

Sustainability Report

2012

Making a Positive Difference

2012 marked a new era for EQUATE's sustainability reporting journey. With one report under our belt, we look to new horizons to continue to build on our current approach into a more concise, long-term and strategized program.

The world faces a number of looming challenges today, and EQUATE firmly believes that its future success depends upon being able to grow sustainably. We know that we have a lot to do if we are able to live up to what lies ahead.

EQUATE appreciates the true value and meaning of sustainability, and wishes to balance all three aspects: the environment, the economy and society. Our steps towards this ambition matters to us, it matters to our stakeholders, it matters to our people, and it matters to the world.



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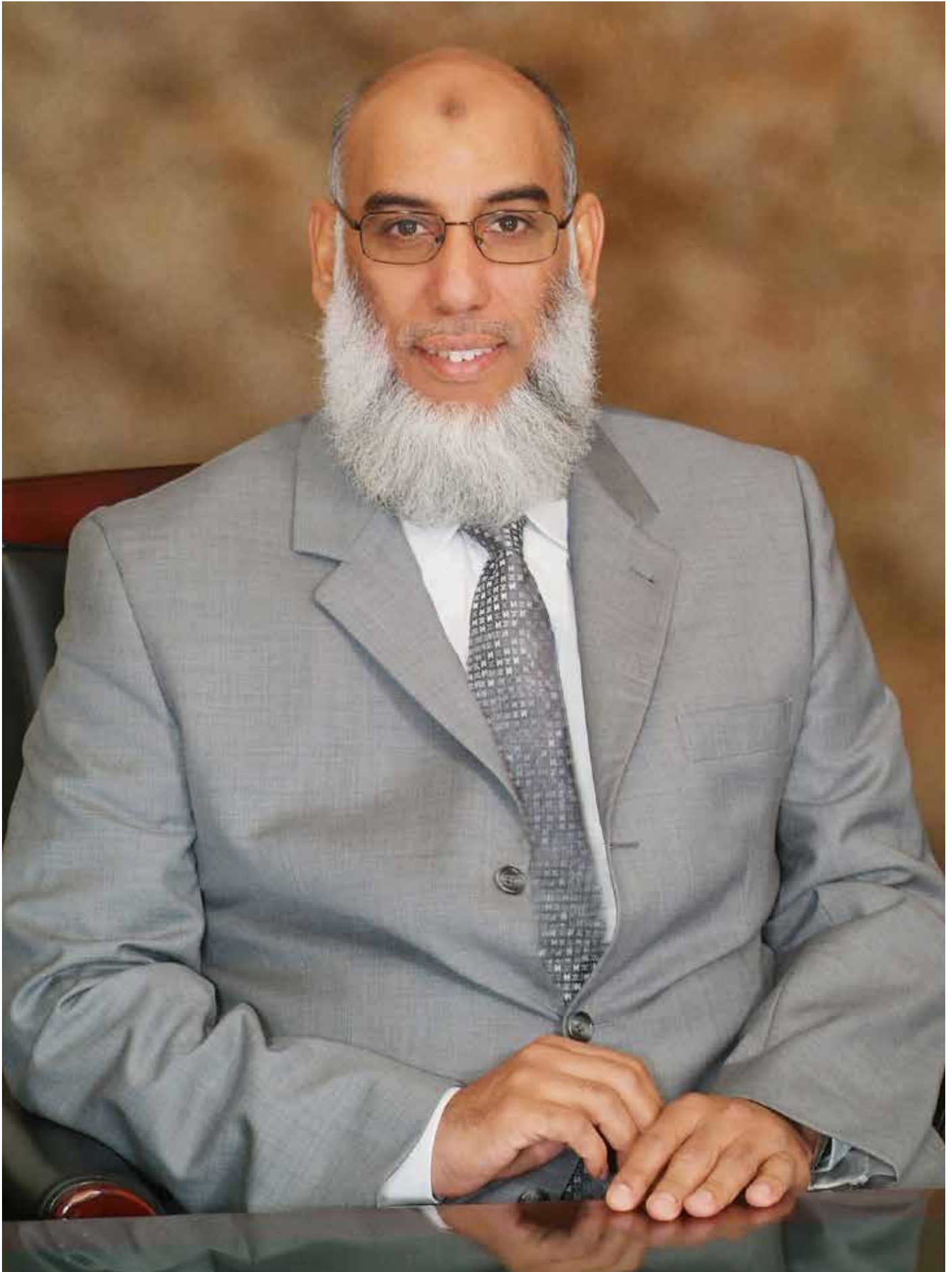


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CEO Letter



Our relationships with joint venture partners, shareholders, governments, fellow K-companies, customers, staff, financial institutions, suppliers, NGOs, local communities and the media are built on the principle of long-term mutual advantage and respect.

In modern society, focus on the things that really matter is becoming increasingly important. Being a relatively fresh company in the field, with just over 15 years since our establishment – we wish to remain relevant, innovative and modern. The continuous evolution of our business culture has helped EQUATE to reach where we stand today. Certainly, we are clear and realistic about our situation in the context of global issues regarding the environment, economy and society and we know we have significant challenges to address in order to create opportunities for the future. However, I am certain that we will create those opportunities by focusing on what lies at the heart of EQUATE – and this is its people.

This year's report has been written, for the second consecutive year, in accordance to the guidelines of the Global Reporting Initiative. With this, we want to show our willingness to remain transparent with all our stakeholders, offering information that is both qualitative and quantitative. Our main objective in this period has been to unify and consolidate our economic, environmental and social practices that are to be carried out in EQUATE. I know that the people of EQUATE care about doing the right thing. We want the company to help build the communities in which we live, to take care of the environment, to behave ethically and responsibly, to help those in need. They want the company to be a force for good in the world. I'm an EQUATER; I share those goals, and I try to lead with them in mind.

In this report, we are fully aware of the results in relation to our commitments. We show the impact that EQUATE's activities leaves on the communities where we operate, where we take responsibility for

all actions, positive and negative. In recent years, we have made a substantial effort in creating a high-performing business culture and we are now ready to look to the future with renewed energy and drive. Sustainability reporting is encouraging us to continue consolidating management principles that are translating into competitive advantages for the company as well as making the worthwhile achievements for the service of society. It is my personal sincere interest to ensure EQUATE continuously adds value to the society.

Indeed, EQUATE is a great place to work because of what we do and how we do it. I would like to congratulate everyone in the company on another year of achievements and I am looking forward to working together to reach the full potential of our business, sustainably. Our relationships with joint venture partners, shareholders, governments, fellow K-companies, customers, staff, financial institutions, suppliers, NGOs, local communities and the media are built on the principle of long-term mutual advantage and respect. The success of EQUATE truly rests on the confidence and trust put into by our stakeholders. The corporate sustainability efforts detailed in this report are focused on contributing to and enhancing that trust. We hope you'll find it informative, relevant and useful.

Sincerely,



Mohammad Husain
President & Chief Executive Officer

We are Kuwait's and the Gulf's first international joint venture in the petrochemical sector and strive to continue to be a company of 'firsts'



EQUATE in Numbers

Year end December 31		2012
Environment		
Direct Energy Consumption - Fuel Gas Consumption (in GJ)	24,000,000 GJ	
Indirect Energy Consumption - Electricity Consumption	2,273,617 MWh	
Total water withdrawal by source	445,524,916 m ³	
Distilled Water	4,689,433 m ³	
Potable Water	374,183 m ³	
Sea Water	440,461,300 m ³	
Total water discharge		
Seawater discharge	400,139,411 m ³	
Sea cooling water discharge	33,608,483 m ³	
Treated wastewater from WTP to Seawater Cooling tower	1,571,309 m ³	
Percentage and total volume of water recycled and reused		
Total Volume	1,571,309 m ³	
Percentage in relation to total consumption	0.4%	
Number of Spills	1	
Volume of Spills	8 t	
Total weight of waste	879 t	
Solid waste (Hazardous) to Landfill	51 t	
Solid waste (Non-Hazardous) to Landfill	43 t	
Liquid waste to Incineration	785 t	
Economic		
Coverage of the organization's defined benefit plan obligations		
Estimated value of liabilities	\$ 5,791,406.21	
Salary contributed by employee/employer	7.5% Employee Share 11% Employer Share of social security salary	
Range of ratios of standard level wage by gender compared to local minimum wage	Confidential but no gender related differences	
% of goods and supplies purchased locally in Kuwait	91%	
Local Workforce		
Total workforce	1,373	
Local Workforce	705	
Total workforce - Senior Management	8	
Total local workforce - Senior Management	6	
Labour		
Total number of employees	1,373	
Total full-time employees	1,373	
Total males	1,286	
Males under 30	277	
Males 30-50	917	
Males 50+	92	
Total females	87	
Females under 30	33	
Females 30-50	52	
Females 50+	2	
Total part-time employees	0	
Total number and rate of new employee hires and employee turnover by age group, gender and region		
Total number of new employee hires from January 1 2012 – December 31 2012		
Males under 30	37	
Males 30-50	47	
Males 50+	1	
Females under 30	1	
Females 30-50	1	
Females 50+	0	
Total number of new employee hires who left from January 1 2012 – December 31 2012		
Males under 30	15	
Males 30-50	16	
Males 50+	11	
Females under 30	1	
Females 30-50	6	
Females 50+	0	
Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region and by gender		
Independent contractors working on-site to whom EQUATE is liable for the general safety of the working environment	1,500	
Exposure hours (312*total no. of employees)	5,124,912 hrs	
Fatality Accident Rate	0	
Number LTIs	0	
Lost-time injury frequency	0	
Number of lost days from LTIs	0	
Number of recordable injuries	4	
Total recordable incident rate	0.12	
Number of sickness absence days	6,812	
Average hours of training per year per employee, by gender, and by employee category		
Male (number of employees)		
Regular	1,076	
Contractor	14	
Female (number of employees)		
Regular	64	
Male (training hours)		
Regular	47,315 hrs	
Contractor	121 hrs	
Female (number of employees)		
Regular	2,943 hrs	
Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		
Internal/External trainings	1,140	
Professional Development Program through Ministry of Higher Education	2	
Professional Development Program undergraduate (Financial Support)	4	
Diploma students sponsorship	2	
Percentage of total employees who receive a formal career performance review	100%	
Product Responsibility		
Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle	0	
Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	0	
Practices related to customer satisfaction, including results of surveys measuring customer satisfaction		
Number of Customer satisfaction surveys distributed	216	
Number of Customer satisfaction surveys received	165	
Overall customer satisfaction	General satisfaction	
Total number of complaints regarding breaching of customer privacy	0	
Total number of identified leaks, thefts or losses of customer data	0	
Society		
Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices.	0	
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	None	

About EQUATE

Established in 1995, EQUATE Petrochemical Company is a global business that operates on a local scale. Headquartered in Kuwait, EQUATE is the single operator of a fully integrated manufacturing facility producing over 5 million tons annually of petrochemical products which are marketed throughout the Middle East, Asia, Africa and Europe with additional offices in Hong Kong, Singapore and Beijing.

