material Aspect Boundary inside the Organization	9	No
G4-21	Material Aspect Boundary outside the Organization	9	No
G4-22	Effect of any restatements of information provided in previous reports.	Materiality exercise is a continuous process and we have taken inputs and findings from the previous materiality analysis while identifying material issues for the year (page 9)	No
G4-23	Significant changes from previous reporting period in the Scope and Boundaries.	No significant changes have been made from the previous years in determining scope and aspect boundaries (page 9)	No
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	List of stakeholder groups engaged by the organization	8	No
G4-25	Basis for identification and selection of stakeholders	7	No
G4-26	Approaches to stakeholder engagement	7 to 8	No
G4-27	Response to key topics and concerns raised	8	No
<b>REPORT PROFILE</b>			
G4-28	Reporting period	3	No
G4-29	Date of most recent previous report	2 to 3	No
G4-30	Reporting cycle	2 to 3	No
G4-31	Contact point for questions	3	No
G4-32	'In accordance' option, the GRI content index and external assurance.	2 to 3	No
G4-33	Policy and current practice regarding external assurance	3	No
<b>GOVERNANCE</b>			
G4-34	Governance structure of the organization.	6, 11 to 12, 14	No
G4-38	Composition of the highest governance body and its committees.	6, 14	No
G4-40	Nomination and selection processes for the highest governance body.	11	No
G4-45	Highest governance body's role in identifying and managing impacts, risks, and opportunities.	12	No
G4-46	Highest governance body's role in reviewing risk management processes	12	No
G4-47	Frequency of the highest governance body's review of sustainability impacts, risks, and opportunities.	12	No
G4-49	Process for communicating critical concerns to highest governance body.	13	No
<b>ETHICS AND INTEGRITY</b>			
G4-56	Values, principles, standards and norms of behavior	10 to 11 and 13	No
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.	13	No

Specific Standard Disclosures			
Material aspect	DMA and Indicator Definition	Page/Direct Answer	External Assurance
<b>ECONOMIC PERFORMANCE</b>			
G4-DMA	Generic Disclosures on Management Approach	11,20,23 More information on Financial Statements: <a href="http://www.qafco.qa/Satellite/Qafco/en/Media/Publications/AnnualReports">www.qafco.qa/Satellite/Qafco/en/Media/Publications/AnnualReports</a>	Yes
G4-EC1	Direct economic value generated and distributed	20,25,31 to 32,39 More information on Financial Statements: <a href="http://www.qafco.qa/Satellite/Qafco/en/Media/Publications/AnnualReports">www.qafco.qa/Satellite/Qafco/en/Media/Publications/AnnualReports</a>	Yes
G4-EC3	Coverage of the organization's defined benefit plan obligations	31 to 32 More information on Financial Statements: <a href="http://www.qafco.qa/Satellite/Qafco/en/Media/Publications/AnnualReports">www.qafco.qa/Satellite/Qafco/en/Media/Publications/AnnualReports</a>	Yes
G4-EC4	Financial assistance received from government	We have received no financial assistance or grant from the Government in 2014.	No
<b>MARKET PRESENCE</b>			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	30 to 33	No
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	30 to 33	No
<b>INDIRECT ECONOMIC IMPACTS</b>			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-EC7	Development and impact of infrastructure investments and services supported	25,39,55 to 56	No
G4-EC8	Significant indirect economic impacts, including the extent of impacts	20,23 to 24, 26, 39, 50, 55	No
<b>PROCUREMENT PRACTICES</b>			
G4-DMA	Generic Disclosures on Management Approach	26	No
G4-EC9	Proportion of spending on local suppliers	26	No
<b>ENERGY</b>			
G4-DMA	Generic Disclosures on Management Approach	54	No
G4-EN3	Energy consumption within the organization	54 to 55	No
G4-EN4	Energy consumption outside of the organization	NA	No
<b>WATER</b>			
G4-DMA	Generic Disclosures on Management Approach	56	No
G4-EN8	Total water withdrawal by source	56	No
G4-EN9	Water sources significantly affected by withdrawal of water	56	No
G4-EN10	Percentage and total volume of water recycled and reused	56	No
<b>BIODIVERSITY</b>			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	60	No
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value	60	No
G4-EN13	Habitats protected or restored	60	No
<b>EMISSIONS</b>			
G4-DMA	Generic Disclosures on Management Approach	57	No
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	57	No
G4-EN20	Emissions of ozone-depleting substances (ODS)	57	No
<b>EFFLUENTS AND WASTE</b>			
G4-DMA	Generic Disclosures on Management Approach	58 to 59	No
G4-EN22	Total water discharge by quality and destination	56	No
G4-EN23	Total weight of waste by type and disposal method	58 to 59	No
<b>OVERALL</b>			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-EN31	Total environmental protection expenditures and investments by type	25	No
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
G4-DMA	Generic Disclosures on Management Approach	26,46,48 to 49	No
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	48 to 49	No
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	48 to 49	No
<b>ENVIRONMENTAL GRIEVANCE MECHANISMS</b>			
G4-DMA	Generic Disclosures on Management Approach	13, 48 to 49, 54	No
G4-EN34	No. of grievances about environmental impacts filed, addressed, and resolved through grievance mechanisms	No grievances have been filed in the formal grievance mechanism in 2014.	No
<b>EMPLOYMENT</b>			
G4-DMA	Generic Disclosures on Management Approach	14, 30 to 31	No
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	31	No
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	31 to 32	No
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
G4-DMA	Generic Disclosures on Management Approach	Health and Safety Policy covers our management approach to occupational health and safety. (pages 35 to 36)	No
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	35	No
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	35	No
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Our Health and Safety policy categorizes employees on the basis of risk incidence	No
G4-LA8	Health and safety topics covered in formal agreements with trade unions	This is not applicable as trade unions are prohibited as per Qatari law.	No
<b>TRAINING AND EDUCATION</b>			
G4-DMA	Generic Disclosures on Management Approach	The management has a training strategy to ensure our employees receive support for career development. (pages 32 to 34, 36 to 37, 46)	No
G4-LA9	Average hrs of training/year per employee by gender, and category	34	No
G4-LA10	Programs for skills management and lifelong learning	33 to 34	No
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	All of our employees are reviewed on the performance through a robust performance assessment mechanism	No

DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	Generic Disclosures on Management Approach	31	No
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	30 and 31	No
SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA	Generic Disclosures on Management Approach	26, 46, 48 to 49	No
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	We assess all our prospective and present suppliers through a supplier assessment mechanism to review their labour practices (pages 48 to 49)	No
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	48 to 49	No
LABOR PRACTICES / GRIEVANCE MECHANISMS			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	No grievances have been filed in the formal grievance mechanism in 2014.	No
INVESTMENT			
G4-DMA	Generic Disclosures on Management Approach	Pages 7, 13 (alignment to UNGC Global compact)	No
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	We do not have specific clauses including human rights in all our contracts. However, we conduct due diligence with regard to human rights aspects for all projects undertaken and proposed.	No
NON-DISCRIMINATION			
G4-DMA	Generic Disclosures on Management Approach	13	No
G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents reported in 2014.	No
CHILD LABOR			
G4-DMA	Generic Disclosures on Management Approach	13	No
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Qatari Labour law which we follow prohibits child labour in any form and neither we or our contractors engage child labor.	No
FORCED OR COMPULSORY LABOR			
G4-DMA	Generic Disclosures on Management Approach	13	No
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	None of our operations and suppliers engage in compulsory labor as we strictly abide by Qatari labour law which prohibits this form of labor.	No
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	We abide by and obey Qatar Labor Law. We ensure that our operations are developed to comply with local laws. All our operations undergo an environmental impact assessment and we ensure that are aligned with our code of ethics and conduct.	No
SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	In 2014 none of our contractors & suppliers was declined as a result of human rights screening. We strictly abide by the Qatar Labour law preventing instances of child labour, forced labour, Women Discrimination and anti-human rights behaviour.	No
LOCAL COMMUNITIES			
G4-DMA	Generic Disclosures on Management Approach	38 to 42, 61	No
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	39 to 42, 61	No
ANTI-CORRUPTION			
G4-DMA	Generic Disclosures on Management Approach	12 to 13	No
G4-SO3	No. and % of operations assessed for risks related to corruption and the significant risks identified	12 to 13	No
G4-SO4	Communication and training on anti-corruption policies and procedures	12 to 13	No
G4-SO5	Confirmed incidents of corruption and actions taken	No incident of corruption reported in 2014.	No
ANTI-COMPETITIVE BEHAVIOR			
G4-DMA	Generic Disclosures on Management Approach	12 to 13	No
G4-SO7	Total number of legal actions for anti-competitive behavior & anti-trust	No legal action initiated in 2014.	No
COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	Our Internal Audit committee is responsible compliance with legal and regulatory requirements (pages 6, 11 to 13)	No
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	We comply with all the laws and regulations and have not had any fines or sanctions in 2014.	No
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	We develop environmental impact assessment (EIA) reports to evaluate the possible impacts that our proposed project have on the environment, consisting of the environmental, social and economic aspects. This covers new supplier projects as well.	No
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-SO11	No. of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No grievance was filed about negative impacts on society through our activities in formal grievance forums	No
CUSTOMER HEALTH AND SAFETY			
G4-DMA	Generic Disclosures on Management Approach	46 to 50	No
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No incidents reported in the year with regard to non-compliance of regulation regarding customer safety.	No
CUSTOMER PRIVACY			
G4-DMA	Generic Disclosures on Management Approach	Not Reported	No
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	We maintain strict confidentiality of customer data. All the customer information and order made are kept confidential.	No
COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	We have undertaken several initiatives to achieve excellence in product quality. Received Australian Quarantine and Inspection Service certification for compliance with export product quality standards (pages 47, 49 to 50)	No
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No fines incurred in 2014 for non-compliance with provision and use of products.	No



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