Paraxylene	Styrene Monomer	Benzene	Ethylene	Heavy Aromatics
829,000 MTA	450,000 MTA	393,000 MTA	1.8 Million MTA	80,000 MTA
Polypropylene	Polyethylene		Ethylene Glycol	
140,000 MTA	825,000 MTA		1.2 Million MTA	

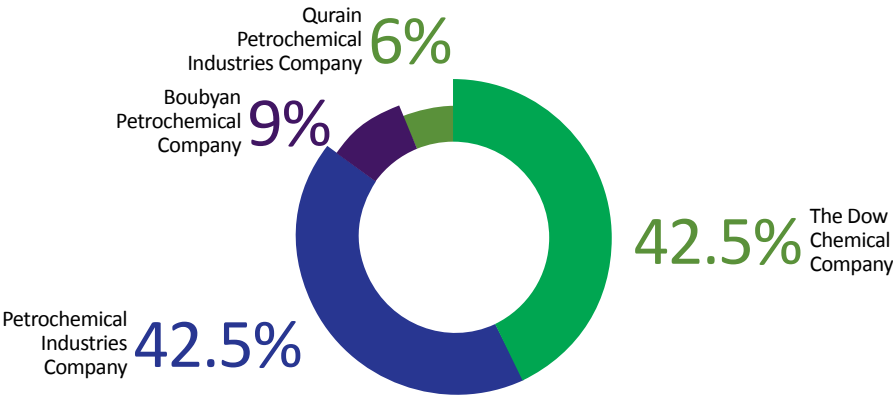


Increasing capacities: Greater EQUATE

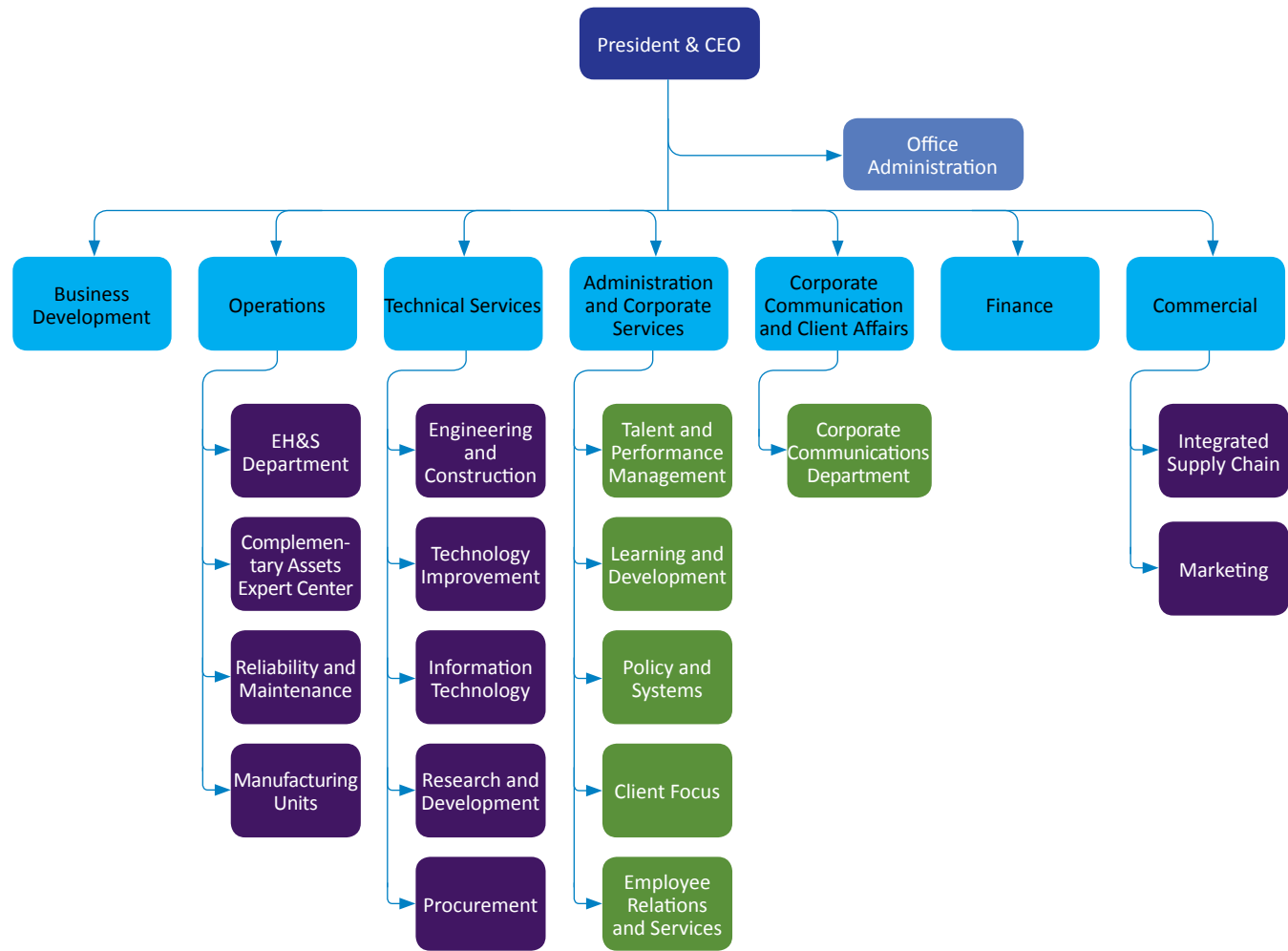
Shareholders and Kuwait National Petroleum Company (KNPC) embarked on a global scale venture increasing the production capacities of Polyethylene and Ethylene Glycol. Emerging as 'Greater EQUATE, the project made EQUATE the single operator of three new petrochemical companies:

- 1. The Kuwait Olefins Company (TKOC)
- 2. The Kuwait Styrene Company (TKSC)
- 3. Kuwait Paraxylene Production Company (KPPC)

How we work



EQUATE Organizational Chart





The Board



Yousef Al-Ateeqi
EQUATE Board Chairman

Yousef Al-Ateeqi is the Deputy Managing Director — Olefins at Petrochemical Industries Company (PIC) of Kuwait.



Raja Zeidan
EQUATE Board Deputy Chairman

Raja Zeidan is Business Vice President of Feedstock and Hydrocarbons Risk Management at Dow Europe.



Keith Cleason
EQUATE Board Member

Keith Cleason is a Senior Global Asset Director for Solution PE/LDPE at Dow.



Luis Antuna
EQUATE Board Member

Luis Antuna is the General Counsel for The Dow Chemical Company in Europe.



Dabbous Al-Dabbous
EQUATE Board Member

Dabbous Al-Dabbous is the Board Deputy Chairman of Boubyan Petrochemical Company (BPC).



Hamad Al-Subaie
EQUATE Board Member



Sheikh Mubarak Al-Sabah
EQUATE Board Member

Sheikh Mubarak Al-Sabah is the Vice Chairman of Action Group Holdings.



Bader Al-Sumait
EQUATE Board Member

Bader Al-Sumait is the Deputy Managing Director of Privatization at Kuwait Petroleum Corporation (KPC).



James Fitterling
EQUATE Board Member



Menahi Al-Enezi
EQUATE Board Member



Management



Mohammad Husain
President & CEO

Mohammad Husain took over as EQUATE President & CEO in April 2012.



Abeer Al-Omar
Senior Executive
for Administration
and Corporate Services

Abeer Al-Omar was appointed as Senior Executive for Administration & Corporate Services at EQUATE during 2011.



Bob Brandt
Vice President Operations

Bob Brandt took over as EQUATE Vice President Operations during July 2012.



Tareq Al-Kandari
Senior Executive for Corporate
Business Development

Tareq Al-Kandari was appointed as EQUATE Senior Executive for Corporate Business Development during 2009.



Pieter Platteeuw
Senior Vice President

Pieter Platteeuw was appointed as Senior Vice President of EQUATE during 2010.



Adel Al-Munifi
Senior Executive for Corporate
Communications & Client Affairs

Adel Al-Munifi was appointed as EQUATE Senior Executive for Corporate Communications & Client Affairs during 2011.



Salah Al-Kharji
Chief Financial Officer

Salah Al-Kharji was appointed as CFO of EQUATE during 2011.



Mohammad Al-Benali
Vice President Technical Services

Mohammad Al-Benali was appointed as EQUATE Vice President Technical Services during 2009.



Hamad Al-Terkait
Former President & CEO

Hamad Al-Terkait was the President & CEO of EQUATE since 2001 until the end of March 2012.

Corporate Governance and business conduct

EQUATE's actions are guided by its corporate Mission, Vision & Values of uncompromising honesty. As a company, we are committed to sustainable development through environmental protection, social responsibility, and economic success.

MISSION: To provide valued products & services to the world

VISION: To be a global leader & world class producer of petrochemicals



Integrity: Conducting all business affairs while observing ethics, honesty and transparency.

Respect: Teamwork as a cornerstone for success, with people as our most valuable asset through helping and caring for each other.

Acting like an owner: Taking responsibility for all actions while reflecting loyalty through commitment and care for EQUATE by embodying an ownership driven behavior and being proactive.

Performance: Excellence through hard work, continuous improvement and discipline, as well as being rewarded through pay for performance that prioritizes team achievement.

Customer centric: Responsive to customer needs through win-win agreements as we deliver value within a context of intimate customer experience.

Learning organization: adopting best practices, embodying innovation, mutual outside-in improvement through exemplary handling of stakeholder requirements, approaching all matters with open minds, focusing on people growth & development, seizing any available opportunity, adaptable and flexible attitude with all arising issues, as well as continuous improvement.

Community and society: Strengthening ties with Kuwait Petroleum Corporation & Subsidiaries (KPC), local and global stakeholders, as well as implementing green responsible philosophy.

Safety: Adopting Responsible Care principles.



What Sustainability Means To Us

We wish to achieve success and share success. We know that we now have a wider role to play in our operations. Our firmly placed corporate strategy reflects our long-term commitment to sustainability, aligned with our vision to be recognized as a world-class corporation using leading practices in all aspects of our business, striving for the highest level of

safety and a clean environment. We understand that we are accountable for our operations and we must run them responsibly. Only by operating responsibly, we can also legitimately gain recognition for the social and environmental benefits we generate through the supply our products and services.

EQUATE's corporate strategy

1	Profitable and Reliable Company
	Maximize production
2	Organizational and People Excellence
	Achieve Human resources and business process alignment
3	Responsible Care®
	Apply Responsible Care® standards
4	Finance
	Build mergers and acquisitions capability
5	Sustainability and Corporate Social Responsibility
	Reduce greenhouse gas emissions and enhance contribution to community at large
6	Growth
	Maximize long term revenue through growth
7	Brand and Image
	Build our brand image continuously

EQUATE's sustainability strategy

Currently, sustainability elements in the EQUATE strategy sees the following as focus areas – some of which we have addressed currently, and others we plan to address in future:

- Ensuring overall sustainability in Kuwait and beyond
- Sharing operational and community success with all stakeholders
- Being a valued neighbor wherever we operate
- Interacting directly with surrounding communities to address their issues and concerns
- Creating partnerships with other local bodies and organizations
- Engaging employees and their families

EQUATE's direction is set by goals and values – first defining what we want to achieve and second the manner in which we seek to achieve it. In 2011, we put in place company-wide goals and targets to improve our environmental, economic and social performance. Maximizing value on a long-term basis depends not only on strategy and performance, but also on changing behaviors and the way we work. If we are to build the trust and support needed for our business to endure for the long term, we need to build strong values and awareness, applying and renewing them consistently and continuously. In this respect, the below is just a start. We know that attaining sustainability is a dynamic process, and we will keep honing our strategy as we mature in the field.

Sustainability Aspect	Goal	Status
Compliance		
Operating responsibly has two levels. At its core it is about compliance with the law, which EQUATE fully adheres to. At a second, EQUATE aspires to implement long-term and universal standards of individual and collective behavior that improves the way we work.	To become Responsible Care® compliant and obtain Responsible Care® certification	 Achieved EQUATE worked closely with relevant authorities and became the first company in Kuwait to be certified under the Responsible Care® global initiative. For more on this subject, see page 23.
Education		
Within the walls of EQUATE as well as outside of them, we are committed to the development of enterprise and education on a national level.	To provide added value contribution to education by working with both the private and public sectors as well as initiative our proprietary programs	 On-going EQUATE continues to work with numerous educational authorities and organizations to provide support through financing facilities, courses and other means.
Community development		
We also have a wider role to play in supporting the progress of our host communities. We can foster sustainable communities through an array of measures, to ensure its longevity. This includes philanthropy, economic development and the creation of socio-economic opportunities.	To provide the public with knowledge and assistance on health and safety related issues	 On-going EQUATE launched a number of activities and events on health and safety related matters. Additionally, EQUATE has made contributions to hospitals in order to further enhance and update their facilities. For more on these projects, see page 30.
Environment		
Climate change, water scarcity and waste tops the agenda of the challenges the petrochemical sector faces. Here we apply a more 'proactive' rather than 'reactive' approach to these global concerns.	To fulfill our values as a responsibility to our business partners, our community and the environment	 On-going EQUATE's performance on set environmental goals can be found detailed in the Environment chapter on page 15.

Reporting Philosophy

This 2012 Sustainability Report covers the sustainability performance of EQUATE from January 1st, 2012 through December 31st, 2012. We have structured and written our report on the principles outlined in the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines. We self-declare that this report is in accordance with Application Level C. This cycle continues our annual practice of reporting on both successes and challenges in delivering high-quality petrochemical products to the world, where this year marks the second year EQUATE discloses its performance in the environmental, economic and social sphere using the GRI process. An index of the report content relevant to these principles is on pages 33.

Boundary and scope

The report uses both qualitative descriptions and quantitative metrics to explain our policies, programs practices and performance. The philosophy of our reporting is to outline our current position and strategies around sustainability topics relevant to EQUATE and the petrochemical industry globally. Scope of this report covers EQUATE's operations in the State of Kuwait, specifically in our head office in Salmiya and our production activities in Shuaiba Industrial Area. We aim to report on all aspects of our business, although this report does not include data from EQUATE's marketing offices in Singapore, Hong Kong and Beijing. Business ventures, contractor, supplier and client data are generally not included unless specifically mentioned. In 2012, no significant change was made to the scope or coverage compared to EQUATE's previous report.

Goals and measurement

EQUATE's sustainability reporting is evolving. With each year, we work to provide our stakeholders with a more robust, transparent and informative report. We also work towards improved metrics and goal setting. A summary of our current sustainability goals can be found on pages 12.

Accuracy

We aim to ensure that all information provided in this report is in compliance to the GRI principles for ensuring report quality, in order to keep trust and build credibility. In this respect, it is our ambition to ensure that the data in this report is accurate, timely and complete. We believe that commitment requires accountability, and as committed in last year's report, we have used an improved and structured internal data collection process.

Determining report content: materiality

We define material issues to have a 'significant impact on the current or future state of EQUATE'. We aim in future to employ a materiality matrix to identify environmental, economic and social issues of interest to our stakeholders and business operations. In doing so, we will employ a more rigorous process towards stakeholder engagement, benchmarking and materiality analysis in our future reporting.

Contact us

We value an open and honest dialogue with our stakeholders. We invite you to e-mail comments and critiques regarding EQUATE's Sustainability Report and practices to sustainability@equate.com. This feedback will help us in our continuous progression to meet your demands and needs.



How we connect

EQUATE has long recognized that dialogue and collaboration with our stakeholder is crucial, and we engage with them in many ways. When appropriate, we consult and collaborate with them on issues of mutual interest. During business planning, EQUATE considers regulations, principles and guidelines. We also participate in a variety of industry forums, conferences and workshops to address emerging issues, develop industry-wide approaches to future challenges.

Locally, we're reaching out and staying in touch. We engage with our stakeholders through an array of methods and on diverse levels:

- **Satisfaction:** Through our Customer Satisfaction program, we survey customers every two years through an external agency to ensure we are meeting needs as well as provide continual updates to our management.
- **Local economic empowerment:** EQUATE has forged a solid partnership with the Manpower and Government Restructuring Program (MGRP) to recruit qualified Kuwaitis interested in starting their own private sector career. EQUATE also hosts

and participates in recruitment exhibitions at local universities and societies.

"We are actively engaged in developing employability of Kuwaiti youth in line with Kuwait Vision 2035"

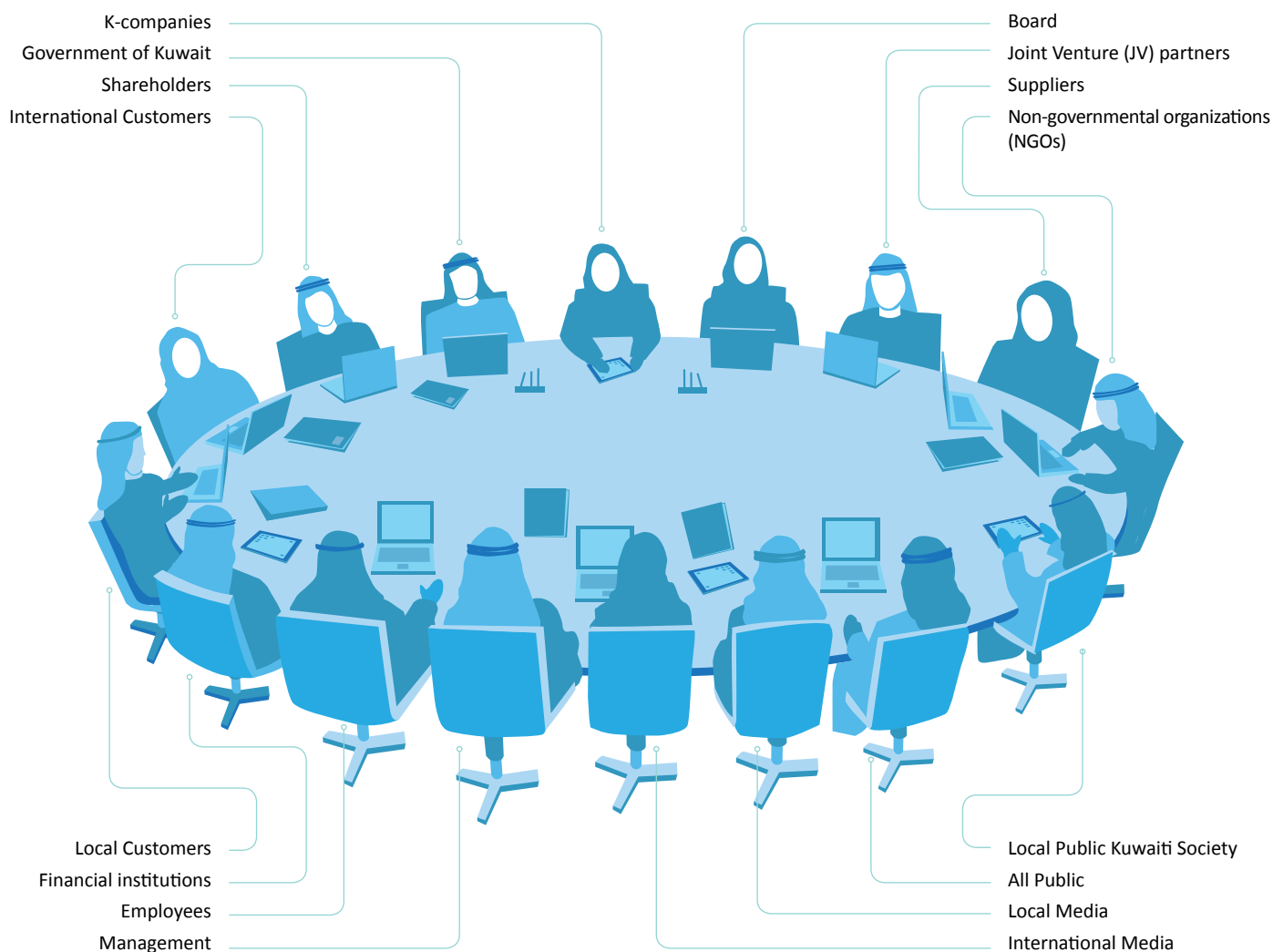
- **Streamlining Services:** We have launched an automated payment system with some of our local suppliers to streamline payment process, based on feedbacks received by engaging with suppliers.
- **Health & Safety:** We are regularly participating in the International Fire & Safety Conference & Exhibition to update knowledge, share expertise and create awareness of safety issues. EQUATE also

participates in the Gulf Occupational Health & Safety Conference as one of its ongoing engagement initiatives aimed at keeping our products safe for our employees and customers.

- **Financials:** We regularly meet and communicate with our investors and other members of the financial community. This includes one-on-one meetings, quarterly financial-results conference calls and our annual shareholder meeting.

These feedback mechanisms combine to provide EQUATE with information to help improve our economic, environmental and social performance.

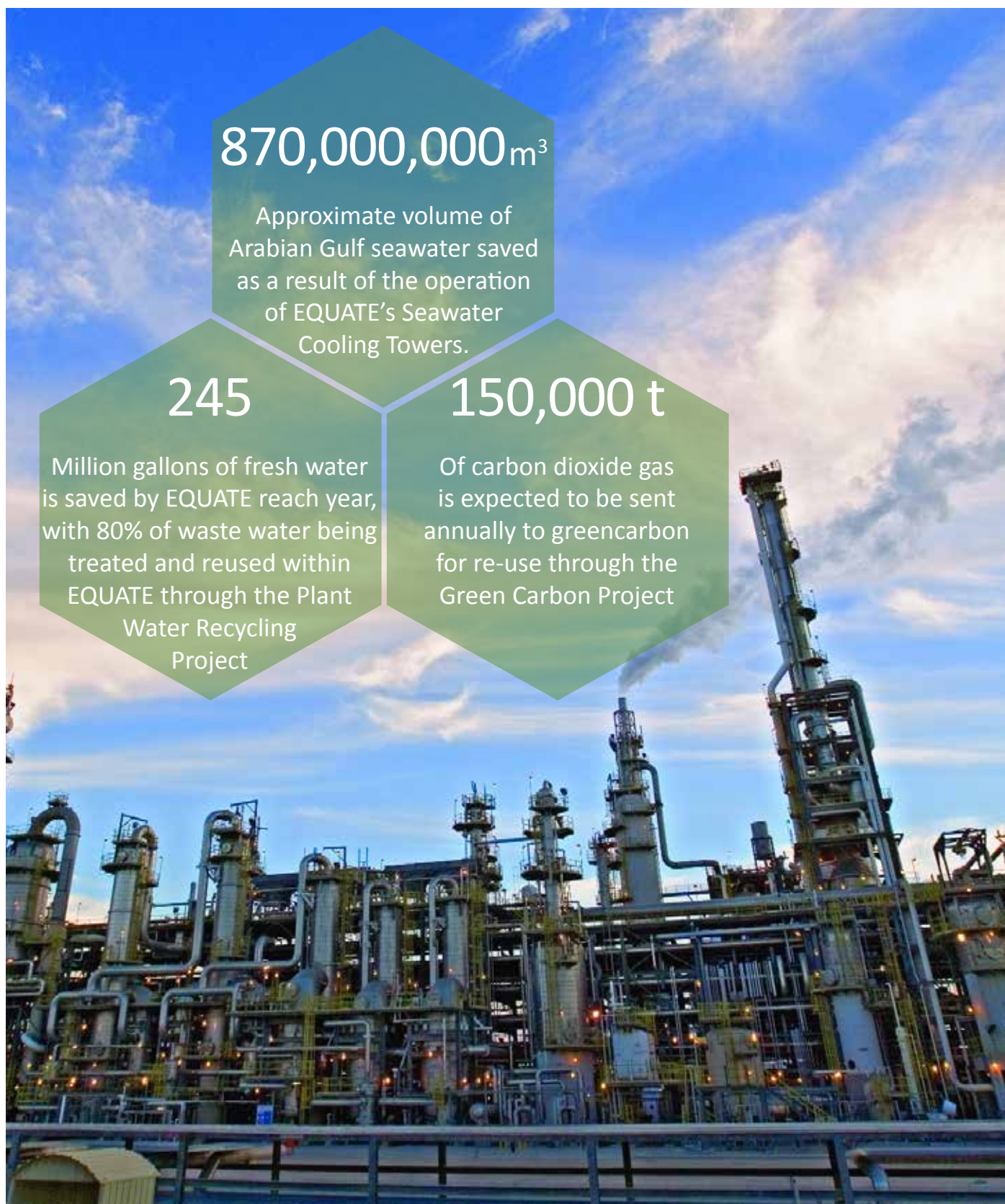
EQUATE's Stakeholders

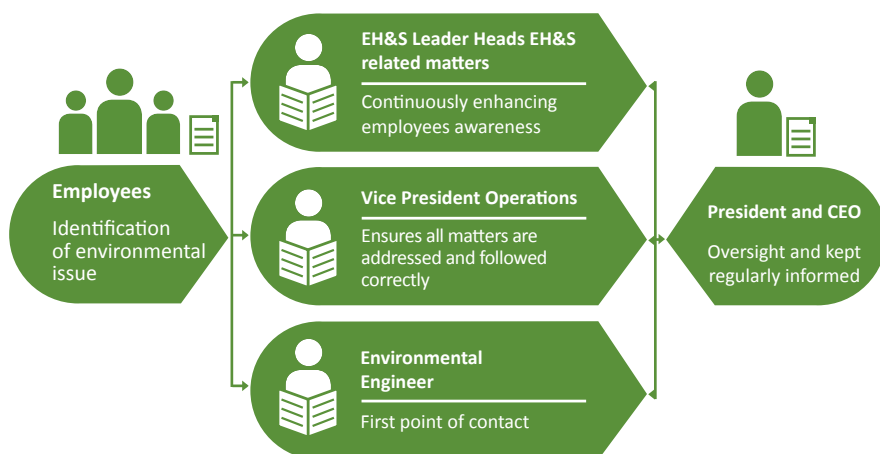


Managing our Environmental Impact

Our seven environmental conservation pathways

In 2011, we identified seven main pathways to follow in our efforts to reduce our impact on the environment and ultimately achieve a low-carbon energy future. Here is a summary of our performance in 2012.





EQUATE's personnel environmental accounting structure streamlines the environmental risk management process

The Green Team

Driving our seven environmental conservation pathways are EQUATE's 'Green Team' employees. The Green Team is equipped with an agenda to ensure we have the capability to identify and manage a spectrum of environmental issues and kick-start initiatives timely and effectively. Being a primary stakeholder and serving as EQUATE's environmental sustainability 'hub', the team implements initiatives to achieve their overall objective for "environmental excellence by contributing to a cleaner environment by adopting global green operation concepts through greenhouse gas reduction, energy efficiency and water conservation initiatives.

Goal 1: Reduce energy consumption and improve energy efficiency

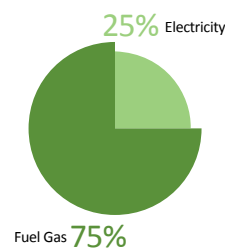
We have a continuing commitment to improve operational energy efficiency of all our utilities. We have a continuing commitment to improve operational energy efficiency of all our utilities. These include six natural gas and liquid fuel fired boilers, a natural gas incinerator and a nitrogen vaporizer. We have stepped up our efforts to improve energy efficiency in our chemical plants. Complementing of such efforts, we also actively participate in the Higher Energy Conservation Committee. We are also pleased that our efforts have received external recognition, where the Oil Sector Conservation Team from Kuwait's Ministry of Electricity and Water noted our role in conserving the country's energy resources.

Here is a list of EQUATE's ongoing energy efficiency initiatives we started:

- Steam reduction in Naphtha Hydrotreater Stripper in Aromatics Unit
- Ethylene vaporization system energy optimization
- Solvent optimization in Ethylene 1 Acid Gas Recovery
- Solvent optimization in Ethylene 2 Acid Gas Recovery
- Oxygen optimization in Ethylene 1 furnaces
- Optimization of fuel gas to Ethylene Glycol 1 flare
- Replacement of steam trap in Polyethylene with better type

Last year, we set a goal to develop a baseline for energy consumption, which is exactly what we did. With data collected last year, we can now continuously assess our performance against a baseline.

In 2012, EQUATE consumed 24,000,000 GJ or 6,666,667 MWh of Fuel Gas, making it the predominant energy source for our operations. In the same year, we consumed 2,273,617 MWh of electricity, which has been supplied by the utility provider MEW.



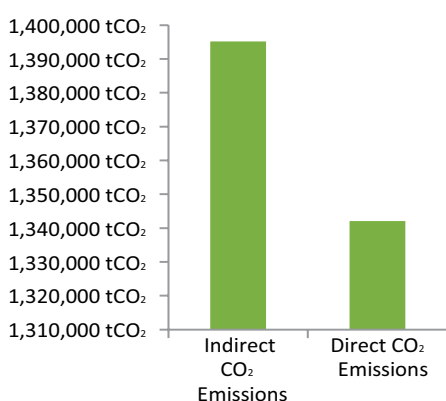
EQUATE's Energy Consumption Resources



Goal 2: Reduce CO₂ emissions at our facilities

Global climate change remains an extraordinarily complex issue. Scientific evidence points to the fact that rising greenhouse gas (GHG) emissions present risks to society and ecosystems – and that these risks warrant action by governments, companies and citizens. Reducing GHG emissions, in particular carbon dioxide (CO₂), while sustaining business growth is one of the critical challenges facing the petrochemical industry today.

In our pursuit to meet this challenge, EQUATE is tracking and recording direct and indirect GHG emissions as the basis for our internal resource use optimization. Based on these analyses, we intend to conduct feasibility studies that will further improve and decarbonize our operations.



EQUATE's Indirect Emissions from Electricity and Direct Emissions from Fuel Gas in 2012

Goal 3: Optimize development of projects to enhance the environment

The world needs an all-encompassing look at the environment. With projects in energy, climate change and water being front runners in our environmental business improvement agenda, we turn to other aspects to have a more complete picture of the impacts of our operations.

EQUATE's Sulphur (SO₂) Recovery Unit converts sulphur dioxide into molten sulphur, in a process that ensures that no harmful sulphur compounds, responsible are released into atmosphere. This is in line with EQUATE's compliance with applicable regulations and identifies opportunities for improvement by continuously monitoring air emissions through online leak detection systems. Going a step further, we aim to continue the implementation of our fugitive emissions Leak Detection and Repair Program (LDAR) which serves the purpose of managing and reporting any fugitive emissions which can cause atmospheric pollution and climate change.

Goal 4: Reduce water consumption

One in three people do not have enough water to meet their needs, according to the World Health Organization. This situation is expected to intensify as populations grow with increasing urbanization and demand for water increases. The potential impact of global warming on water supplies is also a concern. For EQUATE, being from a water scarce region makes this topic especially important to us. In 2012, EQUATE used 445,524,916 m³ of water, 98.86% being from seawater, 0.08% potable and 1.05% distilled.

As part of EQUATE's water reuse and recycle program to achieve this goal, two seawater cooling towers have been installed to cool and reuse the hot seawater from process plants. In 2012, 33,608,483 m³ of makeup seawater was cooled and subsequently released to the Gulf see how it works below.

Much can be done to reduce our water footprint. We have also introduced two additional initiatives to increase water recycling and reuse. The first is EQUATE's wastewater recovery plant, which converts wastewater into distilled water, saving approximately 1,401,600 m³ of distilled water a year for Kuwait. The second is EQUATE's stormwater recovery plant, which recovers an average rate of 50 m³/hr of stormwater and reuses it for irrigation purposes, producing a total of about 438,000 m³ of irrigation water per year. At the end of 2012, the stormwater recovery was commissioned.

EQUATE is also further demonstrating its conservation of natural resources by implementing the Plant Water Recycle Project for the recycle and reuse of process wastewater, a project in partnership with Aquatech. As a result of this project, a minimum of 80% of the process water will be further treated and reused within EQUATE facilities and only 15% of the treated wastewater will be discharged to the sea. This initiative will aid in reducing approximately 0.9 million m³ of EQUATE's fresh water consumption per year, which is equivalent to 7.5 days of complete water consumption by the population of one Kuwaiti district, at an average water consumption of 0.5 m³ per day per person. This project is highlighted on page 21.

These initiatives help EQUATE to successfully develop our water use and reuse cascade in order to limit our impact on this – very precious resource.

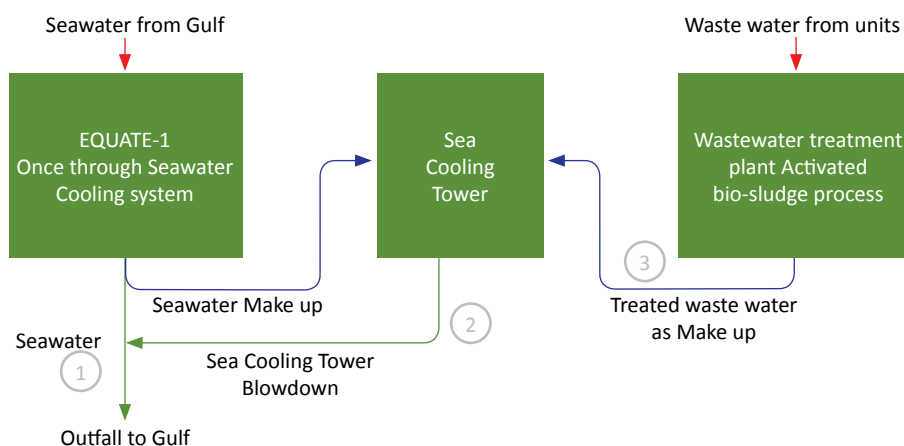
Goal 5: Utilize internal capabilities to create a green environment

Making our company truly sustainable requires the help of our people internally. In this respect, we find it especially important to have a structured method of reporting all environmental related matters within our facilities clearly, regularly and accurately.

At EQUATE, we have established an international standard management system through our adherence to ISO 14001 and ISO 9001 certifications. We also schedule internal environmental audits regularly and undergo annual external environmental audits to maintain our ISO 14001 and RC 14001 certifications.

HOW IT WORKS

Saving water: A closer look at EQUATE's cooling towers



The two seawater cooling towers minimize water withdrawal from surface water sources and recycle and reuse wastewater produced from the petrochemical process in EQUATE's operations. So far, EQUATE, through these towers, is able to reduce the need to extract approximately 100,000 m³ an hour, or 870,000,000 m³ a year, of seawater from the Arabian Gulf waters.

The towers work using biological and tertiary treatment methods and are Kuwait's first seawater cooling towers. The initiative also has economic returns whereby additional costs for building a new seawater pumping plant were avoided.

Goal 6: Achieve ZERO loss of primary containment of category II and III incidents

At EQUATE, we define all spills depending on their quantity and severity into the following:

- Loss of primary containment (LOPC) category II
- LOPC category III
- LOPC category IV
- Process safety incident (PSI)

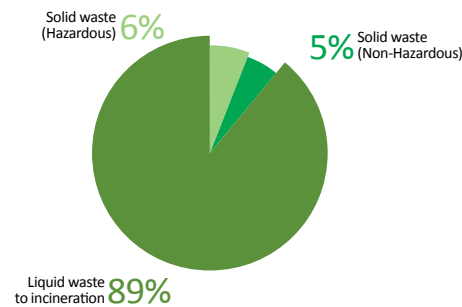
LOPC's categories and PSIs are defined on the basis of the extent of different parameters like human impact, environmental impact, loss of primary containment, evacuation / sheltering, property damage / loss and media involvement. In particular, LOPC category IV has the lowest severity and is listed within the categories in order to encourage employees to report on all spills, including minor ones.

Spills from EQUATE's operations are thankfully rare, and in 2012 we had just one notable incident. Reducing spills we can control in our facilities requires clear procedures, consistent compliance and a lot of hard work. To keep this up, we are looking to implement a loss of primary containment reporting policy as well as formulate a system of ensuring that all of our equipment is registered under the periodic maintenance program.

Goal 7: Full compliance with Environment Public Authority (EPA) - State of Kuwait

In 2012, no non-compliances have been recorded, making us fully compliant with the EPA. Our environmental management system requirements are also completely addressed, meeting those of the EPA. In addition to this, and as part of legal compliance, annual gap assessments are conducted and all our facilities undergo internal and external audits.

An important aspect of our compliance with the EPA is relevant to our waste disposal, where all our facilities ensure that the wastes and wastewater produced meet the specifications of the receiving waste treatment, storage or disposal facility, and activities are in compliance with the relevant waste disposal governmental laws and regulations set by the Kuwait EPA. We generate both hazardous and non-hazardous wastes from our plant operations, with a total of 878,626 t in 2012. This includes used oil, spent caustics, slop oil, dimmer wastes, coke, spent charcoal, spent caustic polymer, process waste and contaminated Personal Protective Equipment (PPE). Used oil is recovered, whereas spent caustics, slop oil and dimmer wastes are incinerated. We use Material Safety Data Sheets (MSDSs) and don't have any waste materials stored on-site.



EQUATE's 2012 Waste Campaign

We are compliant to the International Basel Convention on the control of transboundary movement of hazardous waste and their disposal, no hazardous waste is imported or exported by EQUATE.

For this goal, we wish to remain fully compliant with EPA regulations, by conducting compliance assurance audits and continuously building our relationship with the authority.

Our requirements: EQUATE's Quality and Environmental Policy

1. The use of best practices in all aspects of our business and striving for the highest level of customer satisfaction and a safe and clean environment;
2. The identification and compliance with legal and other requirements applicable to the environment and products;
3. The prevention of pollution and conservation of resources;
4. The continual improvement of performance for quality and environmental management systems



Our Environment Projects

The Green Carbon Project

EQUATE signed Kuwait's first ever carbon emission reduction and capture deal with Greencarbon in 2008.

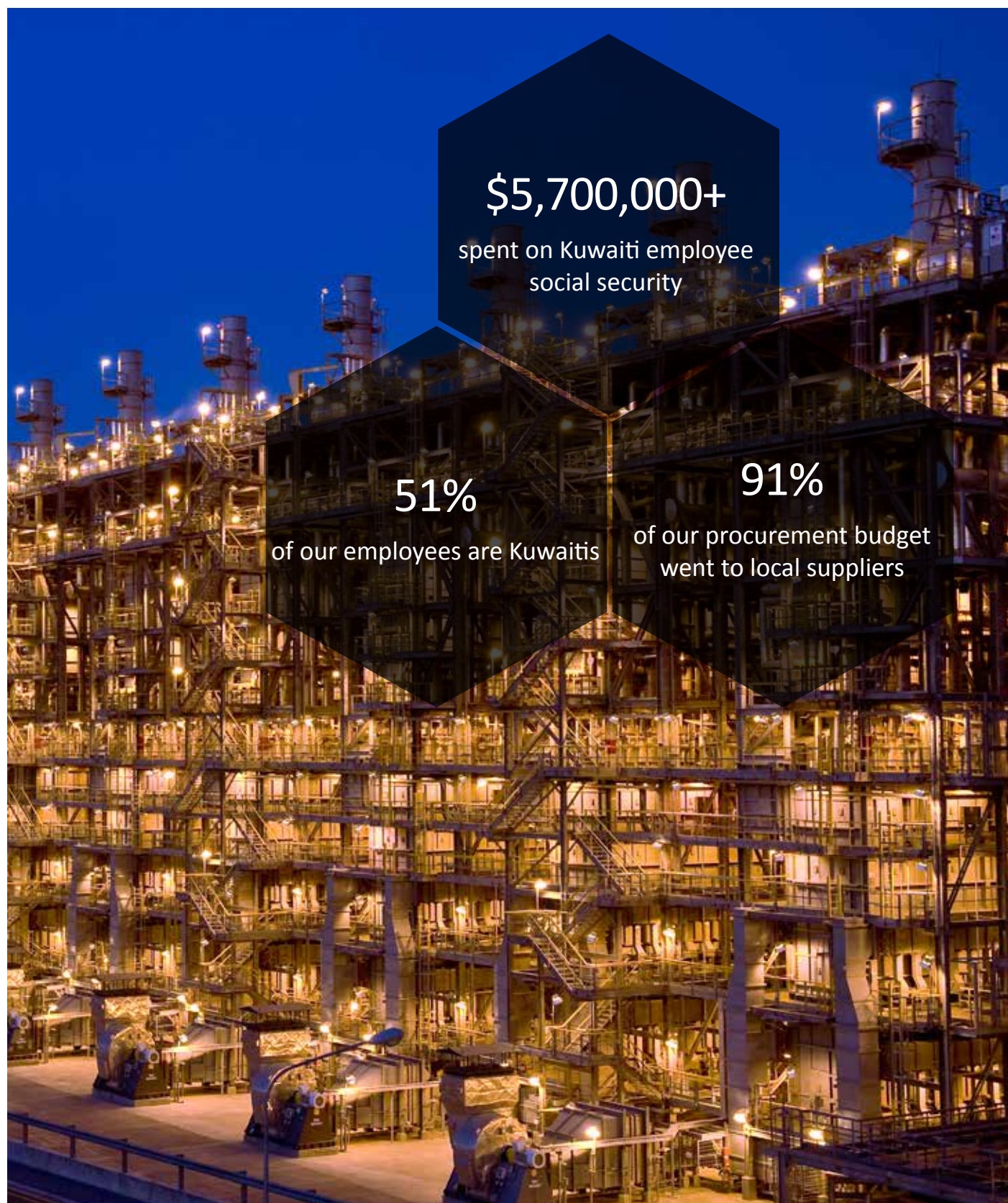
The project aims to reduce EQUATE's carbon dioxide emissions to the atmosphere by piping the gas to the neighboring Greencarbon processing facility. Through the facility the carbon dioxide will be marketed to various customers requiring the gas for various uses, essentially beginning a 'recycling' process. Greencarbon has primary interest in gathering, processing and marketing of such gases available in Kuwait. It will also aid reducing the generation of the gas, thereby reducing energy requirement and support global efforts against climate change. An estimated 150,000 tons of carbon dioxide gas is expected to be exported annually to Greencarbon, which is considered a significant step towards achieving environmental excellence at EQUATE.



Plant Water Recycle Project

With a cost of over USD 11 million, the Middle East’s 1st Plant Water Recycle Project established by EQUATE will recycle 245 million gallons of water annually. The project has the objective to recover 80% of EQUATE process water and reuse the recovered water. The treated water will be reused for irrigation purposes to meet the needs of EQUATE’s Green vision, and thus will see the building of a new irrigation piping network inside EQUATE.

Economic development



Energy outlook

The petrochemical industry has been a major contributor to the economic and social wellbeing of all of our communities and it continues to provide resources that our society depends on. As an industry, we are accustomed to adapting to cyclic behavior in the market, and we face the additional challenges of fluctuating commodity prices. Demographics are a key driver for economic growth, as well as energy demand. It is predicted that the global population will rise from 6.9 billion in 2010 to 8.6 billion in 2035. Expectations in the future are higher now than ever, and EQUATE aims to meet these plans with increased investments in new developments with a sustainable mindset.

Working towards Kuwait's Vision

The independent State of Kuwait has historically demonstrated national resilience and strength, where efforts have been made to fulfill Millennium Development Goals over the last decade, such as universal primary education, promoting gender equality and a global partnership for development. Today, Kuwait is known for its high standard of living, healthcare, education and job opportunities. The continued sustainability of the nation's growth is a priority for EQUATE, where we prosper only when Kuwait does too. In line with Kuwait's Vision 2035 reform agenda, EQUATE is committed to developing local economic capacity in a way that benefits the people of Kuwait, communities and our business. As outlined in the 2035 Vision, we wish to embed humane and tolerant values in our society on the path to making Kuwait a centre of modern thought and dialogue.

EQUATE is taking key steps in exploring its alignment with sustainability principles, and it is our ambitious task that the sustainability of economy, society and environment is part of our daily agenda. Stimulating entrepreneurship, leveraging Kuwait's natural resources and developing human capital are certain initiatives

highlighted in the report that EQUATE would like to address. Such issues are complex, and indeed, require the creation of frameworks which can build the local economy, develop skills, create jobs and provide opportunities for investment.

Local hiring and benefits

We know that building local employment opportunities can serve as a precursor to economic progress. Investing in the workforce in Kuwait advances the development and education of the country. We have introduced certain initiatives in order to support locals such as university visits, recruitment fairs and employee networking. Our solid partnership with the Manpower and Government Restructuring Program (MGRP) to recruit qualified Kuwaitis interested in starting their own private sector career has resulted in a range of specially designed internship programs for young nationals.

With such initiatives in place, the percentage of Kuwaiti nationals in EQUATE's workforce is 51%. Moreover, the percentage of senior management from Kuwait is at a healthy 75%. With such resources at hand, we aim to advance our people in further developing their industry knowledge for a sustainable EQUATE. Our Kuwaiti employees also benefit from a nationally-designed pension plan, where EQUATE contributes 7.5% of their social security. In 2012, a sum of \$5,791,406 was spent on pension plans for our total of 705 Kuwaiti employees.

Performance transparency

One of our core business values is to conduct all business affairs while observing ethics, honesty and transparency. As part of the way to work, EQUATE wishes to maintain the highest standards of ethical behavior at the workplace. Our adoption of the Responsible Care® (RC) initiative is one way that we are able to achieve this ambition, and in 2011 we were

accredited as a member of global chemical industry's flagship program. Responsible Care® is a voluntary initiative designed for, and used by, the global chemical industry to safely handle products – from inception in the research laboratory, through to manufacturing, distribution and all the way to their ultimate reuse, recycle and/or disposal. The program is now adopted in 54 countries and is the global chemical industry's environmental, health and safety initiative to drive continuous improvement in performance and to promote transparency. EQUATE was the first company in Kuwait to be RC certified, receiving the RC 14001 certification and accreditation. Over the last two years, we have seen a real change in the way we work, where we have even higher standards of performance and transparency. Being an RC partner, as well as a member of Gulf Petrochemicals and Chemicals Association (GPCA), EQUATE is committed to the following:

1. Adopting global RC core principles;
2. Implementing fundamental features of GPCA RC programs;
3. Advancing sustainable development;
4. Continuously improving and reporting performance;
5. Enhancing the management of chemical products worldwide and product stewardship;
6. Championing and facilitating the extension of RC along the chemical industry's value chain;
7. Actively supporting GPCA and global governing processes;
8. Addressing stakeholder expectations about chemical industry activities and products;
9. Providing appropriate resources to effectively implement RC principles.



Supplier development

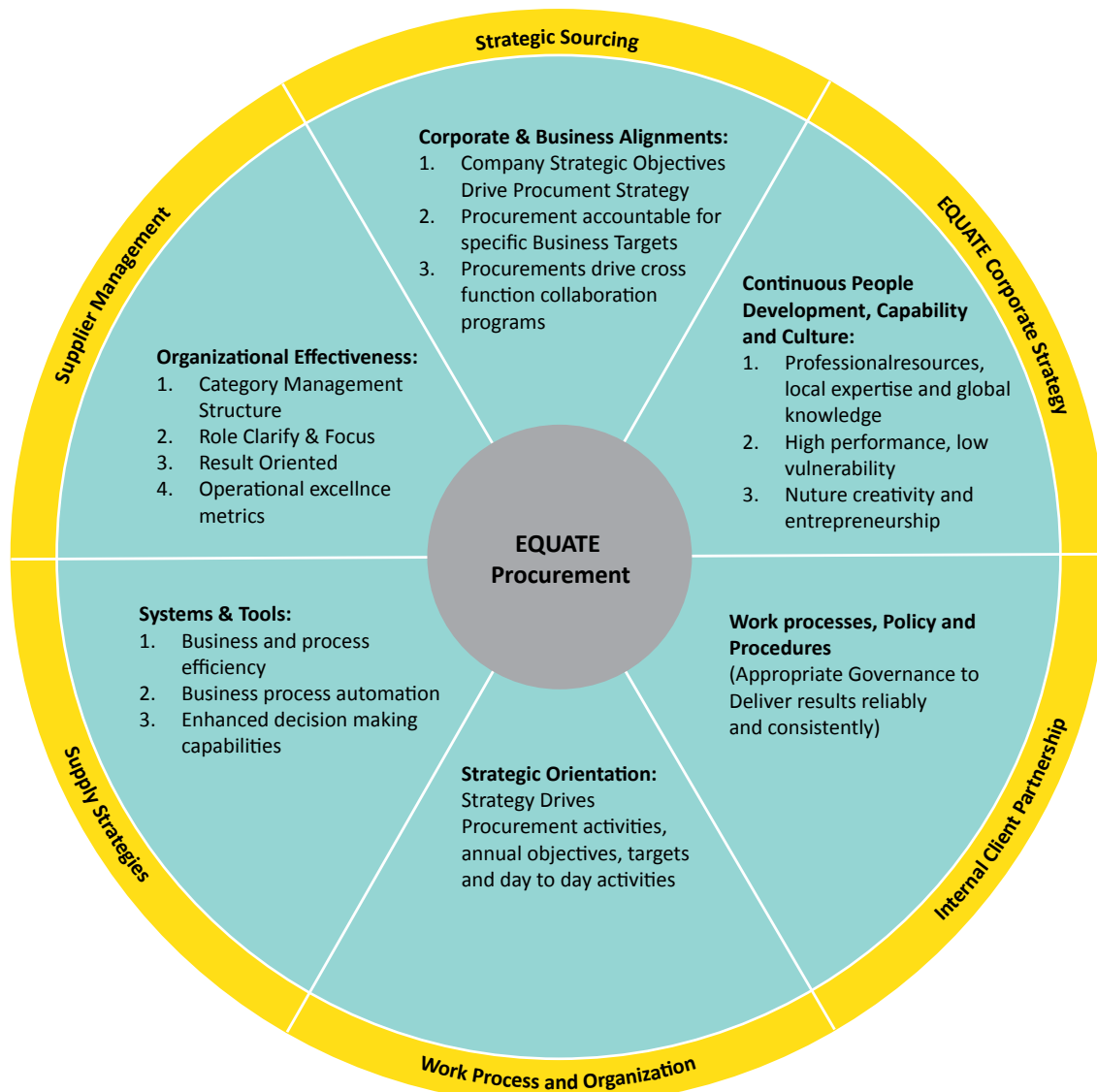
Supplier development programs ensure that our procurement activities strengthen Kuwait's economy and promotes EQUATE as a partner of choice. Our ultimate goal is to maintain a reliable, effective and competitive supply chain. In line with such efforts, our procurement goal is to "be a world-class, business-aligned, strategically orientated, effective and efficient procurement organization". Our aim is "to create a culture to integrate basic corporate procurement and business elements in order to achieve continuous value creation, improve cost position, generate sustainable competitive advantage and support business growth for EQUATE". This requires us to ensure that our suppliers are constantly meeting our standards of working, where we have a specific policy and supplier selection criteria. Before we select any supplier, we need to make sure they meet the following:

- Relevance to EQUATE business
- Criticality to EQUATE operations
- Addition of valued new technology
- Compliance to legal requirements and EQUATE specifications
- Provision of geographic risk mitigation locations
- Diversity
- Relevant past experience with EQUATE and our shareholders
- Speed of response and competitive prices
- Reliability

To oversee our procurement policy, we have a Procurement Department exclusively responsible for the procurement of all goods and services from third party suppliers for EQUATE and our other operating facilities. The procurement strategy is aligned with the corporate strategy, with each division in the

department assigned to key roles including Strategic Sourcing, Payable Audit Team, Investment Recovery and Sales. We know that sourcing our suppliers locally helps us generate sustainable value and enhances our supply security. Our procurement budget in 2012 showed that 91% of the total procurement budget was awarded to local suppliers, a 1% increase from the previous year, which predominantly went to government owned companies.

In some cases, we have played a pivotal role in kick starting Kuwaiti start-ups as a result of our supplier development. Our Procurement Department has generated initiatives which have resulted in the development of a number of successful local Kuwaiti businesses, with which we still work. Examples of these cases include Klinger Warba Gasket Manufacturing, our wooden pellet suppliers, packaging suppliers and CO₂ processing plants.

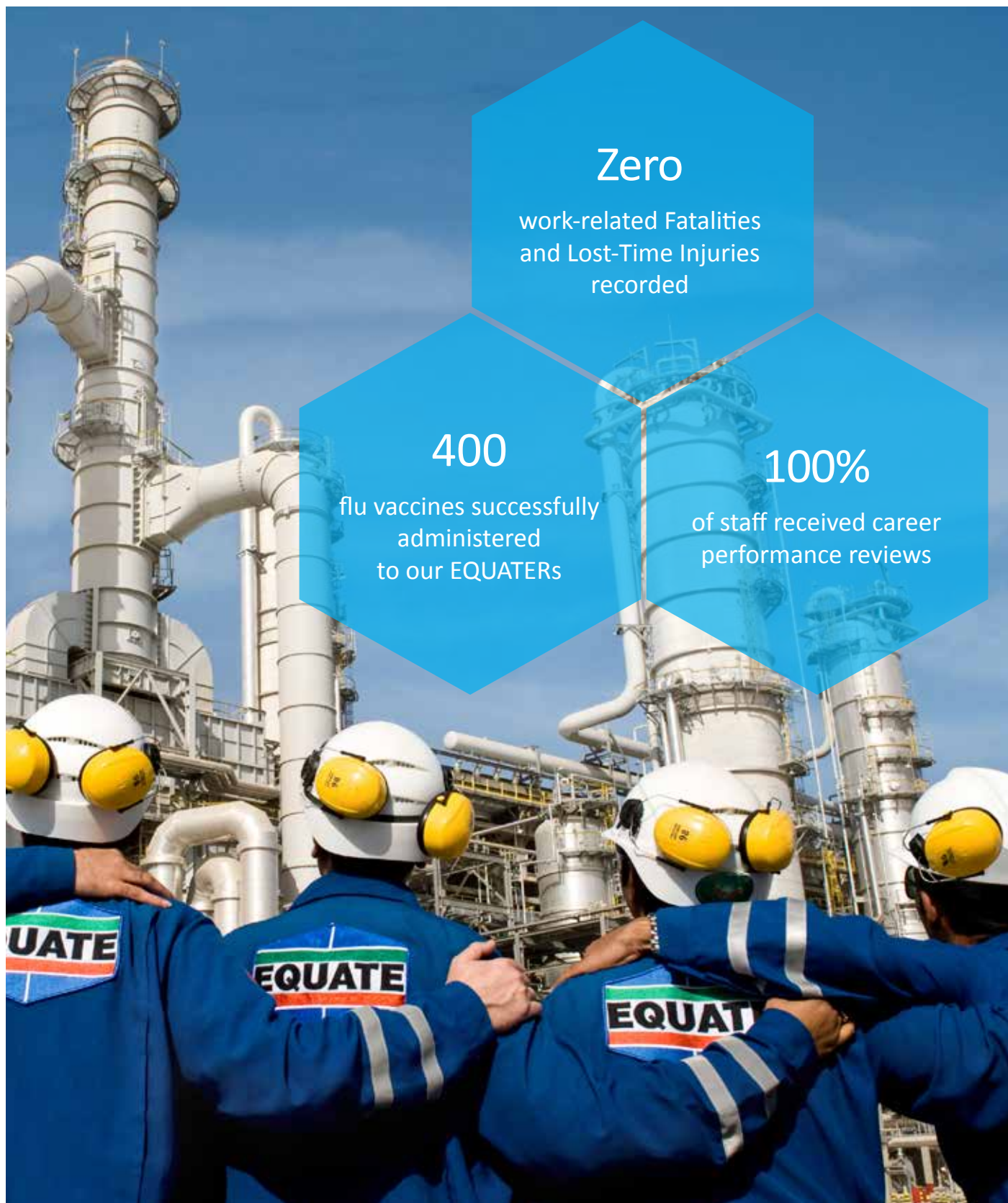


EQUATE's Supplier Engagement Policy



Our People

EQUATE internally adopts a 'Managing Implementation' plan in order to safe-guard out employees. The plan is based upon the advice of the core strategic committee and is based on the company's vision and values.

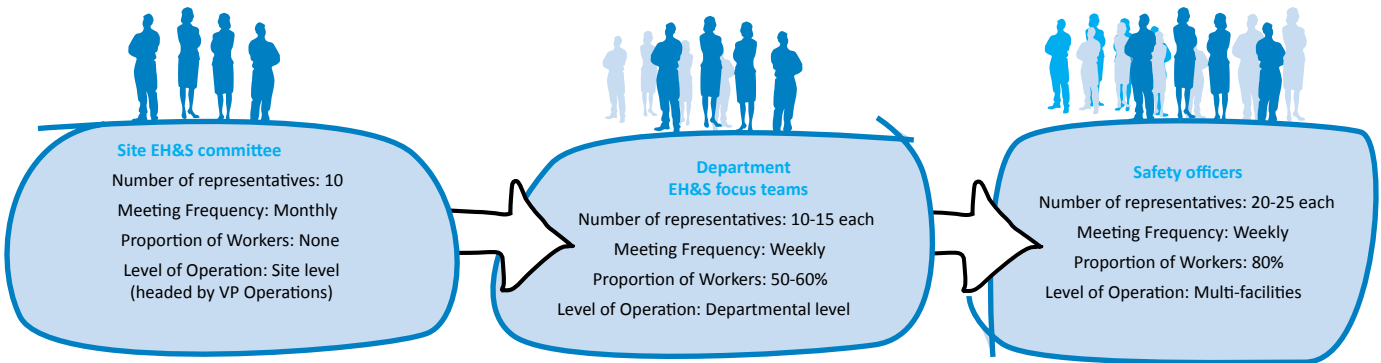


Safety and the workplace

With a total of 1,373 full-time EQUATERS, we aim to be a top employer by consistently equipping our employees with the tools they can be successful by creating a work environment that supports their wellbeing. EQUATE's corporate values include respect in teamwork, taking responsibility, learning and innovating as well as staying safe. To build our professionals' capacity and commitment on

topics related to health and safety, we pay great attention to investing and implementing motivational training tools, which have been benchmarked to international standards. We seek to empower our employees to make a meaningful difference in their working life. Also, we pay special attention to create a corporate culture that is focused, responsive, disciplined and efficient. Above all, we want our individuals to be proactive in innovating, encouraging ideas and creativity.

EQUATE internally adopts a 'Managing Implementation' plan in order to safe-guard out employees. The plan is based upon the advice of the core strategic committee and is based on the company's vision and values. We set specific departmental goals and objectives to the year, where site-based Environment, Health and Safety (EH&S) committees teams are established to ensure goals are met. Branching out of this are departmental level focus teams as well as safety officers for various facilities.



With our preventative care initiatives in place, in 2012 we had no fatalities or Lost Time Injuries (LTIs) in our workforce. There were however 4 Recordable Injuries meaning a 0.12 Recordable Injury Rate. Overall, we have seen an improvement in our safety performance compared with last year in all areas except for the number of sick days. Nevertheless, we are looking to decrease that number in the future, especially considering that EQUATE's total number of exposure hours for our employees has decreased.

Employee Health

EQUATE provides support and services to help our employees to lead healthier lives. We consider workplace and community health issues as important tools for the sustainability of the company. All of our employees are required to receive a full medical check to ensure physical fitness to work, where in 2012 7,715 medical exams and consultations were provided for our employees and contractors. We also perform periodic ergonomic assessments to provide optimum working environments, which avoid stress and injury. Our medical newsletter 'E-med ECHO' comes out quarterly and continues to educate employees on historic and emerging disease-related issues. We also keep our employees involved in all our health-related campaigns such as World Health Organization (WHO) annual events, conducting stress management workshops, HBA1C screening and blood donation drives. Our efforts go beyond the scope of just our employees, where we like to touch the lives their families as well. In 2012, more than 400 flu vaccines were successfully administered to our EQUATERS, their family members as well as contractors. Indeed, we strive to communicate openly with all of our employees and receive feedback on our activities. Last year, we sent out an E-med

Safety Statistics at EQUATE

	2011	2012	
Exposure hours	6,236,915	5,124,912	
Number of Work-Related Fatalities	0	0	●
Fatality Accident Rate	0	0	●
Number of Lost Time Injuries (LTIs)	1	0	↑
Lost-Time Injury Frequency (LTIF)	0.16	0	↑
Number of lost days from LTIs	12	0	↑
Number of recordable injuries	4	4	●
Total recordable incident rate	0.64	0.12	↑
Number of sickness absence days	5,353	6,812	↓

*As per EQUATE's EH&S Policy, Section 3.2 "Injury & Illness reporting" all above injuries are being reported, classified and investigated by our experts. Root causes are identified and corrective and preventative actions are assigned and tracked. For any incident, EH&S compliance audits, behavior based programs, Root Cause Investigation (RCI) actions, Learning Experience Reporting (LER) and a Safe Job Plan (SJP) are performed.

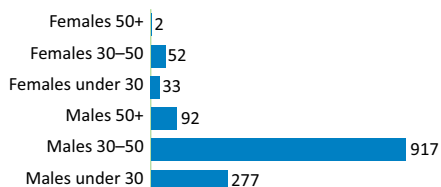
survey to understand more about employee needs and expectations when it comes to their health and safety. For more on our actions in community health, see page 31.

Employee diversity and equal opportunity

Diversity is important to EQUATE, and we believe that developing a diverse workforce of highly talented individuals helps our business to thrive. We think it is right for the composition of our workforce to reflect that of society. With more than 25 nationalities across our businesses and functions, EQUATE has been able to harness a strong blend of multi-national experts who bring with them a diverse array of talents, beliefs and perceptions to work. This has given us a key competitive advantage. One of our diversity hotspots is our female/male ratio. Today, females make up 6% of

our workforce, a number we are looking to increase. In this scope we are committed to promoting leadership opportunities for women and improve the gender balance within the company. This commitment to gender equality extends to various aspects of our activities including recruitment, promotion, training and wages. There is no difference between male and female salaries at EQUATE, and both genders receive the same employee benefits. In addition, 100% of males and female staff receive career periodic performance reviews. This provides a structured, documented discussion regarding work goals, training objectives and development needs. This process means that our people have ongoing employee coaching and continuous performance improvement. As such, employees of both genders are actively developing throughout the course of their careers.

EQUATE workplace diversity by age and gender



Training and development

The training of our employees is crucial for productivity of the workplace. We place emphasis on three core areas, where classroom based training sessions, e-learning programs, international relocations, field visits and internships are conducted depending on the employee or contractor profile. The topics of the focus areas include cultural capabilities, core technical competencies and leadership code.

EQUATE also provides a minimum EH&S training for employees of all levels as a requirement. In 2012, female full-time employees (FTE) averaged a total of 34 hours of training, while males (including contractors) received an average of 37 hours of training. We also engage with learning institutions through a professional development program, where we have partnered with the Ministry of Higher Education and have provided financial support for employees to receive undergraduate degrees and other diploma schemes.

Keeping our talent

EQUATE is committed to being a leading employer. Our benefits program is part of our whole employee package and is designed to support our business objectives while at the same time meeting needs and expectations of our EQUATERS through all stage of their employment. This also supports us in attracting and retaining the brightest and most qualified

employees. Providing access to healthcare at an affordable price reinforces our commitment to safety and wellness. Our employees are able to have security with our life insurance offerings. In addition, we provide disability/invalidity coverage, parental leave and competitive retirement provisions. In 2012, 87 persons left the company, representing an employee turnover rate of 3.5, an improvement since last year. The highest turnover was seen with Males over the age of 50 who were retiring.

EQUATE turnover rates

	Males	Females
Under 30	5.4	3.0
30-50	1.7	11.5
50+	11.9	0





Society & Local Community

EQUATE conducts business in communities where our employees, customers, suppliers and business partners live and work. Our ability to gain and maintain access to new and existing resources is critical for our long-term success and depends on the strength of our relationships with key stakeholders.



Caring for our customers

EQUATE uses a third party for conducting our customer satisfaction survey, every two years. We use two methods of deployment verbally and through email. The feedback is analyzed and communicated internally within EQUATE as row data files, presentations and an analysis report. In 2012, we had a 76% response rate from our customers where results reflected a general satisfaction within acceptable standards within the industry. There are improvement opportunities identified and assigned to the concerned functions to address issues raised. In relation to this matter, we are also happy to report zero substantiated complaints regarding breaches of customer privacy and losses of customer data.

Community development

We are committed to contributing to the social and economic development of the communities in which we operate. We believe that doing so is fundamental to the broader success we seek to achieve as a business. Most of our community initiatives in Kuwait are focused on building human and institutional capacity in ways that help stimulate economic growth and enable the society to prosper.

We have identified two areas we consider critical to this development: Health Awareness as well as Education and Career Training. Below are some examples of projects we supported in 2012.

In line with our sustainability focus on health and medical affairs, EQUATE has been an avid supporter of relevant efforts by the **Kuwait Medical Association** throughout the year.

Health Support and Awareness Campaigns

- Realizing the need for community awareness regarding the dangers of drugs, we supported Kuwait's **Ministry of Interior** and the **National Anti Drug Committee** in its campaign against substance abuse within a context of a strategic partnership.
- Supporting national and regional efforts to battle drugs, EQUATE has extended its support to **The Arab Federation for Drug Abuse Prevention** for its overall awareness efforts.
- As the **Kuwait Red Crescent Society** is one of Kuwait's leading non-profit organizations, EQUATE has played a key role in supporting the society's overall voluntary, medical and charity activities within and outside Kuwait, with focus on its 'Help Care' initiative.
- Understanding the significance of physical rehabilitation for persons in need, we joined hands with **Fawzia Sultan Rehabilitation Institute's** Children's Rehabilitation Program to deliver premium medical care to several children under the supervision of highly qualified physicians.
- Embodying the significance of health issues as outlined in its sustainability strategy, EQUATE has forged strong collaboration with Kuwait's **Ministry of Health** for various events and activities that relate to the society at large, with a highlight being the First Kidney Patients Nutrition Conference. Based on strong collaboration between the two bodies, EQUATE sponsored the initiative and helped establish a state-of-the-art and fully equipped center for the Ministry of Health's Occupational Health Department.
- Applying "An ounce of prevention is worth a pound of cure," EQUATE sponsored the "Prevention and Screening of Uprising Diseases in Kuwait" forum aimed at creating a holistic community approach towards tackling diseases at **Kuwait University**.

- Dubbed as "Painting Smiles," EQUATE and **Kuwait Association for the Care of Children in Hospital** partnered together for the training of children at hospitals at the hands of qualified artists to produce artworks that were later sold at a charity exhibition with all proceedings being directed to the hospital.

Education and career training

- Realizing that persons with special needs are fully entitled to equal opportunity at every level, EQUATE supported the association to acquire a number of Braille Sense PLUS equipment to support the **Kuwait Blind Association** and its members for their quest for knowledge.
- With ethical conduct being a core value to us, we have been an passionate supporter of **Rekaaz Organization** to Promote Morality with its various campaigns throughout Kuwait.
- Aspiring for continuous environmental excellence, EQUATE has strongly supported the **Environment Public Authority** for its Second Environment Month which involved initiatives aimed at creating societal awareness about the environment and its preservation.
- Understanding the importance of cooperating with fruitful scientific initiatives, EQUATE sponsored the **National Institute of Technology Calicut Alumni Association** program and participated with the alumni members and their families.
- Through collaboration with this academic entity, EQUATE supported students from the **University of Colorado's Study Abroad Program** by organizing detailed seminars that included presentations and a tour of Greater EQUATE petrochemical complex.
- We have partnered with **Kidzania Kuwait** as part of our efforts to develop a proper educational environment for children between the ages of four to twelve to understand our business better and EQUATE's industrial process.



- Throughout the years, EQUATE has strongly manifested its interest in fostering a culture of learning and research, something which has been embodied by sponsoring, for over 10 years, **Kuwait Institute for Scientific Research's Summer Training Program**. In support of hands-on practical training, we have also launched our own **Student Internship Programs** whereby the students get the opportunity to apply knowledge acquired within a professional work environment.
- In support of Kuwait's goal to become a regional financial and economic hub, EQUATE has sponsored and participated in the **Kuwait Investment Forum** for the second year running.
- With research being a main element of education as outlined in our sustainability strategy, EQUATE sponsored the **Third Annual Pre-Engineering Design Competition** as part of a partnership with several organizations in the field.
- Being a model organization for EH&S within and outside Kuwait, EQUATE has extended unwavering support to the initiatives of **The American Society of Safety Engineers' Kuwait Chapter**. On a local level, and as one of Kuwait's leading organizations, we have also been a part of several initiatives launched and organized by Kuwait Society of Engineers.
- To form thorough understanding of the petrochemical industry as a whole, EQUATE has fully sponsored the attendance of 10 Kuwait University students at events organized by the **Kuwaiti Students Sponsorship at Gulf petrochemical & Chemicals Association**

Our role in Kuwaiti society: public policy and compliance

Government policies which enable a transition to a sustainable economy have never been more important than they are now. The corporate sector wields significant influence in defining the final shape of those policies by following the framework for responsible lobbying. Today however, EQUATE does not participate in any public policy development activities and lobbying. This includes any financial and in-kind contributions to political parties, politicians and related institutions in Kuwait.

EQUATE is also fully compliant with local and international laws and regulations and are pleased to report no significant fines or non-monetary sanctions for non-compliance in 2012. We also uphold a high ethical standing when it comes to market behavior, where we do not participate in and thus have had zero legal actions for anti-competitive, anti-trust or monopoly practices.

Product and service impact

EQUATE implements a comprehensive 'Product Stewardship Program' which ensures that health, safety, and environmental protection is an integral part of designing, manufacturing, marketing, distributing, using, recycling and disposing of EQUATE's products. A total of 70% of our products and services are assessed for with such procedures, where no incidents of non-compliance with health and safety regulations and codes were recorded in 2012. We provide a range of value-added services for our products which include Material Safety Data Sheets (MSDSs); Product-specific safety training; Storage and Handling Guidelines; Regulatory information where appropriate; Advice on clean-up procedures and accidental spills. Along with our Responsible Care® system, we carry out regular changes to our product life cycles keeping them relevant and safe. In 2012, in the development of product concepts

we designed products that contain lower levels of additives to minimize their extraction into the food of consumers. We are looking for further protection and safety measures through our Research and Development team is also considering catalysts that do not contain substances that has health restrictions. Improving the quality of our product, our manufacturing and production team has recently eliminated dusty raw materials and provided non-dust blends in 2012. In line with our belief to constantly improve and innovate, we updated our storage and handling guidebook last year. When it comes to the end of our product lifecycle, we educate our customers on recycling and share some of our in-house data. At EQUATE, we use external laboratories for certifications of our products to meet EU regulations such as the EU Registration, Evaluation, Authorization and Restriction of Chemical Substances (REACH). In 2012, we introduced the evaluation of the presences of heavy metals in Glycol and provided certificates to customers.

Product labeling and marketing

We employ a risk-evasive and thorough product labeling system. Our Safety Data Sheets (SDS), provided to our customers, shows EQUATE's product information and gives the consumer a comprehensive understand of the potential health effects, hazards and environmental impacts that our products have. The SDS also includes first aid procedures and important contact numbers. In 2012, we can report that we had no incidents of non-compliance with regulations and voluntary codes concerning our product and service information and labeling.

EQUATE's Marketing Department today does not follow any international standards for advertising, promotion, and sponsorship. This issue is conduct on a project to project basis, which takes into consideration the needs and requirements of the initiative at hand, and aligning it with the corporate brand.



GRI Index

Indicator Disclosure

Level of
Reporting

Page

Strategy and analysis

1.1 Statement from the most senior decision-maker of the organization.

Fully

5

Organizational profile

2.1 Name of the organization.

Fully

8

2.2 Primary brands, products, and/or services.

Fully

8

2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.

Fully

9

2.4 Location of organization's headquarters.

Fully

8

2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.

Fully

8

2.6 Nature of ownership and legal form.

Fully

9

2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

Fully

8

2.8 Scale of the reporting organization.

Fully

8

2.9 Significant changes during the reporting period regarding size, structure, or ownership.

None

2.10 Awards received in the reporting period.

Partially

6

Report parameters

3.1 Reporting period (e.g., fiscal/calendar year) for information provided.

Fully

14

3.2 Date of most recent previous report (if any).

Fully

14

3.3 Reporting cycle (annual, biennial, etc.)

Fully

14

3.4 Contact point for questions regarding the report or its contents.

Fully

14

3.5 Process for defining report content.

Partially

14

3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.

Fully

14

3.7 State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).

Fully

14

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

None

3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.

Partially

14

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

None

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

None

3.12 Table identifying the location of the Standard Disclosures in the report.

Fully

33

Governance, commitment and engagement

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

Partially

9–11

4.2 Indicate whether the Chair of the highest governance body is also an executive officer.

Fully

10–11

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Partially

15

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.

Partially

12

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

Partially

13

4.14 List of stakeholder groups engaged by the organization.

Fully

15

4.15 Basis for identification and selection of stakeholders with whom to engage.

Partially

15

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

Partially

15

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

Partially

15

Economic Indicators

EC3 Coverage of the organization's defined benefit plan obligations.

Partially

28

EC5 Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.

Partially

24

EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

Fully

24

EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.

Fully

23

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

Partially

31–32

EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.

Partially

23, 31

Indicator	Disclosure	Level of Reporting	Page
Environmental Indicators			
EN3	Direct energy consumption by primary energy source.	Partially	17
EN4	Indirect energy consumption by primary source.	Partially	17
EN5	Energy saved due to conservation and efficiency improvements.	Partially	17
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	17
EN8	Total water withdrawal by source.	Fully	18
EN9	Water sources significantly affected by withdrawal of water.	Partially	18
EN10	Percentage and total volume of water recycled and reused.	Fully	18
EN16	Total direct and indirect greenhouse gas emissions by weight.	Partially	18
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	18
EN21	Total water discharge by quality and destination.	Fully	18
EN22	Total weight of waste by type and disposal method.	Fully	19
EN23	Total number and volume of significant spills.	Fully	19
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Partially	19
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	19
Labor Practices Indicators			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	27–28
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	28
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	23
LA6	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.	Partially	27
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	27
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	27
LA9	Health and safety topics covered in formal agreements with trade unions.	Partially	27
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	28
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	28
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	27
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	27
Society Indicators			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	32
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	32
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	32
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	32
Product and Service Indicators			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	32
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	32
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	32
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	32
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	31
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	32
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	32
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	31

Glossary of Terms and Abbreviations

Abbreviation List

BOD	Biological Oxygen Demand	KISR	Kuwait Institute for Scientific Research	PAI	Public Authority of Industries
BPC	Boubyan Petrochemical Company	KNPC	Kuwait National Petroleum Company	PIC	Petrochemical Industries Company
CO ₂	Carbon dioxide	KOC	Kuwait Oil Company	PPE	Personal Protective Equipment
COBC	Code of Business Conduct	KPC	Kuwait Petroleum Corporation	PSI	Process Safety Incident
COD	Chemical Oxygen Demand	KPPC	Kuwait Paraxylene Production Company	QPIC	Qurain Petrochemical Industries Company
Dow	The Dow Chemical Company	KSE	Kuwait Society of Engineers	R&D	Research and Development
EH&S	Environment, Health and Safety	KWD	Kuwaiti Dinars	RC	Responsible Care
EPA	Environment Public Authority	LDAR	Leak Detection and Repair	RCI	Root Cause Investigation
EU	European Union	LER	Learning Experience Reporting	REACH	Registration, Evaluation, Authorisation and Restriction of Chemical Substances
G3	3rd generation GKI reporting guidelines	LOPC	Loss of primary containment	RIR	Recordable Injury Rate
GHG	Greenhouse Gas	LTI	Lost time injury	SDS	Safety Data Sheets
GJ	Gigajoule	LTIF	Lost Time Injury Frequency	SJP	Safe Job Plan
GPCA	Gulf Petrochemicals and Chemicals Association	m ³	Cubic meters	SO ₂	Sulphur dioxide
GRI	Global Reporting Initiative	MECW	Middle East Chemical Week	SVHC	Substances of Very High Concentration
hr	Hour	MEW	Ministry of Electricity and Water	TKOC	The Kuwait Olefins Company
HR	Human Resources	MoH	Ministry of Health	TKSC	The Kuwait Styrene Company
HSE	Health, Safety and Environment	MSDS	Material Safety Data Sheet	TOC	Total Organic Carbon
HSSE	Health, Safety, Security and Environment	MTA	Metric Tons Annually	TSS	Total Suspended Solids
IPO	Initial Public Offering	MWh	Megawatt hour	VP	Vice President
ISO	International Organization for Standardization	NUKS	National Union of the Kuwaiti Students	yr	Year
KFAS	Kuwait Foundation for the Advancement of Science	O&G	Oil and Gas		



Glossary of Terms

Aromatics - relating to, or containing one or more six-carbon rings characteristic of the benzene series and related organic groups.

Benzene - Benzene is a colourless, flammable liquid with a sweet odour.

Biological Oxygen Demand (BOD) - is the amount of dissolved oxygen needed by aerobic biological organisms in a body of water to break down organic material present in a given water sample at certain temperature over a specific time period.

Chemical Oxygen Demand - this test is commonly used to indirectly measure the amount of organic compounds in water making COD a useful measure of water quality.

Diethylene Glycol - Diethylene glycol (DEG) is a valuable chemical intermediate used in the production of unsaturated polyester resins (UPR), plasticizers, acrylate and methacrylate resins and urethanes.

Ethylene Glycol - a thick liquid used primarily as antifreeze and in making polyester fibers.

Greenhouse Gas - is a gas in an atmosphere that absorbs and emits radiation within the thermal infrared range. The primary greenhouse gases in the Earth's atmosphere are water vapour, carbon dioxide, methane, nitrous oxide, and ozone.

Meteor® Process - The METEOR® Process is a revolutionary technology that integrates process simplicity, inherent safety and superior catalyst technology in the production of ethylene glycol. Monoethylene Glycol - Monoethylene glycol (MEG) is an important raw material for industrial applications. A primary use of MEG is in the manufacture of polyester (PET) resins, films and fibers. In addition, MEG is important in the production of antifreezes, coolants, aircraft anti-icer and deicers and solvents.

Paraxylene - is an aromatic hydrocarbon, based on benzene with two methyl substituents.

Polyethylene - a thermoplastic material composed of polymers of ethylene.

Polypropylene - also known as polypropene, is a thermoplastic polymer used in a wide variety of applications.

Product hazards - intrinsic characteristics with the potential to cause harm, such as flammability, corrosiveness, toxicity and non-biodegradability.

Styrene Monomer - a liquid raw material used as a foundation for producing styrenic plastics.

Total Organic Carbon - is the amount of carbon bound in an organic compound and is often used as a non-specific indicator of water quality.

Total Suspended Solids - is a water quality measurement usually abbreviated as TSS and is a term that refers to the identical measurement: the dry-weight of particles trapped by a filter, typically of a specified pore size.

UNIPOL® Technology - The sophisticated UNIPOL® technology is used by EQUATE for Polyethylene (PE) to produce a number of PE product grades for a wide variety of applications, including packaging materials, blow moulded bottles and containers.



Publications and References

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Responsible Care®:

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REACH:

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Gulf Petrochemicals & Chemicals Association:

www.gpca.org.ae

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www.kse.org.kw/

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Greencarbon:

www.greencarbon-me.com

Aquatech:

www.aquatech.com



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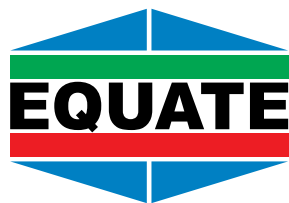


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